FAMILIESUSA
THE VOICE FOR HEALTH CARE CONSUMERS

August 17, 2018

The Honorable Alex Azar, Secretary
United States Department of Health and Human Services
200 Independence Ave., SW
Washington, DC 20201

**Re: Comments on Mississippi Medicaid Workforce Training Initiative - Updated**

**Submitted electronically via Medicaid.gov**

Dear Secretary Azar,

Families USA appreciates the opportunity to provide comments on Mississippi's revised 1115 Demonstration Waiver Application for the state's Medicaid Workforce Training Initiative. Families USA is a national health care advocacy organization that supports policies and programs at the state and federal levels to expand access to quality, affordable health care, with a particular focus on policies that affect lower-income individuals.

Mississippi has revised its initial waiver application. The proposed change would provide additional months of Medicaid coverage to some parents/caretakers who become ineligible for Medicaid because they comply with the state's work requirement.

This change shows that the state recognizes that its proposed program places parent/caregiver Medicaid enrollees in a situation where they will lose Medicaid coverage whether they comply with the work requirement or not, because working the required hours at minimum wage would result in income in excess of the state's Medicaid eligibility level. However, for enrollees affected by the work requirement, the state's proposed change is less than an inadequate band-aide for a program that all but guarantees they will lose health coverage. Furthermore, the revision does not change the threshold issue, which is that the Secretary does not have the authority to add a work requirement to Medicaid.

The revised request remains outside of the Secretary's approval authority under section 1115 of the Social Security Act and must be denied.

We respectfully request that these comments and the complete articles cited be incorporated into the record.

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## Comments on Specific Elements in the Waiver Request

***The request to add a work requirement is outside of the Secretary's authority under section 1115 of the Social Security Act***

We addressed this issue in our initial comments on the Mississippi waiver application. We have attached those comments as "Appendix A" to this submission and will not repeat the analysis in detail here. There is nothing in the state's revision that changes that analysis, which is summarized below.

- The objective of the Medicaid program is to provide funds to states to furnish medical assistance to their residents.[1]

- Section 1115 gives the Secretary the authority to waive state compliance with items in section 1902 of the Social Security Act. However, waivers must be: experimental, pilot, or demonstration projects; ***be likely to promote the objectives of the Medicaid program***; be limited to compliance with requirements of section 1902 of the Social Security Act; ***and*** be limited to the extent necessary for the state to carry out the experimental project (emphasis added).[2]

- Taking Medicaid health coverage away from otherwise eligible individuals because they do not work or volunteer a set number of hours is not related to furnishing medical assistance to those individuals. It is, in fact, diametrically opposed to the objectives of the program: it denies medical assistance to otherwise eligible individuals and would, by the state's own estimates, reduce Medicaid enrollment.[3]

- Arguments that adding a work requirement is within the Secretary's authority because work is positively related to health do not hold up to scrutiny and are irrelevant.
    - The positive correlation between work and health, upon which much of the state's application rests, is far from clear.[4] That is particularly true where low-wage work is

[1] Sec. 1901. **[**42 U.S.C. 1396**]**

[2] Sec. 1115. **[**42 U.S.C. 1315**]**

[3] See the state's initial and revised waiver applications.

[4] See Larisa Antonisse et al., The Relationship Between Work and Health: Findings from a Literature Review (Washington, DC: Kaiser Family Foundation, August 2018) online at https://www.kff.org/medicaid/issue-brief/the-relationship-between-work-and-health-findings-from-a-literature-review/; Peter Butterworth et al., "The Psychosocial Quality of Work Determines Whether Employment Has Benefits for Mental Health: Results From a Longitudinal National Household Panel Survey," *Occupational and Environmental Medicine* 68 no. 11 (2011): pp. 806-812; Joseph Grzywacz and David Dooley, "'Good jobs' to 'bad jobs': replicated evidence of an employment

concerned, and by definition that is the type of work that Medicaid eligible individuals will be engaged in.[5] Low-wage jobs are often not secure; often involve erratic shift work; more often than other jobs involve health risks in the work itself (physically hard work, exposure to toxins), all of which pose documented health risks, some quite severe, that can offset any positive effects of work.[6]

- Even if the positive correlation between work and health was clear, that would not change the analysis. Medicaid is health insurance, with the purpose of furnishing medical assistance to those who could otherwise not afford that assistance, defraying their health care costs. It is not a blanket program to address every issue that could affect the health of low-income individuals.

