



Elizabeth Lorenz  
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Dear Ms. Lorenz:

On behalf of the Arizona Hospital and Healthcare Association, thank you for the opportunity to comment on the AHCCCS Administration's proposed Waiver Amendment that would implement work-related and lifetime limit provisions as required by Laws 2015, Ch. 7 (S.B. 1092). Pursuant to this legislation, the Administration is proposing to implement the following requirements for "able-bodied adults" receiving Medicaid services:

- The requirement for all able-bodied adults to become employed or actively seeking employment or attend school or a job training program.
- The requirement for able-bodied adults to verify on a monthly basis compliance with the work requirements and any changes in family income.
- The authority for AHCCCS to ban an eligible person from enrollment for one year if the eligible person knowingly failed to report a change in family income or made a false statement regarding compliance with the work requirements.
- The authority for AHCCCS to limit lifetime coverage for all able-bodied adults to five years except for certain circumstances.

AzHHA submitted comments on these provisions more than a year ago in our September 2015 comment letter on the proposed Waiver. Our position has not materially changed since then. We have serious concerns about both requirements, and believe that the five year life-time limit is actually contrary to the very heart of the Medicaid program, which is to provide a safety-net for a population that would otherwise not have access to healthcare. Our specific comments follow.

#### Five Year Life-time Limit

Medicaid is a counter cyclical program. When the economy contracts and people lose their jobs, the Medicaid rolls expand. A person may likewise become ill and no longer be able to work, thus qualifying for Medicaid. After recovering and returning to work, the individual would no longer need (nor ostensibly qualify for) Medicaid benefits. These cycles can repeat themselves on and off over a person's lifetime. A five year limit on benefits is

arbitrary and would needlessly limit a person's access to medical services should they become ill later in life and before qualifying for Medicare.

In addition, many people must work part-time when caring for dependents—whether this is a young child, disabled older child, or sick spouse or parent. Alternatively, part-time work may be all that is available during economic downturns or in certain geographic areas of the state. A life-time limit that would disqualify these people from Medicaid at a time when they still need medical services is imprudent. Experience tells us these individuals will put off treatment while their condition deteriorates. They will ultimately seek care in more costly emergency departments, adding to overall healthcare expenditures.

We can see no rationale for imposing a life-time limit on Medicaid benefits. A limit will not keep people from becoming ill and needing medical services. As stated above, if access to ambulatory services is cut off or not affordable, uninsured individuals will end up in the emergency department. This is particularly true for those with chronic diseases and comorbidities, including mental illness.

### Work-related Requirements

As stated in our September 2015 Waiver comment letter, AzHHA supports the Administration's pursuit to assist members in finding employment. There is undoubtedly a link between health and employment status, in addition to an array of other health determinants. However, we have significant concerns regarding the work requirements proposed under Laws 2015, Ch. 7. The introduction of a policy requiring members to obtain work assumes a preponderance of low-income, able-bodied individuals who are electively abstaining from work. We have not seen evidence to justify this assumption, although we welcome the opportunity to review such data. Our review of recent research, however, suggests the opposite might be true.<sup>1</sup>

We are also concerned about the impact of a work requirement on parents of young children or those caring for ill or disabled older children, spouses, or parents. S.B. 1092 only exempts sole caregivers of a family member under six years of age. The cost of child or adult care for seriously ill or disabled dependents may exceed the income capacity of many Medicaid beneficiaries. In some areas of the state, such care may not be accessible or available. We also see instances where caregivers must make the decision to forgo employment for a period of time in order to ensure their ill or disabled child, spouse or parent receives proper medical care—whether at home or in navigating and advocating for care in inpatient and/or ambulatory settings.

Finally, we have outstanding questions regarding how the program will work. Most significantly—will the Department of Economic Security's employment monitoring system

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<sup>1</sup> See for example, Altman, Drew. "Behind the Split over Linking Medicaid Coverage to Work Requirements." May 11, 2015. Retrieved 9/1/2015 from <http://blogs.wsj.com/washwire/2015/05/11/behind-the-split-over-linking-medicaid-coverage-to-work-requirements/>

capture all types of employment activity and job searches? We understand the Administration's interest in acting on this complex situation, but until we have a better understanding of the program specifics, we have serious reservations about its implementation.

If a work requirement is approved, however, we urge the Administration to broadly draft implementing regulations to account for persons who have trouble maintaining work due to their health status. This includes individuals who suffer from general mental health illnesses and chronic diseases, and individuals who are caring for ill or disabled dependents or relatives who may not be able to function independently.

Thank you for the opportunity to comment on this proposed Waiver amendment. Please feel free to contact me if you have any questions.

Sincerely,



Debbie Johnston  
Senior Vice President, Policy Development