



February 5, 2018

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

Re: Arizona Section 1115 Waiver Amendment Request- Arizona Health Care Cost Containment Works Waiver

Dear Secretary Azar:

Thank you for the opportunity to submit comments on the Arizona Section 1115 Waiver Amendment Request- Arizona Health Care Cost Containment Works Waiver.

The 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 the patients and consumers 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 Arizona Section 1115 Waiver Amendment request jeopardize patients' access to care and could have harmful implications for individuals with serious, acute and chronic diseases. We therefore provide the Department with the following comments and recommendations regarding Arizona's Section 1115 Waiver Amendment.

### **Work Requirements**

Under the Arizona Section 1115 Waiver Amendment request, adults making 138 percent of the federal poverty level or less (approximately \$33,948 per year for a family of four) would be required to comply with work requirements unless they qualify for certain exemptions. Our organizations recognize a work requirement as a significant barrier to care and therefore strongly oppose its inclusion in the Waiver Amendment.

The intent of the 1115 Demonstration Waiver program is to increase access and test innovative approaches to delivering care.<sup>i</sup> This provision does not appear to satisfy either requirement and could significantly harm patients by reducing their access to healthcare services both in the short and long term. Many factors can serve as barriers to finding employment or attending school, including physical and mental health conditions, the difficulty of finding affordable care for children or patients with special health care needs, lack of transportation, lack of education, lack of work experience and criminal record. None of these reduce the need for healthcare. Furthermore, most people on Medicaid who can work do so.<sup>ii</sup> A recent study, published in JAMA Internal Medicine, looked at the employment status and characteristics of Michigan's Medicaid enrollees.<sup>iii</sup> 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. The work requirement included in the Arizona Section 1115 Waiver Amendment request does not further the goals of the Medicaid program or help low-income families improve their circumstances without unduly compromising their access to care.

Administering these requirements would likely be complicated and expensive. Arizona proposes conducting bi-annual eligibility redeterminations for the entire Medicaid expansion population, including individuals who are exempt and non-exempt from work requirements. The process of having to document eligibility and compliance is likely to create substantial administrative 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 specify how or how often beneficiaries will need to report their hours worked. These administrative costs for both the redetermination process and monitoring compliance will divert resources from Medicaid's core goal – providing health coverage to those without access to care.

Our organizations also have concerns about the current exemption criteria. Arizona proposes to work with CMS to create a definition of medically frail individuals who would be exempt, followed by a 45-day public comment period in response to the previous comments received. While we are encouraged Arizona is trying to exempt medically frail individuals, our organizations do not believe this will mediate the problems caused by the work requirement —including that people will lose coverage as a result. Exempting additional patients will not capture all patients with, or at risk of, serious and chronic health conditions that prevent them from working. Even exempt enrollees will face onerous amounts of paperwork, creating an opportunity for error. Even if patients with serious, chronic and acute diseases are exempt from meeting a work requirement, they will have to provide documentation of their illness

on a regular basis or risk losing coverage. We believe this provision will not advance patient health and in fact has a serious chance of negatively impacting patient outcomes. We urge HHS to reject these bureaucratic requirements and their potentially negative impact on patients and families.

Lastly, people suffering from chronic or serious conditions often experience lapses in employment due to their condition or may have been directed by a physician to take time away from work as part of their treatment and recovery. Therefore, participation in work or work searches as a condition of Medicaid eligibility could inappropriately and unfairly bias against these individuals and create inappropriate and unwarranted barriers to medical care.

### **Time Limits**

The Arizona Section 1115 Waiver Amendment imposes time limits on Medicaid coverage that our organizations strongly oppose. The Waiver creates a five-year lifetime limit for coverage for adults subject to the work requirements. This arbitrary time limit simply does 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. 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 and other reasons, many patients will need lifelong treatment for their diseases and therefore cannot afford lifetime limits on access to care. Our organizations urge HHS to reject Arizona's request to impose time limits on coverage.

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

Sincerely,

American Diabetes Association  
American Heart Association  
American Lung Association  
Arthritis Foundation  
Crohn's & Colitis Foundation  
Cystic Fibrosis Foundation  
Epilepsy Foundation  
Family Voices  
The Leukemia & Lymphoma Society  
Lutheran Services in America  
National Multiple Sclerosis Society  
National Organization for Rare Disorders  
United Way Worldwide

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

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<sup>i</sup> Section 1115 Demonstrations. <https://www.medicaid.gov/medicaid/section-1115-demo/index.html>

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<sup>ii</sup> 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/>.

<sup>iii</sup> 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