

August 4, 2025

Secretary Robert F. Kennedy, Jr.
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Re: Kentucky Community Engagement Section 1115 Demonstration Request

Dear Secretary Kennedy,

The Center on Budget and Policy Priorities and the Georgetown University Center for Children and Families appreciate the opportunity to comment on Kentucky's proposed Community Engagement section 1115 demonstration.¹ The Center on Budget and Policy Priorities (CBPP) is a nonpartisan research and policy organization based in Washington, D.C. Founded in 1981, CBPP conducts research and analysis to inform public debates and policymakers about a range of budget, tax, and programmatic issues affecting individuals and families with low or moderate incomes. The Georgetown University Center for Children and Families (CCF) is an independent, nonpartisan policy and research center founded in 2005 with a mission to expand and improve high quality, affordable health coverage for America's children and families. As part of the McCourt School of Public Policy, Georgetown CCF conducts research, develops strategies, and offers solutions to improve the health of America's children and families, particularly those with low and moderate incomes.

Kentucky is seeking authority to implement a work support demonstration targeting Medicaid expansion adults. This demonstration would refer Medicaid expansion adults to workforce development resources, in collaboration with the state's Department of Workforce Development (DWD). The state would provide information about job placement assistance and connect participants to services including apprenticeships, career development, education, employment training, and skill-building resources. Participation in these activities would be *voluntary* and would not affect an individual's ability to get or maintain Medicaid coverage. We strongly support Kentucky's model and urge CMS to approve the demonstration.

Kentucky is proposing a workforce promotion program for Medicaid enrollees that uses state resources to reduce barriers to work, rather than creating red tape barriers to accessing health coverage. Although adapted to meet the unique needs and resources of Kentucky, the proposal resembles Montana's HELP-Link program, a voluntary workforce supports program for adults enrolled in Medicaid that was a national model for workforce promotion.

Montana's HELP-Link Program connected Medicaid enrollees facing barriers to work to services supportive of finding and maintaining work, such as on-the-job training programs.² The state's aim

¹ "Kentucky Community Engagement Demonstration Request," July 2025, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ky-sctn-cmnty-engmnt-dmnstn-aplctn-06252025.pdf>.

² Hannah Katch, "Promising Montana Program Offers Services to Help Medicaid Enrollees Succeed in the Workforce," Center on Budget and Policy Priorities, April 2018, <https://www.cbpp.org/sites/default/files/atoms/files/4-20-18health.pdf>.

of the program was to improve the long-term employability of members of the program, and results from the program showed clear success. A state evaluation of the first two-years of program implementation found that of Montana Medicaid enrollees who received some type of training through the program, 63% were employed in the quarter after completing the training, 72% were employed in the year after training, and 83% of those employed experienced a wage increase in the year after training completion, with a median increase of \$8,700 annually.³

In comparison, evaluation of a mandatory, punitive work reporting requirement implemented in Arkansas in 2018 did not show any increase in employment as a result of the work reporting requirement.⁴ Anecdotal evidence has shown that Georgia's Pathways program is riddled with administrative errors and red tape that have inhibited enrollment and led to the improper loss of coverage for individuals meeting the work reporting requirement -- despite costing the state millions of dollars in administrative and consulting costs since its 2023 implementation.⁵ An evaluation by the Government Accountability Office of five previously approved Medicaid mandatory work reporting requirements found the estimated administrative costs of these programs ranged from \$6 million to upwards of \$271 million.⁶ In contrast, a single year of the HELP-Link program only cost Montana \$147,399 in administrative costs.⁷

To ensure success of the program and minimize any potential harm for Medicaid enrollees, exemptions from Kentucky's demonstration should include those in the recently passed H.R. 1 (P.L. 119-21). We also urge CMS and the state to protect the information of individuals and only grant the state approval to ask for an **optional** signature to authorize the transfer of their information to DWD, and the state should not require signature as a condition of enrollment. Furthermore, in alignment with 42 C.F.R. §431.306, the state should ensure any data shared with DWD is subject to the same confidentiality protections as the Cabinet for Health and Family Services.

Congress is imposing a "one-size-fits-all" model of punitive work requirements -- largely following features of previously unsuccessful and harmful work requirement demonstrations. Governor Beshear has developed a common-sense plan for work requirements that are not harmful and that fit the unique needs of the state. Unlike the problematic models in Arkansas and Georgia that have resulted in terminations and suppressed enrollment,⁸ and are the basis for H.R. 1, the Kentucky

³ Montana Department of Labor & Industry, "HELP-Link Program 2019 Fiscal Year End Report," November 2019, <https://archive.legmt.gov/content/Committees/Interim/2019-2020/Children-Family/Required-Reports/nov2019-help-link-report.pdf>.

⁴ Benjamin Sommers, et al., "Medicaid Work Requirements In Arkansas: Two-Year Impacts on Coverage, Employment, and Affordability of Care," Health Affairs, Vol 36(9), September 2020, available at <https://doi/10.1377/hlthaff.2020.00538>.

⁵ Andy Miller and Renuka Rayasam, "Georgia's Medicaid Work Requirements Costing Taxpayers Millions Despite Low Enrollment," KFF Health News, March 20, 2024, <https://kffhealthnews.org/news/article/georgia-medicaid-workrequirements-experiment-high-cost-low-enrollment/>; Margaret Cooker, "He Became the Face of Georgia's Medicaid Work Requirement. Now He's Fed Up With It." ProPublica, May 14, 2025, <https://www.propublica.org/article/georgia-medicaid-pathways-brian-kemp-luke-seaborntestimonial-video>.

⁶ U.S. Government Accountability Office, "Medicaid Demonstrations: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements," October 2019, <https://www.gao.gov/products/gao-20-149>.

⁷ Montana Department of Labor & Industry, "HELP-Link Program 2019 Fiscal Year End Report."

⁸ Laura Harker, "Pain But No Gain: Arkansas' Failed Medicaid Work-Reporting Requirements Should Not Be a Model," Center on Budget and Policy Priorities, August 2023, <https://www.cbpp.org/research/health/pain-but-no-gain-arkansas-failed-medicaid-work-reporting-requirements-should-not-be>; Leah Chan, "Georgia's Pathways to Coverage Program: The First Year in Review," Georgia Budget and Policy Institute, October 29, 2024, <https://gbpi.org/georgias-pathways-to-coverage-program-the-first-year-in-review>.

model will promote both work *and* health coverage. Many individuals who rely on health-sustaining medications or treatments to be able to work will be able to get healthy and maximize employability.

Our comments include numerous citations to supporting research, including direct links to the research, for HHS's benefit in reviewing our comments. We direct HHS to each of the studies cited and made available to the agency through active hyperlinks, and we request that the full text of each of the studies cited, along with the full text of our comments, be considered part of the administrative record in this matter for purposes of the Administrative Procedure Act.

Thank you for your willingness to consider our comments. If you need any additional information, please contact Joan Alker (joan.alker@georgetown.edu) or Allison Orris (aorris@cbpp.org).