- Arguments that adding a work requirement will somehow transition individuals to private insurance both fail to stand up to scrutiny because many, if not most, losing coverage will not gain coverage elsewhere (discussed in greater detail below) and are irrelevant. Moving individuals off Medicaid to private coverage is not an objective of the Medicaid program.

- For all of the reasons above, which are also discussed in our original comments in Appendix A, the request to add a work requirement fails to meet the basic requirements of section 1115 and, therefore, must be denied.

***The modification does not address the fact that the proposed program will, by its very design, result in large numbers of individuals loosing Medicaid coverage and becoming uninsured, an outcome that will not accomplish the stated goals of the proposed waiver program***

The state contends that this program will "improve health outcomes, promote financial stability and independence from government assistance for current and future generations" (Waiver Application page 2). However, a close look at the program design shows that the outcome will be lost health insurance (hardly an outcome consistent with improved health status), greater financial strain, and likely deeper and more desperate poverty for those loosing Medicaid coverage and for their dependents.

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continuum from two large surveys," Social Science and Medicine 56 no. 8 (April 2003): 1749-1760, https://www.ncbi.nlm.nih.gov/pubmed/12639591; and, Tae Jun Kim and O von dem Knesebeck, "Perceived job insecurity, unemployment and depressive symptoms: a systematic review and meta-analysis of prospective observational studies," *International Archives of Occupational and Environmental Health* 89 no. 4 (May 2016): 561-573, https://www.ncbi.nlm.nih.gov/pubmed/26715495.

[5] Sarah Burgard, et al., "Bad Jobs, Bad Health? How Work and Working Conditions Contribute to Health Disparities," American Behavioral Sciences 2013 Aug; 57(8): 10, online at https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3813007/; Leigh JP, De Vogli R. Low wages as occupational health hazards [Editorial]. *J Occup Environ Med*. 2016;58(5): 444–7, online at https://www.ncbi.nlm.nih.gov/pubmed/27158950.

[6] *Ibid.*

***The fundamental flaw in Mississippi's proposal is not remedied by the waiver modification: the program will by its very structure cut individuals off of health insurance***

As noted above, Mississippi's waiver will, by design, result in people losing Medicaid coverage. The state's Medicaid eligibility cut off for parents/caregivers subject to the work requirement is 27 percent of poverty, or roughly $370/month for a single parent with a child.[7] Working at the required 20-hours per week at a minimum wage job, that single parent with a child would earn about $580/month, too much to qualify for Medicaid in Mississippi. Under Mississippi's program, that parent loses Medicaid coverage if he or she doesn't work and loses Medicaid coverage if he or she does. The odds are overwhelming that he or she will not gain job-based coverage, not be able to afford any other coverage, and will become uninsured.

- Very few are likely to obtain work-based coverage. Only 50.8 percent of all Mississippi private sector employers provide employees with health coverage.[8,9] The percent providing coverage to low-wage workers working less than full time, or providing coverage that low-wage workers could afford, is even smaller.[10]

- Individuals will still be ineligible for marketplace tax credits. Individuals meeting the 20 hours per week work requirement at minimum wage would still have an annual income that is below poverty and therefore not be eligible for advance tax credits to purchase marketplace coverage. Without that assistance, they would not be able to afford marketplace insurance, and be unable to afford insurance from any other sources.

To address this "Catch-22" built into the program design, Mississippi's revised application would allow some parents who would lose coverage due to increased earnings to remain Medicaid eligible under transitional medical assistance (TMA) for up to 24 months if they continue to meet the work requirement every month for the entire period. This is an increase from TMA's current 12 months. This modification is no material change at all. It does not in any way solve the inherent problem in Mississippi's program.

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[7] Kaiser Family Foundation State Health Facts, State Medicaid Eligibility January 2018, online at http://files.kff.org/attachment/Report-Medicaid-and-CHIP-Eligibility-as-of-Jan-2018-Table-5.pdf

[8] Kaiser Family Foundation, State Health Facts, "Percent of Private Sector Health Establishments that Offer Health Insurance to Employees, 2016," online at https://www.kff.org/other/state-indicator/percent-of-firms-offering-coverage/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D.

