

February 28, 2017

Thomas J. Betlach M.P.A., Director
Arizona Health Care Cost Containment System
801 E. Jefferson St., MD 4100
Phoenix, AZ 850

RE: Section 1115 Waiver Renewal

Dear Director Betlach:

The University of Arizona Department of Family and Community Medicine provides primary care for residents of Southern Arizona from birth to the end of life. We provide ambulatory care, acute care for children and adults admitted to the hospital; maternity care and delivery for expectant mothers and newborn care for their babies. Our providers - over 85 faculty family physicians, family practice residents, and nurse practitioners - provide full-spectrum care in two residency clinics, a faculty practice clinic, in-patient acute care and maternity care delivery in two hospitals in Tucson, Arizona. Each year we serve Southern Arizona communities through over 60,000 patient visits, approximately half of which are serving patients insured through AHCCCS.

We have strong concerns that the proposed waiver provisions will have negative impacts on the large number of Medicaid patients we serve. These proposed waiver provisions include: Work Requirement, Verification, and Suspended Eligibility; Lifetime Limits and Disenrollment; Non-emergency Transportation; and Preventive Health Services.

As family physicians, we know that preventive care and access to primary care is key to achieve the “triple aim” of better patient experience of care, better health outcomes and reduced cost of care. Examples of how this is achieved include: early disease detection/intervention of disease, primary prevention of disease through preventive health services such as vaccinations, or management of chronic medical conditions to prevent costly complications and the need for even greater quantities and acuity of healthcare services. These proposed waiver changes will lead to gaps in treatment for Arizona’s most vulnerable populations, resulting in worse health problems, increased human suffering, and ultimately costing our state more in the long run.

To create a healthier, more productive Arizona, we must strive to increase access to care, not limit access to care. The proposed changes will lead to sicker Arizonans in less healthy communities.

Thank you for the opportunity to comment on these changes.

Sincerely,



Myra L. Muramoto, M.D., M.P.H.
Professor and Chair
Family and Community Medicine
Professor, Public Health



Ravi Grivois-Shah, MD, MPH, MBA
Associate Professor, and
Interim Vice Chair of Clinical Affairs
Family and Community Medicine

Thomas J. Betlach M.P.A., Director
Arizona Health Care Cost Containment System
801 E. Jefferson St., MD 4100
Phoenix, AZ 850
RE: Section 1115 Waiver Renewal

February 27th, 2017

Dear Director Betlach:

As a citizen of Arizona I would like to offer some comments on Arizona's 2017 1115 Medicaid waiver application.

Health and Welfare resources should be used in the most efficient way for the benefit of the recipient. Unfortunately, the waiver request work requirement will result in a substantial increase in administrative costs due to the fact that the proposal does not address the administrative challenges in a proper manner. The problem is that the administration will have to gather and process the required information monthly on each enrolled individual / individuals requesting to be enrolled. The proposal in its current form does not demonstrate how this information can be drawn from other sources, for example, other governmental agencies. This implies that the administration will have to gather and record all individual information in a highly inefficient way. These procedures will again significantly increase the costs and probably even increase the staff needed to manage all the data and information. The Administration will also need to determine who is subject to or exempt from the work requirement. It is very likely that severe administrative challenges will exist throughout the notification, compliance, documentation and eligibility processes.

When launching a proposal with a potential to dramatically increase the administrative burden and costs, one would expect that the proposal had contained cost estimates on the management, implementation and administration for the Waiver and its work requirement. Without this information, it is not possible to offer credible information for the decisions to be made.

This, I encourage the Administration and the Centers for Medicare and Medicaid Services to withhold approval of the Administration's work requirement waiver request until a more complete analyses have been completed and a clearer picture of the administrative cost is provided.

With regards

Siv Svardal



ARIZONA ACADEMY OF
FAMILY PHYSICIANS
STRONG MEDICINE FOR ARIZONA

February 22, 2017
Thomas J. Betlach M.P.A., Director
Arizona Health Care Cost Containment System
801 E. Jefferson St., MD 4100
Phoenix, AZ 850

RE: Section 1115 Waiver Renewal

Dear Director Betlach:

On behalf of the Arizona Academy of Family Physicians (AzAFP), we thank you for the opportunity to comment on Arizona's 2017 1115 Medicaid waiver application. AzAFP represents 1600 allopathic and osteopathic physicians, family medicine residents, osteopathic and medical students in Arizona. We are a state chapter of the American Academy of Family Physicians, the largest medical specialty association in the country, with 120,000 members. We serve Arizona Family Physicians by providing them with practice support, advocacy and quality, evidence based continuing medical education.

Since implementing the program through a Medicaid 1115 waiver in 1982, the AHCCCS Program has evolved to include 1.9 million enrollees in the various categories of Medicaid and CHIP coverage. We thank you for your years of service and leadership in the Program.

The Patient Protection and Affordable Care Act (ACA) required the HHS Secretary to implement reporting requirements for states with Medicaid/CHIP 1115 demonstrations, and report outcomes. The ACA also requires states to streamline, simplify, and coordinate eligibility, enrollment and verification processes structured to *"maximize an applicant's ability to complete the form satisfactorily, taking into account the characteristics of individuals who qualify for applicable State health subsidy programs."* P.L. 111-148, 42 U.S.C. § 18001 (2010) Sec. 1413.

