

December 2, 2017

The Honorable Eric D. Hargan, Acting Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Hargan:

The undersigned organizations appreciate the opportunity to comment on New Hampshire's proposal to amend the New Hampshire Health Protection Program Premium Assistance 1115 Demonstration project ("the amendment"), which would condition Medicaid eligibility for many adults on work or work-like activities.

We urge you to reject this proposal because it fails to meet the statutory requirements for an 1115 demonstration and poses a significant danger to the health of low-income people in New Hampshire. This proposal would not promote the objectives of the Medicaid program.

Moreover, the state has not sufficiently responded to clear concerns submitted during the state public comment period. These comments raised critical substantive, administrative, and fiscal concerns, which the state should address prior to consideration by the Department of Health and Human Services (HHS). The state also has not provided an appropriate hypothesis for its proposal or a plan to evaluate it.

### **New Hampshire's Proposed Amendment Would Not Promote the Objectives of Medicaid**

Section 1115 of the Social Security Act allows the Secretary of HHS to waive certain Medicaid statutory requirements when deviating from these requirements is necessary to implement state demonstration projects that promote the objectives of the Medicaid program.<sup>1</sup> New Hampshire's proposed work requirement doesn't meet the standards for an 1115 demonstration project.

HHS recently changed the criteria for considering whether a proposed demonstration would promote Medicaid's objectives to include projects that "support coordinated strategies to address certain health determinants that promote upward mobility, greater independence, and improved quality of life among individuals."<sup>2</sup> A robust body of research shows that tying Medicaid eligibility to work or work-related activities would fail to increase long-term employment or reduce poverty, as discussed below.<sup>3</sup> This research has shown that a work requirement would harm New Hampshire's

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<sup>1</sup> Judith Solomon and Jessica Schubel, "Medicaid Waivers Should Further Program Objectives, Not Impose Barriers to Coverage and Care," Center on Budget and Policy Priorities, August 29, 2017, <https://www.cbpp.org/research/health/medicaid-waivers-should-further-program-objectives-not-impose-barriers-to-coverage>.

<sup>2</sup> Centers for Medicare & Medicaid Services, accessed on November 27, 2017, <https://www.medicaid.gov/medicaid/section-1115-demo/about-1115/index.html>.

<sup>3</sup> LaDonna Pavetti, "Work Requirements Don't Cut Poverty, Evidence Shows," Center on Budget and Policy Priorities, June 2016, <https://www.cbpp.org/research/poverty-and-inequality/work-requirements-dont-cut-poverty-evidence-shows>.

Medicaid beneficiaries and restrict access to care, in direct conflict with the objectives of the Medicaid program. Moreover, the proposal does not include a hypothesis, nor does it include an evaluation design to measure its success.

### **Work Requirements Would Harm People Who Cannot Work**

New Hampshire's proposal would condition Medicaid eligibility for many adults on work or work-like activities, with the minimum number of hours increasing from 20 hours per week to 30 hours per week after two years of enrollment. Qualifying activities include paid and unpaid employment, training, job search and readiness assistance, and education. The proposal includes narrow exceptions for adults who are participating in a state-certified drug court program and for parents or caretakers of dependent children under age six. The proposal would also exempt individuals with a health condition that prevents them from working and those who are providing necessary care to a member of their household, if these individuals receive certification of their condition or the necessity of the care they are providing from a health care provider. The proposal does not explain how uninsured low-income individuals would be able to pay a provider to certify their exemptions.

New Hampshire claims that the amendment would “encourage unemployed and underemployed adults to proceed to full employment by requiring them to become connected with job training or other work-related activities... Gaining financial stability will enable some participants to mitigate negative environmental factors and economic factors that can contribute to poor health.” However, research has shown that work requirements do not lead to increased long-term employment or reduced poverty.<sup>4</sup>

#### **A. Work requirements are contrary to the goal of Medicaid.**

Work requirements are contrary to the core mission of Medicaid to provide health coverage to low-income people so they can get the health care services they need. Research shows that most people with Medicaid coverage who can work do so, and for people who face major obstacles to employment, harsh requirements such as limiting their eligibility for health coverage will not help overcome them. Nearly 8 in 10 non-disabled adults with Medicaid coverage live in working families, and nearly 60 percent are working themselves. Of those not working, 35 percent reported that illness or a disability was the primary reason, 28 percent reported that they were taking care of home or family, and 18 percent were in school.<sup>5</sup>

The proposal does nothing to increase the availability of appropriate jobs across the state, or to provide Medicaid beneficiaries with transportation, childcare, education, job search services, or training that could help them find and hold a job. Medicaid beneficiaries living in rural areas without job opportunities or transportation would likely struggle to meet the requirements.