[9] Only 12 percent of workers with incomes below the poverty level have employer sponsored health insurance. Kaiser Family Foundation analysis of National Health Interview Survey. Available at https://www.kff.org/slideshow/employer-sponsored-insurance-offer-and-coverage-rates/

[10] Relatively few firms offer health benefits to part time employees. See Kaiser Family Foundation, *2017 Employer Health Benefits Survey* (Washington, DC: Kaiser Family Foundation, September 2017), see Section 2, Health Benefit Offer Rates online at https://www.kff.org/report-section/ehbs-2017-section-2-health-benefits-offer-rates/

- Not all parents with earnings would qualify for TMA. To qualify, individuals would have to have met Medicaid eligibility requirements for three out of the last six months before their income increased. This would exclude many parents/caregivers, including new enrollees, people who don't meet the work requirement *every* month, people with a break in work, among others. For those few who would benefit, it buys a little time before they inevitably lose coverage but does not change the overall impact of the program: desperately poor individuals loosing health insurance.

- It would not "ensure adequate access to healthcare during the transition period between government assistance and independence/stability" (Waiver Application page 3). It is unlikely that many of those who lose Medicaid coverage because they meet the work requirement will actually transition to "independence/stability." They are unlikely to get other health coverage. Their transition will likely be to a long-term state of being uninsured, and all the associated financial instability. That is hardly "independence/stability."

- The modified program would continue to reward those who comply with the work requirement with the same result they would have if they did not comply: lost health insurance coverage. The modification means that for some, that foregone outcome would be a little later.

The modification does not change the fact that Mississippi's waiver proposal would result in an increase in uninsured low-income Mississippians, a result that is in stark contrast to Medicaid's objective of furnishing medical assistance, and is not supported by 1115 authority.

***The program would not improve health outcomes***

The first goal for this waiver that is noted in Mississippi's application is improving health outcomes. This waiver will not accomplish that goal.

It is clear that the waiver will result in health insurance coverage losses for many individuals currently eligible for Medicaid. That will not improve their health outcomes. The effect will be the opposite. While health insurance is only one of many factors that contribute to health outcomes, it is a critical one.[11] Cutting individuals off of health insurance will not improve their health outcomes.

[11] Factors that influence health outcomes in addition to health insurance include environmental factors, genetics, family support, healthy behaviors, health system structure and health status. See Julia Paradise, *Data note: Three Findings About Access to Care and Health Outcomes in Medicaid* (Kaiser Family Foundation: Washington, DC, 2017)

***The program would not promote financial stability***

Cutting individuals off of health insurance will not increase their financial stability.

Medicaid coverage in and of itself improves individuals' financial security. It reduces medical debt for covered individuals and allows them to see a doctor when needed. It is associated with improved finances and reduced financial stress.[12]

By taking Medicaid away from parents/caregivers, Mississippi's program will hurt families' financial security.

***The program would harm, not help, future generations***

Mississippi's final stated program goal is creating "independence from government assistance for current and future generations" (Waiver Application page 2). Reducing access to health insurance and the associated reduction in health outcomes and financial security will not have that effect. Cutting parents and caregivers off health insurance coverage will have negative effects on the children of the parents/caregivers loosing coverage.

The people loosing coverage will have dependent children. The coverage losses and increased financial stresses that they experience will affect the children they care for. This proposal will affect future generations, but not in any positive way.

- Declines in children's health coverage. Children are more likely to have health insurance if their parents have health coverage.[13] Because the proposed program would likely result in more parents without insurance, children's health coverage is likely to decline as well, in turn leading to a decline in children's health.

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online at https://www.kff.org/medicaid/issue-brief/data-note-three-findings-about-access-to-care-and-health-outcomes-in-medicaid/

[12] Dee Mahan, et al., "Medicaid Expansion Improves People's Financial Stability, Families USA blog September 2016, online at http://familiesusa.org/blog/2016/09/medicaid-expansion-improves-people's-financial-stability; Katherine Baicker, et al., "The effects of Medicaid Coverage—Learning from the Oregon Experiment," *New England Journal of Medicine,* 2011; 365:683-685, online at https://www.nejm.org/doi/full/10.1056/NEJMp1108222 ; *Oregon Study Shows Obtaining Medicaid Improves Financial Security*, National Health Care for the Homeless Council online at https://www.nhchc.org/2013/05/oregon-study-s ; Loren Anthes, "The Return on Investment in Medicaid Expansion: Supporting Work and Health in Rural Ohio," *Say Ahhh! Blog,* Georgetown University Health Policy Institute, January 2017 online at https://ccf.georgetown.edu/2017/01/10/the-return-on-investment-of-medicaid-expansion-supporting-work-and-health-in-rural-ohio/.