Our comments focus on those areas of the waiver request requiring "able-bodied" adults to become employed, actively seek employment, attend school or attend a job training program; to authorize AHCCCS to ban an eligible person from enrollment for one year if the person knowingly fails to verify compliance with work requirements or family income; and to authorize AHCCCS to limit lifetime coverage for all able-bodied adults to five years. We oppose these proposed amendments. These requirements would create an enormous and expensive administrative burden on the state, on the insurance vendors with AHCCCS contracts, and most importantly – on Arizonans who would have to carry out complex monthly reporting relating to

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proposed amendments. We are deeply concerned that family physicians would also be asked to verify or define whether an individual is “able-bodied” or be required to write or complete burdensome forms, notes or orders about whether an enrollee is “able-bodied.”

Family physicians care for patients with mental illness. These patients would likely lose, be banned or suspended from coverage by the proposed amendments. It goes against current law, “...taking into account the characteristics of individuals who qualify for applicable State health subsidy programs.” P.L. 111-148, 42 U.S.C. § 18001 (2010) Sec. 1413.

The **Lifetime Limits and Disenrollment** amendments are of utmost concern to our members and their patients, and we strongly oppose them. Family physicians care for many Medicaid patients in Arizona. A five-year lifetime limit would force many to be uninsured, limit their access to the primary, preventive, acute and chronic care that our members so ably provide. It would shift the costs of care to family physicians and other health providers, and dramatically increase uncompensated and charity care – just as did when Medicaid Proposition 204 childless adult coverage was frozen during the great recession, along with KidsCare/CHIP. More importantly, increasing the uninsured would worsen health outcomes, delay necessary care, and increase costly emergency department visits and preventable hospitalizations. It is our contention that you do not save money by shifting the burden of uncompensated care in the form of levying a hidden tax on the health providers, clinics and hospitals that care for these Arizonans.

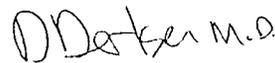
Non-Emergency Transportation is extremely important to help low-income patients get to family physician offices for primary and preventive care. Instituting a reasonable co-pay for non-emergent transportation services may discourage inappropriate utilization.

Finally, we encourage AHCCCS to expand **Preventive Health Services** assigned a grade of A or B by the U.S. Preventive Services Task Force to individuals below 100% of the federal poverty level. Currently, AHCCCS covers these important preventive services only for individuals living between 100%-138% of the federal poverty level. Covering A and B services for all Medicaid and CHIP enrollees will yield measurable improvement in terms of the fiscal, quality and health outcomes for these Arizonans.

Respectfully submitted,



Susan Hadley, MD
President, AzAFP



Daniel Derksen, MD
President-elect, AzAFP

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Policy Brief: Medicaid, CHIP, Section 1115 Demonstration in Arizona

Daniel Derksen, MD, Director Arizona Center for Rural Health

Background Medicaid 1115 Demonstration Waiver - Section 1115(a) of the Social Security Act (42 U.S.C. §§ 1309, 1315, 1396–1396d) gives the Secretary of U.S. Department of Health and Human Services (HHS) the authority to approve state experimental, pilot, or demonstration projects and provide federal financial participation (federal medical assistance percentage or FMAP) for demonstration costs that would not normally be allowed under the state’s Medicaid plan, including the Children’s Health Insurance Program (CHIP).¹ While every state has a Medicaid/CHIP state plan (and can amend them through State Plan Amendments or SPAs), 38 states have 55 section 1115 demonstration projects. Medicaid 1115 waivers are approved for five years, and generally renewed every three years.

Public Input - The Centers for Medicare and Medicaid Services (CMS) promulgated policies to assure transparency, public notification and opportunity for meaningful public input on 1115 proposals being submitted by a state for CMS review and approval. The Patient Protection and Affordable Care Act (ACA) required the HHS Secretary to implement reporting requirements for states with Medicaid/CHIP 1115 demonstrations, and report outcomes.² The ACA also requires states to streamline, simplify, and coordinate eligibility, enrollment and verification processes structured to “*maximize an applicant’s ability to complete the form satisfactorily, taking into account the characteristics of individuals who qualify for applicable State health subsidy programs.*” P.L. 111-148, 42 U.S.C. § 18001 (2010) Sec. 1413.³

Arizona Medicaid -The amendments to the Social Security Act (SSA) that created Medicare (SSA Title XVIII) and Medicaid (Title XIX) were enacted in 1965. Arizona was the last state to implement a Medicaid program in 1982. From its inception, Arizona operated its Medicaid program – the Arizona Health Care Cost Containment System (AHCCCS) with a section 1115 demonstration waiver. In September of 2015, AHCCCS submitted its 1115 application renewal to CMS, which was approved starting 10/01/2016 for five years through 09/30/2021.

Senate Bill 1092 was passed during Arizona’s 2015 legislative session.⁴ It requires AHCCCS to apply to CMS by March 30 of *each year* for a waiver or amendments to the current Section 1115 Waiver to allow the State to implement new eligibility requirements for “*able-bodied adults.*”

As a result of SB 1092 (42 C.F.R. 432.408) AHCCCS is required to submit annually a Social Security Act Section 1115 Medicaid Waiver Amendment to request of CMS approval to:

- 1) Require able-bodied adults to become employed, actively seek employment, or job training;
- 2) Require able bodied adults to verify *each month* compliance with 1) and any income changes;
- 3) Allow AHCCCS to ban (1 yr) for not reporting income changes or false statements regarding 1); and
- 4) Allow AHCCCS to limit lifetime Medicaid coverage for able-bodied adults to 5 years.