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<sup>4</sup> Hannah Katch, “Medicaid Work Requirement Would Limit Health Care Access Without Significantly Boosting Employment,” July 13, 2016, Center on Budget and Policy Priorities, <https://www.cbpp.org/research/health/medicaid-work-requirement-would-limit-health-care-access-without-significantly>.

<sup>5</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/>.

The proposal would also harm those who *are* working. The complex rules and required monthly tracking would likely lead to errors and coverage terminations for those who are working or participating in a job training program, and could cause working individuals to erroneously lose coverage and face additional burdens in proving their eligibility.

New Hampshire's amendment could end up keeping people from gaining employment, because without health services, it could be more difficult for them to find and hold a job. Ohio's Department of Medicaid found that three-quarters of Medicaid expansion enrollees who were looking for work reported that Medicaid made it easier to do so, and more than half of those who were working said that Medicaid made it easier to keep their jobs.<sup>6</sup>

### **B. New Hampshire's Proposal Doesn't Adequately Address Implementation of a Work Requirement**

Moreover, New Hampshire has not provided assurances that the work requirement will be administered effectively. Effective implementation would be burdensome and costly, requiring new procedures, system changes, and considerable time from eligibility workers. The state must also establish systems for verifying exemptions, screening, tracking, and sanctions.

The administrative challenges associated with implementing work requirements and time limits would be more pronounced in Medicaid than SNAP and TANF, which have struggled with implementation. SNAP and TANF require substantial interactions with participants, including interviews and frequent reporting. Even with this more intensive case management model, states have encountered obstacles to accurately applying these policies. Medicaid currently has a streamlined eligibility determination process which relies heavily on online applications and electronic data verification. State experience implementing work requirements in TANF also suggests that adding similar requirements to Medicaid could cost states thousands of dollars per beneficiary.<sup>7</sup>

States' administration of the SNAP time limit was error prone, applied inaccurately, and led to eligible individuals being denied benefits.<sup>8</sup> When first implemented, FNS did a study and found that policies were "difficult to administer and too burdensome for the States." One of the biggest shifts was tracking benefit receipt over time, rather than circumstances in a single month, which was a fundamental change to program administration.<sup>9</sup>

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<sup>6</sup> Ohio Department of Medicaid, "Ohio Medicaid Group VIII Assessment: A Report to the Ohio General Assembly," <http://medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Assessment.pdf>.

<sup>7</sup> Gayle Hamilton et al., "National Evaluation of Welfare-to-Work Strategies: How Effective Are Different Welfare-to-Work Approaches? Five-Year Adult and Child Impacts for Eleven Programs," Manpower Demonstration Research Corporation, December 2001, Table 13.1.

<sup>8</sup> USDA Office of Inspector General, FNS Controls over SNAP Benefits for Able-Bodied Adults Without Dependents, September 2016, <https://www.usda.gov/oig/webdocs/27601-0002-31.pdf>.

<sup>9</sup> Mathematica Policy Research, Inc., Imposing a Time Limit on Food Stamp Receipt: Implementation of the Provisions and Effects on Food Stamp Participation (2001)

The state failed to address concerns about implementation of a work requirement that were raised during the public comment period: “Many commenters [at the state level] asked how the Department will manage the administrative burden and operationalize the process for implementing and monitoring the work requirements, including how exemptions will be managed.” The state responded, “The Department appreciates this feedback and is exploring all available avenues to operationalize the work requirements to comply with HB 517.”

### **C. New Hampshire’s Proposal Does Not Include an Evaluation Design**

New Hampshire’s proposal includes three sentences explaining that the state will evaluate whether the work requirement encourages appropriate utilization of care and improves health outcomes. However, the state fails to include an evaluation design, metrics, or a timeline. As discussed above, 1115 demonstrations must test a reasonable hypothesis to promote the objectives of the Medicaid program. This proposal does not include a reasonable hypothesis or an evaluation of its success. We urge the Secretary to reject this proposal.

Thank you for your willingness to consider our comments. If you need additional information, please contact Judy Solomon ([Solomon@cbpp.org](mailto:Solomon@cbpp.org)) or Joan Alker ([jca25@georgetown.edu](mailto:jca25@georgetown.edu)).

American Diabetes Association  
American Music Therapy Association  
Center on Budget and Policy Priorities  
Children's Defense Fund  
Family Voices  
First Focus  
Georgetown University Center for Children and Families  
HIV Medicine Association  
Justice in Aging  
NAMI, National Alliance on Mental Illness  
National Association of Community Health Centers  
National Center for Law and Economic Justice  
National Health Care for the Homeless Council  
National Multiple Sclerosis Society  
National Partnership for Women & Families  
New Hampshire Pediatric Society