[13] See Hudson, Julie and Asako Moriya, "Medicaid Expansion for Adults Had Measurable "Welcome Mat" Effects on Their Children," *Health Affairs* September, 20117; Government Accountability Office, *Given the Association Between Parent and Child Insurance Status, New Expansions May Benefit Families,* February 2011 online at https://www.gao.gov/new.items/d11264.pdf. .

- Long term negative impact of children's economic chances. Losing Medicaid coverage can have a long term impact on children. A long-term study found that children who had health coverage through Medicaid did better in school and earned more as adults than similarly situated children who were uninsured.[14]

- Less healthy parents and caregivers. Parents and caretaker relatives who lose health coverage are likely to suffer from more health problems (see discussion above), making it more difficult for them to care for their children, and likely to experience greater financial stress and economic instability.[15] Those effects—less healthy parents, less economic security at home—are felt by children and have an impact on children's health and later life success.

In its waiver approval process, CMS must consider the completely predictable and long-term negative effects that this program would have on children, effects that are clearly not consistent with Medicaid's objectives.

***Disenrollment will be greater than anticipated: Unintended consequences***

Individuals beyond those subject to the work requirement would lose coverage. When states add paperwork requirements to Medicaid, enrollment falls.[16] That will happen with Mississippi's proposed program as well, and enrollment will fall across the board—including among parents and caregivers exempt from the program's requirements.

For the reasons outlined above, Mississippi's modified waiver application must be denied. The state has failed to address the problems with its initial application and the request is outside of the Secretary's authority to approve.

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[14] Sarah Cohodes, "The Effect of Child Health Insurance Access on Schooling: Evidence from Public Insurance Expansions," National Bureau of Economic Research, May 2014, online at http://www.nber.org/papers/w20178.

[15] For low income adults, gaining health coverage is associated with improved financial health. It follows that taking health coverage away would have a comparable negative impact on economic wellbeing. The two studies cited here focus on adults gaining coverage through the Medicaid expansion. However, the expansion populations studied included adults with extremely low incomes, including many as poor as or poorer than the adults in Mississippi's Medicaid program who would be at risk of losing coverage were this waiver approved. There is no question but that taking health coverage away from Mississippi's very low income parents would have a significant negative impact on families' economic health. Loujia Hu,et al. "The Effect of the Patient Protection and Affordable Care Act Medicaid Expansions on Financial Wellbeing," National Bureau of Economic Research, initially published April 2016 and revised February 2018, online at http://nber.org/papers/w22170; and, Nicole Dussault, et al., "Is Health Insurance Good for Your Financial Health?" *Liberty Street Economics*, June 6, 2016 online at http://libertystreeteconomics.newyorkfed.org/2016/06/is-health-insurance-good-for-your-financial-health.html#.V2fhz_krLct.

[16] Margot Sanger-Katz, "Hate Paperwork: Medicaid Recipients will be Drowning in It," *New York Times*, January 18, 2018 online at https://www.nytimes.com/2018/01/18/upshot/medicaid-enrollment-obstacles-kentucky-work-requirement.html.

Thank you for the opportunity to submit these comments. If you have any questions, please contact Dee Mahan at Families USA, 202-628-3030 or at dmahan@familiesusa.org.

Respectfully submitted,

Dee Mahan
Director Medicaid Initiatives

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**APPENDIX A**

**Families USA's Comments on the Initial Mississippi Waiver Application**

February 22, 2018

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

Dear Secretary Azar,

Families USA appreciates the opportunity to provide comments on Mississippi's 1115 Demonstration Waiver Application, the Medicaid Workforce Training Initiative, submitted January 16, 2018. Families USA is a national health care advocacy organization that supports policies and programs at the state and federal levels to expand access to quality, affordable health care, with a particular focus on policies that affect lower-income individuals.