The public can review and comment on the AHCCCS proposal via e-mail to publicinput@azahcccs.gov Comments received by **February 28, 2017**, will be reviewed, considered and included in the final proposal sent to CMS.

References

1. <https://www.medicaid.gov/medicaid/section-1115-demo/about-1115/index.html>
2. <https://www.medicaid.gov/medicaid-chip-program-information/by-topics/waivers/1115/downloads/1115-transparency-rtc.pdf>
3. <https://www.gpo.gov/fdsys/pkg/PLAW-111publ148/pdf/PLAW-111publ148.pdf>
4. <https://www.azahcccs.gov/Resources/Federal/sb1092legislativedirectivewaiverproposal.html>



*"Reducing Incarceration through Prevention,
Intervention, and Treatment"*

Feb 28, 2017

Mr. Tom Betlach, Director of AHCCCS
801 E. Jefferson St. MD 4100
Phoenix, AZ 85034
publicinput@azahcccs.gov

Dear Director Betlach:

As a mother with three adult children who have been diagnosed with a serious mental disorder, I am grateful for the opportunity to comment on the current Medicaid Section 1115 waiver. I also work as the director and founder of a nonprofit organization, David's Hope. Our mission is to reduce the numbers of people with mental illness and addiction who are incarcerated. AHCCCS has accomplished much over the past years to give Arizonans comprehensive health care benefits and I sincerely hope the quality of our Arizona healthcare remains strong and vibrant. I would like to share my concerns with the proposed requirements for "able-bodied" adults receiving Medicaid services.

1. I am very concerned about how the state will define the term "able-bodied".

The individuals we serve who live with serious mental illness are not able to maintain wellness under the undue burden this change in policy would present.

2. I oppose the policy of requiring able-bodied adults to verify on a monthly basis compliance with the work requirements and any changes in family income. I also oppose the policy that would 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.

Work requirements would likely end in a loss of health coverage, adding to our unemployment and poverty rate, and most importantly negatively impact public safety. I believe you would also see a dramatic rise in the use of emergency rooms for service when people with mental illness hit bottom.

3. I oppose the proposed lifetime coverage limit of five years for able bodied adults. Individuals experiencing a mental illness often experience periods of wellness,

interrupted by periods of severe illness. Imposing a five-year lifetime limit on AHCCCS eligibility contradicts what is known about disability, chronic disease and mental illness, and jeopardizes progress already gained by those covered by AHCCCS.

Thank you for the opportunity to comment.

Sincerely,

Mary Lou Brucik

President, David's Hope



Health System Alliance of Arizona

February 28, 2017

Director Tom Betlach
Arizona Health Care Cost Containment System
801 E. Jefferson
Phoenix, Arizona 85034

Dear Director Betlach:

The purpose of this letter is to provide comment on the proposed Waiver Amendment that is being submitted pursuant to Laws 2015, First Regular Session, Chapter 7.

The proposed Waiver Amendment, if approved, would make significant changes to eligibility requirements and enrollment in the AHCCCS program. Specifically, the Amendment would require “able-bodied” AHCCCS-enrolled adults to fulfill work or job-training requirements and provide monthly verification of compliance with these requirements. The Amendment also seeks to limit lifetime enrollment for able-bodied AHCCCS enrollees to five years and provides for a one-year enrollment ban on those who knowingly fail to report a change in family income.

As healthcare providers, the Alliance is concerned that while the definition of “able-bodied” in the authorizing legislation does provide exception for individuals who are receiving disability benefits, it does not provide broad enough exception to also account for those vulnerable populations who depend on their AHCCCS coverage for their ongoing healthcare needs, but who do not meet the strict eligibility criteria for federal disability benefits. For example, individuals who are suffering from a serious mental illness, are organ transplant recipients or who have life-threatening diseases such as HIV or cancer depend on their Medicaid coverage for access to life saving medication and treatment. Without assurance of this coverage, these vulnerable populations will potentially suffer adverse health outcomes, poor quality of life or even death.

There is value in preventative care and care management that contribute toward improved health outcomes for individuals who would otherwise be deemed “super utilizers” in our healthcare system. For example, we know that those with hypertension and diabetes who go without access to ongoing care are more likely to be without life-supporting medication, suffer adverse health outcomes and drive more cost into our healthcare delivery system. We can certainly support a system that incentivizes employment and creates a path forward for individuals to exit the Medicaid system and obtain gainful employment. However, we also know that many employers do not offer comprehensive healthcare coverage to their employees. So, while this Amendment seeks to facilitate a path off of AHCCCS for many people, it fails to provide assurance of continued health care coverage. As a system, we anticipate an increase in uncompensated care, emergency room utilization and unnecessary and increased cost in our healthcare delivery system. Since these individuals will no longer have AHCCCS coverage, in the absence of another source of healthcare coverage, these uncompensated care costs will be largely borne by

hospital systems. For these reasons, the Alliance is opposed to the proposed five-year lifetime limit, as well as the requirement that all able-bodied adults become employed, be actively seeking employment, attend school or a participate in a job training program as a condition of their continued Medicaid enrollment.

