March 6, 2018

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

Re: Children's Health Groups Oppose Policies and Proposals that Create New Barriers to Medicaid Coverage

Dear Secretary Azar:

As organizations that share a strong commitment to the health and well-being of our nation's children, pregnant women, and families, we are united in our concern regarding recent proposals and policies being considered or approved by the Centers for Medicare & Medicaid Services (CMS).[1] We are greatly concerned about the change in direction in CMS section 1115 waiver policy that would allow states to establish new barriers to coverage. Medicaid's core mission is to provide comprehensive health coverage to low-income adults and children for the health care services they need. The recent proposals and policies being considered or approved by CMS create undue administrative burdens for beneficiaries and could lead to thousands of children and families losing critical access to care.

These policy changes add new Medicaid restrictions that would create costly and unnecessary barriers to health coverage and care for *all* beneficiaries, regardless of whether any are subject to possible exemptions. The administrative and bureaucratic burdens of these policies (e.g. documenting work hours to show hours are being met under a work requirement, proof for certain exemptions)— and the confusion they create— could themselves be deterrents to many families in need.

Parents, caretakers, and youth aging out of foster care are subject to many of these policies, which would have the ultimate effect of cutting them off coverage. New conditions on Medicaid eligibility and coverage would undermine the mission of the Medicaid program to improve health care for Americans in need. Instead, these policies will erode access to health and dental insurance coverage and harm the very vulnerable populations Medicaid was designed to protect, including children.

Instead of adding new administrative barriers between families and their health care, we should build on what is working for millions of children and their families by keeping Medicaid strong. Therefore, we oppose any policy changes that jeopardize this historic progress in coverage rates for children and their families. These include but are not limited to: coverage "lockouts" for failure to pay premiums or comply with additional reporting requirements; work or community engagement requirements (even though many of these exempt some parents); additional premiums or co-payments; time limits; elimination of retroactive coverage; and other barriers that would make it more difficult for individuals to gain access to coverage and care.

[1] See for example, guidance on new work requirements as a condition of Medicaid coverage outlined in the January 11, 2018 Center for Medicare & Medicaid Services (CMS) State Medicaid Director letter; recent 1115 waiver approvals in Kentucky, Indiana; and pending 1115 proposals in Kansas, Mississippi.

Low-income parents and caretakers are impacted by many of these proposals– indeed, in some states such as Mississippi and Kansas they are the primary population that would be impacted. Many of these proposals would create new eligibility hurdles that would make it difficult to stay enrolled even when eligibility criteria are met. For example, in states proposing work requirements as a condition of Medicaid eligibility, beneficiaries with shift or contract jobs will face new paperwork burdens documenting and meeting weekly hours requirements, which could be exacerbated if a health emergency arises for the parent or their child. Even when documentation hurdles are cleared, if minimum hours aren't met or made up, parents would cycle on and off coverage. Further, it will be difficult for some parents and caretakers to meet work requirements if their children have health conditions[2] that necessitate frequent school absences or medical appointments, or if out-of-school care is unavailable or unaffordable. Other policy barriers, such as "lockouts" and time limits, add to the gaps in coverage parents could be subjected to without regard to eligibility or need.

Low-income parents will lose health coverage if these barriers to Medicaid are allowed to stand. Whether or not a parent has health care coverage can have a profound effect on the health and well-being of their children. Parent's health coverage status impacts children in the following ways:

Children are at greater risk of becoming uninsured as their parents lose coverage. Research is clear that when parents have health insurance their children are more likely to be insured as well.[3] Thanks to Medicaid and CHIP, the rate of uninsured children has declined in the past two decades reaching its lowest level on record (4.5 percent).[4] New coverage pathways for parents under the Affordable Care Act played a key "welcome mat" role: Between 2013-2015, 710,000 children gained coverage as millions of parents gained coverage for the first time.[5] Children whose parents are insured are almost always insured themselves, whereas 21.6 percent of children whose parents are uninsured are also uninsured.[6] Increases in adult Medicaid eligibility levels are also associated with a greater likelihood that children in low-income families receive preventive care.[7]

Parents' inability to access needed health care can impact their children's healthy development. Positive outcomes for children rely on the overall health of their parents and caregivers. Children's relationships and interactions with adults in their lives influence their brain structure and function and, in turn, their ability to thrive.[8] Maternal depression, for example, has been shown to negatively impact young

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[2] Some states would exempt from work requirements people who are caring for a person with disabilities or someone who cannot care for him/herself. These terms are not clearly defined in each proposal, however, and there is no ready way to determine whether a child (or someone else) has a disability or health condition that would make it impossible for his/her caretaker to meet work requirements.

[3] See Hudson, Julie and Asako Moriya, "Medicaid Expansion for Adults Had Measurable "Welcome Mat" Effects on Their Children," *Health Affairs* September, 20117.

[4] J. Alker and O. Pham, "Nation's Uninsured Rate for Children Drops to Another Historic Low in 2016" (Washington: Georgetown University Center for Children and Families, September 2017), available at https://ccf.georgetown.edu.

[5] Hudson, J. L., & Moriya, A. S. (2017). Medicaid Expansion For Adults Had Measurable 'Welcome Mat' Effects On Their Children. *Health Affairs, 36*(9), 1643-1651. doi:10.1377/hlthaff.2017.0347

[6] Karpman, M. and G. Kenney. "Health Insurance Coverage for Children and Parents: Changes Between 2013 and 2017" Urban Institute, September 7, 2017.