Mississippi is seeking permission to disenroll from Medicaid individuals within mandatory Medicaid eligibility groups who do not satisfy a work requirement. The state is seeking to impose this requirement on two groups that are mandatory coverage groups under Social Security Act section 1931, **[**42 U.S.C. 1396u–1**]**: parents/caretaker relatives and individuals eligible for Transitional Medicaid Assistance (TMA). In addition, the state is requesting 90 percent matching funds for a workforce training program that would support the work requirement.

For the reasons outlined below, neither request is within the Secretary's approval authority under section 1115 of the Social Security Act; therefore, both must be denied.

## Work Requirement Request

**The request to add a work requirement is outside of the Secretary's authority under section 1115 of the Social Security Act.** In the context of the Medicaid program (Title XIX), section 1115 of the Social Security Act **[**42 U.S.C. 1315**]**, "Demonstration Projects," gives the Secretary the authority to waive state compliance with section 1902 of that Act. Waivers must be: experimental, pilot or demonstration projects; be likely to promote the objectives of the Medicaid program; be limited to compliance with requirements of section 1902 of the Social

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Security Act; **and** be limited to the extent necessary for the state to carry out the experimental project. The request to add a work requirement fails to meet the basic requirements of that section and, therefore, must be denied.

- *A work requirement does not promote the objectives of the Medicaid program.* The objectives of the Medicaid program, outlined in section 1901 of the Social Security Act **[**42 U.S.C. 1396**]** are to enable states to furnish medical and rehabilitative services to eligible individuals. Removing eligible individuals from health coverage if they do not meet a work requirement does relate to or support the objective of furnishing medical or rehabilitative services and is therefore inappropriate for approval through an 1115 waiver.

  Increasing employment is not within Medicaid's objectives. The fact that work requirements have no place in Medicaid law was recently noted by the Congressional Budget Office in September 2017, in a report in which they stated: "Under current law, states may not condition the receipt of Medicaid on any criteria related to a person's employment status."[17]

- *Any assertions of a link between health and employment is a red herring; it is still outside of the Secretary's authority under 1115 to add a work requirement to Medicaid.* In its January 11, 2018 State Medicaid Director letter, CMS outlined literature on a broad range of issues linked to individuals' health, work being among those.[18] It cited those studies as a basis for supporting the addition of a work requirement in Medicaid programs using 1115 authority.

  The logic articulated by CMS is antithetical to the core construct of Title XIX's establishment eligibility for medical assistance: that Medicaid coverage can be conditioned, as an incentive, on any economic or social issue that might have a bearing on the health of low-income people. There is nothing in statute to support that notion.

  The objectives of both the Medicaid program and the requirements for 1115 waivers are set out in statute. Based on the statute, the purpose of the Medicaid program which, as we have noted, is to *furnish medical assistance and rehabilitative services.* The list of things that

[17] Congressional Budget Office, "Preliminary Analysis of Legislation That Would Replace Subsidies for Health care With Block Grants," September 25, 2017, https://www.cbo.gov/publication/53126.

[18] Centers for Medicare and Medicaid Services, "Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries" SMD 18-002, January 11, 2018, https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf.

impact individual health is nearly endless. However, the objective of the Medicaid program is considerably narrower and does not include mandating that enrollees work.

- *The state's rationale for how the requested work requirement promotes Medicaid's objectives is not supported by the program proposed.* In its application, Mississippi states, "we believe it [the proposed work requirement program] will further the objectives of the Medicaid program by providing individuals with increased time, health security, and resources to transition from Medicaid to private healthcare." There is nothing in this application that supports any of those outcomes and much that contradicts those outcomes. Furthermore, two of those outcomes are not within Medicaid's objectives.

    - Increased time. It is unclear what the state means by this objective. Assuming that it refers to increasing non-work, leisure time, that is not an objective of the Medicaid program. Even if it were, there is nothing in this proposal that would lead to that outcome. In fact, the amount of documentation that individuals will need to provide to prove that they are working, or to support exemptions, will likely consume a great deal of time, reducing the time that individuals have to pursue other activities, including work.

    - Transition to private healthcare. Moving individuals from Medicaid into private insurance is not an objective of the Medicaid program. However, even if it were, the proposed program would not accomplish that even for those who work the requisite 20 hours/week at a paying job.