We would also suggest expanding the list of exemptions in the Waiver application to include those individuals under age 26 and over age 50. There is broad recognition on the national level that young people under age 26 are faced with fewer employment options than their older counterparts. So, it is difficult to anticipate broad compliance with the work requirement for this population. We also know that those over age 50 are much more likely to suffer from chronic healthcare conditions. These individuals need continued access to healthcare coverage to manage these conditions, remain healthy and obtain healthcare services in lower cost and acuity settings.

The Alliance opposes the one year enrollment penalty for not reporting a change in family income as we believe it is too punitive. AHCCCS already has a robust Office of Inspector General and fraud detection and prevention program. So, while we certainly would never advocate leniency for any individual who knowingly misrepresents information to enroll in the AHCCCS program, we believe that AHCCCS already has the resources and systems in place to identify and penalize those who make the decision to defraud the program. We understand that the intent behind the application is to provide authority to only penalize those who “knowingly” violate these requirements. But, the Waiver Application fails to provide detail on how program administrators will differentiate between those who knowingly and unintentionally fail to report income changes to the Agency. For this reason, we are concerned that despite the stated intent, if a person accidentally misses the deadline to report a change in income, he or she may be inadvertently penalized under the new program requirements.

As we are all aware, Congress is deliberating the future of Medicaid programs across the country. This deliberation has created an enormous amount of uncertainty about the future and structure of Medicaid enrollment, the level of coverage that will be afforded to patients and the impact these changes will have on regulatory requirements and reimbursement for Medicaid participating providers. We believe our patients deserve to have certainty in their health care coverage. As providers and the largest employers in Arizona, we also depend on certainty in our Medicaid program to plan for program improvement, innovation and expansion.

Given this uncertainty, the Alliance was grateful that AHCCCS placed a hold on its AHCCCS Care implementation plan, which was authorized under the previous 1115 Waiver request. However, implementing a second round of Waiver revisions while we are also anticipating significant federal policy changes will only serve to drive more uncertainty and confusion into the system. For this reason, we would suggest that any decision regarding the program revisions being contemplated in this Waiver Amendment be delayed until Congress approves a Medicaid replacement policy package. From that point, CMS can work with the Governor and the AHCCCS Administration to create a program that complements a new federal Medicaid framework without forcing patients and providers to endure unnecessary confusion as they navigate multiple rounds of regulatory changes. This will allow our patients to make better and more informed decisions about the future of their health care and options for obtaining coverage.

In a similar vein, our hospital systems will be able to make better-informed decisions about how to plan for their future in Arizona as providers, innovators and employers.

Once again, we appreciate the opportunity to provide comment. Please do not hesitate to contact me if I can answer any questions.

Respectfully,



Jennifer A. Carusetta
Executive Director
Health System Alliance of Arizona



February 28, 2017

North Country HealthCare comments on Arizona Section 1115 Waiver Amendment Request

North Country HealthCare is a federally qualified community health center serving roughly 50,000 patients with 150,000 patients each year with primary care, dental services, integrated behavioral health and other health services. The primary clinic site and administrative hub is located in Flagstaff, a population center with a Medically Underserved Population (MUP) designation. North Country also operates satellite clinics targeting the uninsured in Ash Fork, Seligman, Winslow, Holbrook, St. Johns, Round Valley, Williams, Grand Canyon, Payson, Bullhead City, Kingman, and Lake Havasu City. Including the Center’s primary site in Flagstaff, North Country now operates twenty two access points in six rural counties across northern Arizona. All of the North Country’s PCAs served carry a higher than state average for percentage of people living at or below 200 Percent of Poverty Level.

Please allow this letter to respond to the proposed waiver amendment from the Arizona Health Care Cost Containment (AHCCCS) to the Centers for Medicare and Medicaid Services (CMS).

As a federally qualified community health center in northern Arizona that provides care to roughly 50,000 patients that consider North Country their medical home, North Country strongly disagrees with the proposed additional eligibility requirements for AHCCCS coverage. The proposed eligibility requirements for able-bodied adults will have disproportionate negative effects on the health outcomes of vulnerable populations, including those living in poverty. Moreover, the able-bodied definition may mistakenly affect individuals who are caring for a loved one or are ill but don’t yet qualify for disability. North Country wholeheartedly believes that increased access to healthcare and improved health outcomes results in increased lifetime productivity.

The budget neutrality that is sought by the Arizona legislature will impose additional verification requirements that will undoubtedly have the impact of increasing overall AHCCCS administration cost increases and necessitate additional levels of bureaucracy. These additional verification requirement and limits will also result in delayed care for individuals that become uninsured, increased emergency room utilization, lost productivity and decreased access to healthcare. Finally, the proposed eligibility limits will disproportionately affect older adults because the lifetime limits will be exhausted long before this age.

