



January 26, 2018

Seema Verma
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Re: KanCare 2.0 State Extension Application – Revised December 2017

Dear Administrator Verma:

The American College of Physicians appreciates this opportunity to comment on the KanCare 2.0 State Extension Application. The American College of Physicians is the largest medical specialty organization and the second largest physician group in the United States, representing 152,000 internal medicine physicians (internists), related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness.

ACP appreciates a number of aspects of the proposal, including initiatives to coordinate services and supports for social determinants of health by expanding service coordination to assist members with accessing affordable housing, food security and other necessities of life that affect health. Depending on how they are constructed, value-based models can help drive the shift from volume-based to value-focused health care and improve patient outcomes while saving money. However, physician input must be considered at all stages of development to ensure that any changes benefit patients and do not create new complexities that mire physicians and patients in administrative burdens. We applaud the proposal's attempt to align managed care organization tools and processes but encourage the expansion of these efforts. For example, prior authorization standardization is limited to prescription drugs, which make up only one share of the onerous number of administrative hurdles physicians and patients face. Despite these potential improvements, we are concerned about a number of proposals and offer the following comments:

Employment Programs/Work Requirements

Kansas seeks to establish work requirements for Medicaid that are based on the Temporary Assistance for Needy Families (TANF) program's eligibility rules. Under the proposal certain individuals will be required to participate in work, job training, volunteer or other activities for 20 to 55 hours, depending on household characteristics. If they fail to do so they will be subject to a 3-month KanCare coverage cap

in a 36-month period. Those who do meet the requirements will be limited to 36 months of KanCare coverage. ACP strongly recommends that CMS reject these proposals as submitted.

ACP policy states that work-related or job search activities should not be a condition of eligibility for Medicaid. Assistance in obtaining employment, such as through voluntary enrollment in skills- and interview-training programs, can appropriately be made available provided that is not a requirement for Medicaid eligibility. Work or community engagement status should not be a condition of Medicaid eligibility for a variety of reasons. According to the Kaiser Family Foundation, 60% of nonelderly adults are already working and 8 in 10 live in families with at least one person employed (i). Those who are not working often have a valid reason; they may be taking care of a loved one, going to school, unable to find employment, or are sick or disabled.

A research letter surveying people enrolled in Michigan's Medicaid expansion program, the Healthy Michigan Plan, found that enrollees were "more likely to report being unable to work if they were older, male, or in fair or poor health or had chronic health conditions or functional limitations" (ii). One survey found that 55% of people who were unemployed reported that enrolling in Medicaid enabled them to search for a job and those that were working said they were able to do their job better after they gained coverage (iii). A study of Ohio Medicaid enrollees found that about 75% of unemployed people who were searching for a job reported that Medicaid coverage made it easier to search for employment and 52% of those currently employed said the coverage enabled them to continue working (iv). If the sick and disabled are disenrolled from Medicaid, they will lose the health insurance that could empower them to work and further their engagement in the community.

We note that the list of exceptions in the KanCare 2.0 proposal does not explicitly mention individuals determined by the state to be medically frail or those with acute medical conditions validated by a medical professional that would prevent them from complying with the requirements. These categories are among the mandatory exemptions included in CMS' letter to Medicaid Directors regarding Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries. This underscores that work requirements will impose an unnecessary and unjustified burden on patients to document that they fit into an eligible exemption and an unnecessary and unjustified burden on physicians who would may be asked to attest that their patients have an exempted medical condition. For patients, work requirements will place an onerous reporting burden that may cause them to delay or forego care or leave the program altogether. Evidence shows that when Medicaid and other programs add paperwork and other administrative requirements, enrollees are less likely to participate (v,vi,vii). ACP greatly appreciates CMS' initiative to reduce administrative burdens through its Patients Over Paperwork initiative, but work requirements could add substantial paperwork hassles that will reduce the amount of time physicians have to care for their patients. Further, work requirements may force physicians to make a choice between compromising their professional integrity and causing their patients to lose health coverage if a patient seeks a disability assessment to become exempt from the work requirement.

The state may have to make a substantial financial investment in systems to track work requirement compliance. The TANF program provides historical context. According to the Medicaid and CHIP

Payment and Access Commission, “monitoring beneficiary compliance with [TANF] work requirements has been complex for states, requiring significant staff time and coordination across agencies and with employers (viii).” We believe that limited Medicaid dollars are best used to improve patient health outcomes, not to create wasteful bureaucratic administrative systems. Most importantly, work requirements are inconsistent with the purpose of the Medicaid program because they impose harmful and unnecessary eligibility conditions and administrative burdens that will result in many of the most vulnerable Kansans losing coverage. We know that uninsurance is associated with increases in mortality (ix). Any policy that reverses the gains in health and well-being from being insured is unacceptable.

KanCare eligibility for non-pregnant adults is limited to people with incomes of 38% of the federal poverty level. This is a concern because even if Medicaid enrollees do find employment, their increased income may make them ineligible for Medicaid and their new employer may not offer affordable health insurance. An evaluation of an evaluation of TANF recipients who entered the workforce found that only one-third received health coverage through their employer (viii).

Finally, we strongly oppose the 36-month limit on KanCare 2.0 coverage. This proposal would greatly harm patients with complex chronic care needs, including patients with diabetes, obesity, cardiovascular disease, and asthma, who require ongoing care management. Forcing enrollees off of Medicaid without providing a viable coverage alternative may lead to higher uninsurance rates and would deny patients the evidence-based benefits of Medicaid, including improved access to a usual source of care and being less likely to report an unmet need for medical care and prescription drugs (x).

ACP appreciates your consideration of our comments. If you have any questions please contact Ryan Crowley, Senior Associate for Health Policy at rcrowley@acponline.org.

Sincerely,



Jack Ende, MD MACP
President
American College of Physicians



Isaac Opole, MD, FACP
Governor
ACP Kansas Chapter

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- ⁱⁱⁱ University of Michigan Institute for Healthcare Policy and Innovation. Medicaid Expansion Helped Enrollees Do Better at Work or in Job Searches. July 27, 2017. Accessed at <http://ihpi.umich.edu/news/medicaid-expansion-helped-enrollees-do-better-work-or-job-searches>
- ^{iv} Ohio Department of Medicaid. Ohio Medicaid Group VIII Assessment: A Report to the Ohio General Assembly.
- ^v Herd P. How Administrative Burdens Are Preventing Access to Critical Income Supports for Older Adults: The Case of the Supplemental Nutrition Assistance Program. *Public Policy and Aging Report*. 2015;25:52-55.
- ^{vi} U.S. Government Accountability Office. Medicaid: States Reported That Citizenship Documentation Requirement Resulted in Enrollment Declines for Eligible Citizens and Posed Administrative Burdens. 2006. Accessed at <https://www.gao.gov/assets/270/263053.pdf>
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- ^{viii} Medicaid and CHIP Payment and Access Commission. Work as a Condition of Medicaid Eligibility ;Key Take-Aways from TANF. October 2017. Accessed at <https://www.macpac.gov/wp-content/uploads/2017/10/Work-as-a-Condition-of-Medicaid-Eligibility-Key-Take-Aways-from-TANF.pdf>
- ^{ix} Woolhandler S and Himmelstein DU. The Relationship of Health Insurance and Mortality: Is Lack of Insurance Deadly? *Ann Intern Med*. 2017;167(6):4240431. Accessed at <http://annals.org/aim/fullarticle/2635326/relationship-health-insurance-mortality-lack-insurance-deadly>
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