      Medicaid income eligibility for parents and caregivers in Mississippi is so low that individuals who work 20 hours per week would make too much to keep Medicaid coverage.[19] It is highly unlikely those low-wage individuals would transition to a job with private health insurance. Only 50.8 percent of all Mississippi private sector

[19] According to the Mississippi Division of Medicaid, income eligibility for parents/caretaker adults is so low that an individual working 20 hours a week at a minimum wage job would make too much to retain eligibility. Income eligibility is $306/monthly income for a family of two; $384 for a family of three. Working 20 hours a week at federal minimum wage would yield a monthly income of $580. Only parents/caregivers in a family of 6 or more would be able to retain Medicaid coverage under the state's proposed scheme.

employers provide employees with health coverage.[20,21] Additionally, individuals meeting the 20/hours per week work requirement at minimum wage would still have an annual income that is below poverty and therefore not be eligible for assistance to purchase marketplace coverage.

As a result, the program's structure virtually guarantees that individuals will become familiar with being ***uninsured*** rather than with private insurance. Waiver proposals designed to increase the ranks of the low-income uninsured are diametrically opposed to Medicaid's objectives.

- Health security. Health security is within Medicaid's objectives of furnishing medical care. However, the end result of this program will be less, not more, health security for the population the waiver covers. The state's own budget estimates in the waiver application show a reduction in member months that is equivalent to 5,000 enrollees losing Medicaid coverage in the first year.[22] Even in the impossible event that all of those individuals had gained employment, most would not gain private health insurance—most would become uninsured, as outlined in the bullet above, and lose access to medical care. Decreasing health security is contrary to Medicaid's objectives.

- *Section 1115 gives the Secretary the authority to waive requirements of section 1902 of the Social Security Act; it does not give the Secretary the authority to add a totally new requirement, such as a work requirement.* Section 1115 gives the Secretary the authority to *waive* requirements of section 1902 when the request meets conditions set out in the statute. It does not give the Secretary the authority to add new requirements to 1902. A work requirement would be the addition of a totally new eligibility requirement that is unrelated to Medicaid's objectives and is therefore not the kind of program change supported by 1115 authority.

  Linking Medicaid eligibility to work—whether requiring hours worked or a job search or job

[20] Kaiser Family Foundation, State Health Facts, "Percent of Private Sector Health Establishments that Offer Health Insurance to Employees, 2016," accessed January 22, 2018 at https://www.kff.org/other/state-indicator/percent-of-firms-offering-coverage/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D.

[21] Only 12 percent of workers with incomes below the poverty level have employer sponsored health insurance. Kaiser Family Foundation analysis of National Health Interview Survey. Available at https://www.kff.org/slideshow/employer-sponsored-insurance-offer-and-coverage-rates/

[22] This calculation is based on the state's projections of a 58,995 reduction in member months in demonstration year 1, divided by 12 months. Because there is not a one-to-one enrollee/month match, the actual number of individuals affected is likely higher.

training or volunteer work—is adding a whole new aspect to Medicaid eligibility, one that would fundamentally change the program. Such a radical change to the program must be made through the legislative process, not through waivers. Indeed, Congress has recently failed to pass such a change despite recently taking up such a provision in the American Health Care Act and the Better Care Reconciliation Act. The work requirement on the TANF and SNAP programs were all enacted through Congressional legislation. The Secretary must give effect to Congress's unambiguous intent.[23]

**Compensating volunteer work with health insurance rather than actual wages may violate other federal laws.** Mississippi proposes using unpaid volunteer work to satisfy the work requirement. This is bad economic policy that could drive down wages, further impoverishing the very people this program claims it is designed to help, and result in paid employees being displaced in favor of an unpaid workforce. This may also violate federal law.

The Fair Labor Standards Act (FLSA) created a right to a minimum wage.[24] Medicaid coverage is not a substitute for wages. Medicaid is health insurance that pays doctors and other health care providers for services rendered to individuals enrolled in that program. It does not pay enrollees. Health insurance is not a substitute for wages and treating it as such may violate the FLSA.

**The state does not provide evidence to support its proposed project as a "demonstration."** Mississippi cites <u>one</u> article to support its program and the proposition that work incentives for improving health.[25] However, even that article does not support Mississippi's proposal.