Ash Fork 928.637.2305	Flagstaff 928.522.9400	Holbrook 928.524.2851	Lake Havasu City 928.854.1800	Round Valley 928.333.0127	Show Low 928.537.4300	Williams 928.635.4441
Bullhead City 928.704.1221	Grand Canyon 928.638.2551	Kingman 928.753.1177	Payson 928.468.8610	Seligman 928.422.4017	St Johns 928.337.3705	Winslow 928.289.2000



February 28, 2017

Mr. Tom Betlach
Director
Arizona Health Care Cost Containment System
801 E. Jefferson, MD 4100
Phoenix, AZ 85034

Dear Director Betlach:

On behalf of Valley of the Sun United Way, we thank you for the opportunity to comment on Arizona's 2017 1115 Medicaid waiver application.

Valley of the Sun United Way has served the needs of individuals and families in Maricopa County since 1925. Together with our 90,000 individual donors and 700 business supporters we are building a caring community where each person has the opportunity to achieve the basic goals we all aspire to: a good education for our children, a safe place to live, food on the table and the security that comes with financial independence.

United Way is the Valley's top non-profit investor in health and human development, touching millions of lives every year. With the oversight of our Board of Directors and hundreds of community volunteers, we operate at an extremely efficient level. We bring together partners from every sector – public, private, non-profit – to create solutions that: 1) drive systemic change that impacts entire communities; and, 2) transforms individual lives. Together, we'll build a stronger community for us all to live, work and raise our families.

VSUW joins with many other organizations in our concern regarding the following issues:

5-Year Lifetime Limit

VSUW strongly opposes the enactment of five-year lifetime limits for "able-bodied" Medicaid members. When AHCCCS proposed its 1115 Waiver in 2016, CMS weighed the suitability of each proposed requirement based upon whether it furthered the objectives of the program. In CMS' response to AHCCCS, the Acting Administrator stated the program's objectives included "strengthening coverage or health outcomes for low-income individuals in the state or increasing access to providers." Using this as its litmus test, CMS determined that time limits on coverage and work requirements "could undermine access to care and do not support the objectives of the program." We agree with CMS' previous decision and urge the AHCCCS and CMS Administrations to maintain this standard as their benchmark in determining whether to implement changes to state Medicaid programs.

As stated previously, we are concerned the proposed five-year limit for “able-bodied” adults does not reflect the nature of chronic physical and mental illness. Individuals suffering from chronic illness, be it physical or mental, often experience symptoms on a periodic basis for more than five years. Imposing time limits on an impoverished, older adult suffering from diabetes or depression does not help assure them access to care; rather, it may exacerbate their illness, eventually landing them in more costly healthcare facilities, such as a hospital emergency room. In turn, hospitals would be adversely affected through increased uncompensated care and bad debt.

We are also concerned the proposed five-year limit does not recognize the counter-cyclical nature of Medicaid enrollment. During economic declines, the need and demand for Medicaid coverage rises. Arizona is particularly vulnerable to economic instability, as evidenced by our unemployment rates during the Great Recession.

Imposing time limits on Medicaid coverage does not account for such economic fluctuations and the subsequent public need which arises. We cannot predict when or how often recessions may hit; therefore, we should not assume that five years is ample time for individuals to receive public assistance. We have seen no evidence to suggest an arbitrarily-set five-year lifetime limit on Medicaid coverage would help fulfill the program’s objectives. Hence, we strongly oppose its implementation.

Work Requirement

VSUW recognizes there is a positive correlation between health and economic prosperity, and we are encouraged by the Administration’s objective to connect individuals and families with employment resources. Such efforts are likely to assist individuals toward employment and reduce the overall need for public assistance.

We strongly recommend that prior to approving work requirements, the Administration, CMS and community partners garner a better understanding of AHCCCS members’ employment status in an effort to better inform public policy. In order to accurately craft public policy and understand progress toward any objective, it is critical for the Administration and community partners to first identify Arizona specific baseline metrics.

A recent report by the Kaiser Family Foundation shows that nationally, the majority (upward of 79%) of “non-disabled, adult Medicaid enrollees” in 2015 lived in working families. According to the research, Arizona fared better than the national average, with upward of 81% of non-disabled adults living in working families. With regard to Medicaid enrollees who did not work, the main reasons included: illness or disability (35%); taking care of home or family (28%); and going to school (18%). The Kaiser report represents a one-time study from a national organization, but we are not aware of similar information being collected locally on a regular basis. We recognize the administrative burden this may cause the Administration; however, such due diligence will help assess the appropriateness, accuracy and impact of the proposed work requirement. Without this information, we are concerned the policy could negatively impact unintended populations, such as sole caregivers of ill or disabled family members above age six.

1-Year Ban

We have concerns with the Administration's proposal to institute a one-year ban for enrollees who knowingly fail to report a change in income or falsify information regarding employment status. It is our understanding the Administration does not currently have systems in place to re-determine eligibility on a monthly basis, and building organizational processes (e.g., member notification, income and employment monitoring, documentation and remedial actions) for the one-year ban and other requirements are likely to be administratively burdensome and cost-prohibitive. We are also concerned that instituting a one-year ban may serve to the detriment of public health and the AHCCCS program. Banned individuals suffering from physical or mental illness are likely to become more ill in the absence of coverage, subsequently becoming more costly to the AHCCCS program once the ban has ended.

During the gap in coverage, individuals who suffer from communicable diseases or engage in risky behaviors will be less likely to receive treatment, thereby jeopardizing public health. In short, we fail to see how the proposed one-year ban furthers the objectives of the Medicaid program.

