



January 26, 2018

The Honorable Alex Azar
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Re: KanCare 2.0 Section 1115 Demonstration Renewal Application

Dear Secretary Azar:

Thank you for the opportunity to submit comments on the KanCare 2.0 Section 1115 Demonstration Renewal Application.

The seven undersigned organizations represent millions of patients facing serious, acute and chronic health conditions across the country. Our organizations have a unique perspective on what patients need to prevent disease, cure illness and manage chronic health conditions. The diversity of our groups and of those we represent enables us to draw upon a wealth of knowledge and expertise and serve as an invaluable resource regarding any decisions affecting the Medicaid program and the patients that it serves. We urge the Department to make the best use of the recommendations, knowledge and experience our patients and organizations offer here.

Our organizations are committed to ensuring that Medicaid offers patients adequate, affordable and accessible health care coverage. However, several of the policy proposals included in the KanCare 2.0 application jeopardize patients' access to care and could have harmful implications for individuals with serious, acute and chronic diseases. We therefore ask the Department to modify the KanCare 2.0 application in the following areas:

Work Requirements

Under the KanCare 2.0 proposal, able-bodied adults would be required to comply with work requirements unless they qualify for certain exemptions. Based on Kansas's current Medicaid eligibility criteria, these requirements would impact parents and caregivers making less than 38 percent of the federal poverty level (approximately \$7,760 per year for a family of three). These requirements would create barriers to coverage for patients who may fall into this already vulnerable population. Our organizations strongly urge the Department to remove these unnecessary requirements.

Most people on Medicaid who can work do so.¹ A recent study, published in JAMA Internal Medicine, looked at the employment status and characteristics of Michigan's Medicaid enrollees.² The study found only about a quarter were unemployed (27.6 percent). Of this 27.6 percent of enrollees, two thirds reported having a chronic physical condition and a quarter reported having a mental or physical condition that interfered with their ability to work. It is unclear how the work requirement included in the KanCare application furthers the goals of the Medicaid program or how it helps low-income families improve their circumstances without unduly compromising their access to care.

Administering these requirements would likely be complicated and expensive. While the KanCare application does not explain how Medicaid patients would have to apply for exemptions or demonstrate that they have met these requirements, having to document compliance could create barriers to accessing or maintaining coverage for our patients. Battling administrative red tape in order to keep coverage should not take away from patients' focus on maintaining their or their family's health. The application also does not include the costs to the state to determine eligibility and track hours worked in its budget neutrality estimate. These administrative costs will divert resources from Medicaid's core goal – providing health coverage to those without access to care.

Our organizations have concerns that the current exemption criteria do not capture all patients with serious and chronic health conditions that prevent them from working or all caregivers who help these patients manage their conditions, including parents whose children have special health care needs but might not be classified as disabled. While some patients with certain conditions are specifically exempted, there are others who may be recovering from a heart attack, in active cancer treatments, or living with many other conditions not exempted who similarly would be unable to work. Even those patients and caregivers who are exempt from a work requirement risk the loss of coverage due to the potentially overly burdensome paperwork requirement. Additionally, while the application states that members will be able to request exemptions, the process for doing so is not outlined and may not be practical for patients and caregivers to navigate. Again, we urge the Department to eliminate these bureaucratic requirements and their potentially negative impact on patients and families.

Time Limits

The KanCare 2.0 application imposes time limits on Medicaid coverage that our organizations strongly oppose. Members who are subject to but do not meet work requirements could receive a maximum of three months of coverage over a 36-month period, while members who are subject to and meet the requirements could still only receive a maximum of 36 months of coverage. These arbitrary limits simply do not work for patients, who need uninterrupted access to care to manage their illnesses. Loss of coverage at a critical point during treatment could easily lead to life-threatening consequences. The 36-month lifetime coverage limit is particularly troubling because patients may cycle in and out of poverty and need Medicaid coverage at different periods throughout their lives. While patients' incomes and eligibility may change due to seasonal employment, recessions or for many other reasons, many patients will need lifelong treatment for their diseases and therefore cannot afford lifetime limits on

¹ Rachel Garfield, Robin Rudowitz, and Anthony Damico, "Understanding the Intersection of Medicaid and Work," Kaiser Family Foundation, February 2017, <http://kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>.

² Renuka Tipirneni, Susan D. Goold, John Z. Ayanian. Employment Status and Health Characteristics of Adults With Expanded Medicaid Coverage in Michigan. *JAMA Intern Med.* Published online December 11, 2017. doi:10.1001/jamainternmed.2017.7055

access to care. Our organizations urge the Department to strike time limits on coverage from this proposal.

Health Savings Accounts

Finally, the KanCare application proposes the creation of optional health savings accounts (Independence Accounts) for individuals in the TransMed program, which provides an additional year of health coverage for families who lose Medicaid eligibility due to increased earnings. However, patients who opt into these accounts would be prohibited from re-enrolling in Medicaid for an unspecified period of time. As with time limits, lock-outs do not work for patients who cannot control when they need access to care. Our organizations oppose these prohibitions on Medicaid re-enrollment and request that the Department remove them from this proposal as well.

Thank you for reviewing our comments. We appreciate the opportunity to provide feedback on this application.

Sincerely,

American Heart Association

American Lung Association

Arthritis Foundation

Family Voices

Lutheran Services of America

National Multiple Sclerosis Society

National Organization for Rare Disorders

CC: The Honorable Seema Verma, Administrator,
The Centers for Medicare and Medicaid Services