The conclusion of the article cited is that: "To truly address the multiple and complex challenges facing low-income families living in troubled neighborhoods, practitioners and policy makers must work to improve a wide range of factors simultaneously." Among the factors listed in the article are unemployment, lack of assets, and ***health problems***. There is nothing in the article suggesting that a program that would result in individuals losing health insurance coverage, and the associated access to medical care, would in any way help to address the multiple challenges facing low-income families. Rather, the article supports the proposition that successful programs would ensure that low-income families have reliable access to health insurance so that they can better address health issues. As we have discussed at multiple points in these comments, Mississippi's proposal would result in more, rather than fewer, uninsured Mississippians.

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[23] *Comacho –v- Texas Workforce Commission,* op cit.

[24] The Fair Labor Standards Act of 1938, 29 U.S.C. sec 203.

[25] Austin, et al, "*Promising Practices for Meeting the Multiple Needs of Low-Income Families in Poverty Neighborhoods," Journal of Health and Social Policy,* Vol 21 (1) 2005.

**The predictable outcome of this waiver will be an increase in the state's uninsured population and a decrease in residents' health status.** In its waiver application, Mississippi states that it hopes that the program will result in improved health for its citizens. It is virtually guaranteed that the outcome of this program will be the exact opposite.

As we have outlined above, one of the main outcomes of the program would be an increase in the state's low-income uninsured population. It is well documented that lacking or losing health insurance has a negative impact on low-income individuals' ability to access health care services.[26] That, in turn, has a negative impact on health outcomes.[27] No further study of the issue could possibly be needed. Lacking any plausible demonstration purpose, the request must be denied.

**Reducing health coverage for parents will also have a negative effect on children's health outcomes**. Not only will the health of Mississippi's adult population suffer were this waiver to be approved, but the health of its children would as well. That fact should not be ignored during the waiver deliberation process.

Nearly 400,000 children receive health insurance through Mississippi's Medicaid program. The proposed work requirement program targets parents and caretaker relatives. As noted above, many would likely become uninsured as a result of the proposed program. When the individual or individuals taking care of a child lose coverage, it is likely to have a negative impact on that

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[26] This lists a few of the many studies on this point: National Center for Health Statistics, "Health Insurance and Access to Care," February 2017, at https://www.cdc.gov/nchs/data/factsheets/factsheet_hiac.pdf; Annals of Internal Medicine, "The Relationship of Health Insurance and Mortality: Is Lack of Insurance Deadly?" 2017; 167 (6): 4240431 at http://annals.org/aim/fullarticle/2635326/relationship-health-insurance-mortality-lack-insurance-deadly#; Kaiser Family Foundation, "Key Facts About the Uninsured Population," September 19, 2017, at https://www.kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population/; Julia Paradise, "What is Medicaid's Impact on Access to Care, Health Outcomes, and Quality of Care? Setting the Record Straight on the Evidence," Kaiser Family Foundation, August 2, 2013, at https://www.kff.org/report-section/what-is-medicaids-impact-on-access-to-care-health-outcomes-and-quality-of-care-setting-the-record-straight-on-the-evidence-issue-brief/.

[27] Among the many studies linking health insurance (including insurance through Medicaid) to better health outcomes are: Laura Medford-Davis, et al, "Impact of Insurance Status on Outcomes and Use of Rehabilitation Services in Acute Ischemic Stroke: Findings from Get With The Guidelines-Stroke," *Journal of the American Heart Association* 2016;5:e004282, online at http://jaha.ahajournals.org/content/5/11/e004282; a comprehensive study of the literature at, J Michael McWilliams, *Health Consequences of Uninsurance among Adults in the United States: Recent Evidence and Implications* (Milbank Quarterly: June 2009) available online at https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2881446/; Andrew Wilper et al, "Health Insurance and Mortality in the US," *American Journal of Public Health,* December 2009 online at https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2775760/ (noting that uninsurance is associated with mortality); Institute of Medicine review of 130 research studies that considered health insurance as an independent variable and its effect on health outcomes for adults 18-64, published in *Care Without Coverage: Too Little, Too Late,* May 2002 online at http://www.nationalacademies.org/hmd/~/media/Files/Report%20Files/2003/Care-Without-Coverage-Too-Little-Too-Late/Uninsured2FINAL.pdf.

child in multiple ways.