Should remedial actions be necessary to steward fidelity of the program, we recommend identifying alternative means of discipline which are less onerous and more protective of the public's health. In addition to the concerns raised above, we urge the Administration to be mindful of looming Federal discussions regarding Medicaid reform and its potential impact on Arizona's resources. Enacting changes to the AHCCCS program prior to any Federal direction and consensus on Medicaid's structure is likely to create inefficiencies in Arizona's use of taxpayer dollars.

AHCCCS has a long history of providing high quality care to millions of individuals and families across Arizona, and the Administration has built a reputation within Arizona and the Nation as a mature managed care program that delivers high value care at a relatively low cost. While we cannot support the requirements proposed in this Waiver Amendment, we continue to welcome the Administration's leadership and commitment to open dialogue on these important issues.

Sincerely,

Penny

Penny Allee Taylor
Chief Public Policy Officer



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Improving lives by mobilizing the caring power of our community.

February 27, 2017

Dear Director Betlach,

I am a concerned citizen writing you on behalf of the Board of Directors from the National Alliance on Mental Illness of Southern Arizona wanting to thank you for your time and dedication to making the Medicaid program in Arizona the best that it can be. With that being said, we wish to provide public comment on the proposed Medicaid Waiver directed by the Arizona legislature known as SB 1092.

As you are aware, Medicaid is a crucial aspect of the health span of many people in Arizona. We believe that health is a human right and that Medicaid provides this critical life-line to low-income individuals. Initiating a lifetime benefit limit of five years to “able-bodied adults” does not address the root causes of poverty or illness for those who find themselves as recipients of the Medicaid entitlement. Also, creating penalties for those who fail to report compliance with requirements does nothing to address poverty and illness either.

A person needs to be healthy to work, not work to be healthy.

“The objectives [in the Waiver request] include increasing the number of beneficiaries with earned income and/or the capacity to earn income, reduce enrollment, and reduce the amount of “churn” (individuals moving on and off assistance repeatedly) as the result of greater access to employment and employer-sponsored health insurance or health insurance through the Exchange.”

While it is clear in the objectives that reduction in enrollment of people who have Medicaid is a priority, it is unclear how people will have greater access to employment with these restrictions. It also does not appear to have a proponent including an increased connection to job training programs, more subsidized jobs and/or greater child care assistance for those with children over the age of 6.

In fact, with the proposed exemptions, many people will begin to seek a determination “to be physically or mentally unfit for employment by a health care professional...” This increases learned helplessness and dependence on the system by having professionals sign off for people to keep their health care.

We would like to invite you to have a further conversation regarding health care policy and Medicaid in Arizona by contacting David Delawder, Board President, at 520-812-9325 or d.e.lwdr@gmail.com.

Thank you for considering our state's poorest citizens and guiding our Medicaid system toward sustainable policy solutions that will benefit all Arizonans.

Sincerely,

Board of Directors, National Alliance on Mental Illness of Southern Arizona

Dr. Margie Balfour
David Delawder
Laura Fairbanks
Andres Gabaldon
Ana Gallegos
Chris Gwodz
Dr. Patricia Harrison-Monroe
Sheila McGinnis

February 27, 2017

Marsi Quigley
Betty Seery
Eric Stark



THE AMERICAN CONGRESS
OF OBSTETRICIANS
AND GYNECOLOGISTS

Office of the President
Thomas M. Gellhaus, MD, FACOG

February 28, 2017

Arizona Health Care Cost Containment System
c/o Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

RE: ACOG Comments on Proposed Policies to be Included in Arizona's Upcoming Medicaid 1115 Waiver Application

Dear Sir or Madam:

The American Congress of Obstetricians and Gynecologists (ACOG) represents more than 58,000 members nationally, more than 540 of whom are practicing obstetrician-gynecologists represented by ACOG's Arizona Section. As physicians dedicated to providing quality care to women, both nationally and in the State of Arizona, we welcome the opportunity to comment on the approaches proposed in Arizona's upcoming Medicaid demonstration 1115 waiver application. We understand that the Arizona Health Care Cost Containment System (AHCCCS) is required by legislative mandate to resubmit annually to the Centers for Medicare & Medicaid Services (CMS) any of the following provisions that have not been previously approved by the agency. However, we are convinced that the implementation of these provisions would decrease access to care for a significant number of Medicaid beneficiaries, leaving many low-income Arizonian women vulnerable to dangerous health conditions. As such, we are opposed to AHCCCS' intention to propose and 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.

AHCCCS seeks to ask CMS for permission to require all "able-bodied" adult Medicaid beneficiaries to either be employed, actively and verifiably seeking employment, or attending some combination of school and/or a job training program at least twenty hours per week, unless the adult is a member of one of a few, narrowly prescribed exempt categories. The proposal to require these types of activities would unravel the gains made by the State's Medicaid expansion by reducing access to health care for those most in need, while increasing AHCCCS' administrative burdens and costs and failing to increase employment rates. More than 471,000 Arizonan women have obtained coverage through Arizona's expanded Medicaid program.¹ However, the experience of the Temporary Assistance for Needy Families (TANF) program demonstrates that imposing such requirements on Medicaid beneficiaries would lead to the loss of health care coverage for substantial numbers of people who are unable to work or face major barriers to finding and retaining employment.² Arizona's proposal includes an exemption for people who are disabled or determined to be physically or mentally unfit for employment, but it would be administratively onerous to identify and track people whose disabilities or

¹ Kaiser Family Foundation. *Women's Health Insurance Coverage Fact Sheet*, October 2016. Available at <http://files.kff.org/attachment/fact-sheet-womens-health-insurance-coverage>. Retrieved February 24, 2017.