[7] Venkataramani, M., Pollack, C. E., & Roberts, E. T. (2017). Spillover Effects of Adult Medicaid Expansions on Children's Use of Preventive Services. *Pediatrics*. doi:10.1542/peds.2017-0953

[8] Wright Burak, E. "Healthy Parents and Caregivers are Essential to Children's Healthy Development" (Washington, D.C.:Georgetown University Center for Children and Families, December 2016), available at http://ccf.georgetown.edu.

children's cognitive and social-emotional development, as well as their educational and employment opportunities later on in life. More than half of infants born into poverty have a mother who is experiencing some depressive symptoms, yet few of these mothers are able to access successful treatment due to barriers such as cost of care and lack of insurance.[9] Parents who have access to health care are better able to actively support and nurture their children's healthy development.

Loss of health coverage places the whole family at financial risk. Medicaid coverage for low-income parents helps parents afford the health care they need and improves their mental health status.[10] Loss of Medicaid coverage will reverse these gains and inhibit vulnerable parents from improving the family's economic circumstances, putting them at risk for medical debt and even bankruptcy. In addition to parents and caregivers, our organizations are also concerned about the impact of these proposals and policies on youth who age out of foster care, who continue to have significant physical and mental health care needs after they leave the child welfare system. Since January 1, 2014, many of these young adults are eligible for Medicaid up to age 26, regardless of income. Many of the 25,000 children aging out of foster care each year can access critical health services through Medicaid up to age 26 in the same way that dependent children can be covered on their parents' private health insurance up to age 26. New Medicaid restrictions will impact many of these young people transitioning from foster care, who already face disproportionate rates of chronic health conditions, a lack of family support, and inadequate housing. Making it more difficult for them to get the health care they need will compound the challenges they face as they mature into adulthood. [11]

As our nation struggles to protect families from the seasonal flu outbreak, address the opioid epidemic and prepare for future health-related crises, this is not the time to erect new barriers to health insurance coverage. The Centers for Disease Control and Prevention (CDC) reports that nearly all states have widespread seasonal influenza activity including, tragically, 97 flu-related pediatric deaths as of February 17, 2018.[12] The U.S. has also experienced an unprecedented rise in pediatric deaths and hospitalizations attributed to opioid poisonings in recent decades, including a six-fold increase in adolescent deaths.[13] Strong and reliable health coverage that provides vital preventive and primary care services is our best tool to fight health emergencies facing our country.

We urge you to deny states' requests or reconsider any Medicaid policies that place new obstacles between children and families and the health care they need. Health care is a critical foundation for families and children struggling to thrive. Cutting families off coverage will only make it more difficult for them to be productive, healthy and engaged members of their communities.

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[9] A. Chester, S. Schmit, J. Alker, and O. Golden, "Medicaid Expansion Promotes Children's Development and Family Success by Treating Maternal Depression." (Washington, D.C.: Georgetown University Center for Children and Families CLASP, July 2016), available at http://ccf.georgetown.edu.

[10] McMorrow, Stacey et al, "Medicaid Expansion Increased Coverage, Improved Affordability, and Reduced Distress for Low-Income Parents," *Health Affairs May 2017.*

[11] American Academy of Pediatrics Policy Statement: Health care of youth aging out of foster care. Pediatrics. 2012;130(6):1170-1173. http://pediatrics.aappublications.org/content/130/6/1170. Reaffirmed July 2017

[12] Center for Disease Control and Prevention, "FluView: A Weekly Influenza Surveillance Report" available at https://www.cdc.gov/flu/weekly/index.htm. Accessed February 23, 2018.

[13] Gaither, J. R., Leventhal, J. M., Ryan, S. A., & Camenga, D. R. (2016). National Trends in Hospitalizations for Opioid Poisonings Among Children and Adolescents, 1997 to 2012. *JAMA Pediatrics, 170*(12), 1195. doi:10.1001/jamapediatrics.2016.2154

Sincerely,

ADAP Advocacy Association
AIDS Alliance for Women, Infants, Children, Youth & Families
Alliance for Strong Families and Communities
American Academy of Pediatrics
American Association on Health and Disability
American College of Physicians
American Nurses Association
American Osteopathic Association
American Psychoanalytic Association
American Psychological Association
Center for Law and Social Policy
Children's Defense Fund
Children's Health Fund
Coalition on Human Needs
Community Access National Network
Community Catalyst
Families USA
Family Voices
First Focus
Georgetown University Center for Children and Families
Healthy Teen Network
Lakeshore Foundation
Legal Action Center
March of Dimes
Mobilization for Justice, Inc. (formerly MFY Legal Services)
National Alliance on Mental Illness
National Association for Children of Addiction (NACoA)
National Association for Children's Behavioral Health
National Association of County Behavioral Health and Developmental Disability Directors and
National Association for Rural Mental Health
National Association of Pediatric Nurse Practitioners
National Association of State Mental Health Program Directors (NASMHPD)
National Education Association
National Health Law Program
National Latina Institute for Reproductive Health
National Partnership for Women & Families
National Patient Advocate Foundation
National Respite Coalition
NETWORK Lobby for Catholic Social Justice
Partnership For America's Children
The Children's Dental Health Project
The National Alliance to Advance Adolescent Health
Youth Villages
ZERO TO THREE

CC: Seema Verma, Tim Hill, Judith Cash