- Children are more likely to have health insurance if their parents have health coverage.[28] Because the proposed program would likely result in more parents without insurance, children's health coverage is likely to decline as well, in turn leading to a decline in children's health.

- Losing Medicaid coverage can have a long term impact on children. A long-term study found that children who had health coverage through Medicaid did better in school and earned more as adults than similarly situated children who were uninsured.[29]

- Parents and caretaker relatives who lose health coverage are likely to suffer from more health problems (see discussion above), making it more difficult for them to care for their children, and likely to experience greater financial stress and economic instability.[30] Those effects—less healthy parents, less economic security at home—are felt by children and have an impact on children's health and later life success.

In its waiver application, the state only considers the effect of its proposed program on adults. However, CMS must also consider the completely predictable and long-term negative effects that this program would have on children, effects that are clearly not consistent with Medicaid's objectives.

**The overriding rationale for the program appears to be to reduce Medicaid enrollment; that is inconsistent with the goals and purpose of 1115 waiver authority.** It appears that one of the central aims of this waiver is to remove individuals in mandatory coverage groups from the Medicaid rolls in order to save the state money. This conclusion is supported by the state's own assertion that "DOM finds it more difficult to provide the array of services necessary for the

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[28] See Hudson, Julie and Asako Moriya, "Medicaid Expansion for Adults Had Measurable "Welcome Mat" Effects on Their Children," *Health Affairs* September, 20117; Government Accountability Office, *Given the Association Between Parent and Child Insurance Status, New Expansions May Benefit Families,* February 2011 online at https://www.gao.gov/new.items/d11264.pdf. .

[29] Sarah Cohodes, "The Effect of Child Health Insurance Access on Schooling: Evidence from Public Insurance Expansions," National Bureau of Economic Research, May 2014, online at http://www.nber.org/papers/w20178.

[30] For low income adults, gaining health coverage is associated with improved financial health. It follows that taking health coverage away would have a comparable negative impact on economic wellbeing. The two studies cited here focus on adults gaining coverage through the Medicaid expansion. However, the expansion populations studied included adults with extremely low incomes, including many as poor as or poorer than the adults in Mississippi's Medicaid program who would be at risk of losing coverage were this waiver approved. There is no question but that taking health coverage away from Mississippi's very low income parents would have a significant negative impact on families' economic health. Loujia Hu,et al. "The Effect of the Patient Protection and Affordable Care Act Medicaid Expansions on Financial Wellbeing," National Bureau of Economic Research, initially published April 2016 and revised February 2018, online at http://nber.org/papers/w22170; and, Nicole Dussault, et al., "Is Health Insurance Good for Your Financial Health?" *Liberty Street Economics*, June 6, 2016 online at http://libertystreeteconomics.newyorkfed.org/2016/06/is-health-insurance-good-for-your-financial-health.html#.V2fhz_krLct.

population we are charged to serve."[31] Then the state proceeds to lay out a program that will result in termination of thousands from Mississippi's Medicaid rolls. Removal of individuals in mandatory coverage groups from Medicaid coverage is not an appropriate waiver objective.[32]

As we have noted above, there is no plausible demonstration value to this program that is related to the objectives of Medicaid; and, some predictable outcomes that are directly in opposition to those objectives.

## Enhanced funds for workforce training activities.

**The request for enhanced federal matching funds for workforce training activities is not allowable and must be denied.** The recent State Medicaid Director letter is clear that workforce training activities are not eligible for federal Medicaid matching dollars at either the state's regular or an enhanced match.[33] We agree with this interpretation and anticipate that you will follow the policy that the SMD clearly articulated and deny this request.

For the reasons outlines above, Mississippi's request must be denied.

We appreciate the opportunity to provide these comments and thank you for your consideration.

If you have any questions or would like additional information, please contact either Dee Mahan (dmahan@familiesusa.org) or Andrea Callow (acallow@familiesusa.org).

Respectfully submitted,

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[31] Waiver application page 2.

[32] Beno v. Shalala, 30 F.3d 1057 (9th Cir.1994). The Court held that a program to save the state money without a finding of a demonstration value is an inappropriate use of 1115 authority.

[33] Centers for Medicare and Medicaid Services, "Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries" SMD 18-002, January 11, 2018, p. 7.