² LaDonna Pavetti, Michelle Derr, and Emily Sama Martin, "Assisting TANF Recipients Living with Disabilities to Obtain and Maintain Employment: Conducting In-Depth Assessments," Mathematica Policy Research, Inc., February 2008.

circumstances ought to exempt them. State TANF programs have failed in this type of approach, with studies showing that TANF recipients who are sanctioned for not meeting similar requirements have significantly higher rates of disability than those who are not sanctioned.³ Moreover, research shows that these types of requirements result in few, if any, long-term gains in employment rates.⁴

In addition to decreasing the number of insured Arizonans and being ineffective in increasing employment over time, these types of requirements would add considerable complexity and costs to Arizona's Medicaid program. State experience in implementing similar TANF requirements suggests that adding such requirements to Medicaid could cost Arizona thousands of dollars per beneficiary.⁵ These additional costs would detract significantly from any savings the Arizona legislature anticipates the state's Medicaid program would save, and would divert much-needed funds from beneficiary care to cover these new, unnecessary administrative costs. This proposal will not bring about any positive gains to either AHCCCS beneficiaries or the state of Arizona; it should neither be sought, nor implemented.

The requirement for able-bodied adults to verify on a monthly basis compliance with the work requirements and any changes in family income.

ACOG opposes this proposal because it would be administratively burdensome to enrollees who already have limited resources, and would present Arizona with the same complex and costly administrative issues described in our objection above to the proposed work and education requirements. Under the existing requirements of the Medicaid program, states must require beneficiaries to notify their state Medicaid agency when they have changes in income or other relevant circumstances. However, Arizona's proposal makes additional, unnecessary requirements of beneficiaries and is onerous, administratively complex, and punitive.

States have electronic mechanisms in place to periodically verify beneficiaries' income so it is unnecessarily burdensome to make the beneficiary constantly attest that there have been no changes. Additionally, many low-income people experience changes in income because their hours change, but not significantly enough to impact their Medicaid eligibility. These existing electronic mechanisms would also indicate whether a person is employed. Although these existing mechanisms would not necessarily capture all employment or compliance with the other aspects of Arizona's proposed work or education requirement, any benefit the state might receive by requiring this extensive level of beneficiary reporting would be far outweighed by the costs incurred. The funds the state would have to allocate to pay for the continued and repeated verification of work requirements and family income would be better spent on providing beneficiaries with much-needed care, and to pursue administrative simplification in the program—not to institute additional administrative complications.

³ *Id.*

⁴ *Id.*

⁵ 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.

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.

Medicaid disenrollment for failure to meet what we have already demonstrated is a burdensome, punitive, and somewhat duplicative administrative requirement will, in the end, increase the AHCCCS program's cost of providing care to Medicaid beneficiaries who re-enroll in the program after their one-year enrollment ban ends. The Medicaid program is an integral part of this country's health care safety net. Arizona Medicaid beneficiaries receive health insurance coverage through the state because they simply do not have the financial means to obtain health care any other way. AHCCCS participants who are forced to forgo health care for a year because they have been disenrolled from the Medicaid program for administrative noncompliance will not be able to afford to obtain necessary treatment for health conditions. As such, these beneficiaries' health conditions will worsen as they remain unaddressed during the beneficiary's disenrollment period, and will necessarily be more difficult and expensive to treat when the beneficiary re-enrolls. This provision will ultimately increase both the costs of the Medicaid program to the state and the consequences of any underlying health conditions to Arizona's Medicaid beneficiaries.

In addition, disenrollment of individuals from the Medicaid program inhibits their ability to maintain continuity of care and to receive reimbursement for services provided. When participants experience a lapse in coverage because of this provision, doctors will be forced to provide uncompensated care or refer patients to safety net providers, both of which disrupt the practice of medicine. For example, under this proposal, it could be possible for a Medicaid beneficiary's coverage to be terminated in the middle of a pregnancy based on an assumed violation of this rule. This proposal would ultimately be detrimental to AHCCCS beneficiaries, the physicians who treat them, and the state of Arizona. The proposal should not become a part of the Arizona's Medicaid program.

The authority for AHCCCS to limit lifetime coverage for all able-bodied adults to five years except for certain circumstances.

Under this proposal, Arizona will impose a five-year lifetime limit on Medicaid eligibility for "able-bodied" adults. Unlike private insurance, current federal law makes it clear that Medicaid is an entitlement program. The program was established to ensure that good health is not something that can only be achieved and maintained by people with financial means. Medicaid allows Americans have access to the health care they need regardless of their socioeconomic status. The Medicaid program is a critical part of health reform's continuum of coverage that assures non-elderly adults access to coverage even if their income fluctuates or their job status changes over time. Moreover, many low-income adults eligible under the Medicaid expansion are working, but don't have access to job-based coverage. A lifetime limit on Medicaid eligibility deprives beneficiaries a reliable health care safety net to protect them from the economic unknowns of everyday life to which we are all susceptible. Moreover, under this program, a working, "able-bodied" adult without access to job-based coverage could very feasibly exhaust her lifetime limit before reaching the age of twenty-five, leaving her without health care during her childbearing years and endangering both her health and the health of any future children she may have. A time limit on coverage in Medicaid has never been allowed precisely because such a policy is antithetical to the very purpose of the Medicaid program. This proposal to permanently terminate a beneficiary's Medicaid eligibility after five years should be rejected.



THE AMERICAN CONGRESS
OF OBSTETRICIANS
AND GYNECOLOGISTS

Office of the President
Thomas M. Gellhaus, MD, FACOG

Thank you for the opportunity to provide comments on the proposals and policies AHCCCS plans to seek permission to implement with its 1115 Medicaid demonstration waiver application. As explained above, ACOG believes each of those approaches to be detrimental to the health care access and needs of Arizonan women and supports neither their proposal or their implementation. However, we are happy to work with you to develop solutions that both improve health outcomes and reduce the costs in the Medicaid program. To discuss these recommendations further, please contact Ilana Addis, MD, MPH, FACOG at (520) 260-2763 or ibaddis@gmail.com, or Stefanie Jones, ACOG Health Policy Analyst, at (202) 863-2544 or sjones@acog.org.

Sincerely,

Thomas M. Gellhaus, MD, FACOG
President

Ilana Addis, MD, FACOG
Arizona Section Chair



VIA EMAIL: publicinput@azahcccs.gov

Mr. Tom Betlach, Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Mail Drop 4200
Phoenix, Arizona 85034

Re: Comments on Section 1115 Waiver Renewal

Dear Director Betlach:

Terros Health thanks you for the opportunity to comment on the proposed Medicaid 1115 Waiver Request.

Our comments are focused on the following "able-bodied adults" key areas of your waiver request:

- 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.

The definition for "able-bodied adults" will be key to the impact of the proposed changes. We believe that each of these provisions pose unique and significant risk to persons with serious mental illness and other behavioral health issues.

Work Requirement, Verification, and Suspended Eligibility

Terros Health supports efforts to increase employment, however, the time limits and work requirements proposed are challenging and ill-advised. There are many physically or mentally impaired individuals who are unable to work, who may meet the definition of able-bodied adults. The current proposal will have a disproportionate effect on individuals with chronic conditions and disabilities and lead to worse economic and health consequences. These requirements would also

lead to time-consuming and expensive administrative burdens on the state, insurance vendors and individuals expected to carry out complex monthly reporting obligations.

Lifetime Limits and Disenrollment

Removal of Medicaid coverage after 5 years of lifetime enrollment will negatively impact our collective efforts to improve health outcomes and jeopardize access to care for vulnerable populations. A five-year lifetime limit would force many to be uninsured, limit their access to the primary, preventive, acute and chronic care. It would shift costs of care to other health providers, worsen health outcomes, delay necessary care, and increase costly emergency department visits and preventable hospitalizations.

We oppose the legislative mandate and your request to place a 5-year lifetime limit on AHCCCS coverage because: 1) it would negatively impact our collective efforts to improve health outcomes; 2) is not evidence-based; 3) the 5-year limit is arbitrary; and 4) the request does not account for the counter-cyclical nature of the Medicaid program; and 5) does not account for geographic economic opportunity disparities.

Non-emergency Transportation

Ensuring individuals have access to reliable transportation to medical services is important in order to ensure that members have access to pre-emergent care. We understand the Administration's concern that some members may not be using the non-emergency transportation benefit appropriately.

Adding a reasonable and modest co-pay for non-emergency transportation may be an effective means of achieving lower non-emergency transportation costs as long as it is implemented. If your request to require co-pays for the use of non-emergency transportation is approved by CMS, we encourage you to implement it using requirements that are evidence-based and that you measure over time the impacts that the requirement may have on missed appointments and the effect that it may have on emergency transportation as a result of delayed pre-emergent care.

Thank you for allowing us to comment on this proposal. Terros Health appreciates any consideration you make toward our perspective.

Best Regards,

Peggy J. Chase
President and CEO



Women thrive. Our community prospers.

February 28, 2017

via email: PublicInput@azahcccs.gov

AHCCCS

c/o Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

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Grants & Operations Manager

Dear Director Betlach,

The Women's Foundation of Southern Arizona (WFSA) appreciates the opportunity to provide comments on the waiver requirement outlined in Senate Bill 1092.

As the only charitable foundation in Southern Arizona dedicated exclusively to the empowerment of women and girls, the WFSA awards grants to support programs throughout Southern Arizona (including the urban and rural regions south of the Gila River) that benefit over 15,000 women and children annually, with a special emphasis on women's economic self-sufficiency.

The WFSA applauds the AHCCCS program, which operates on efficient and effective managed care principles, providing a critical safety net for our most vulnerable residents. We are concerned, however, that some of the waiver provisions may be counter-productive, creating more barriers to becoming self-sufficient.

Specifically, the WFSA is concerned about the impacts of a work/school requirement and the five-year lifetime limit for able-bodied residents.

Research drives everything we do. More than 500,000 of Arizona's women live in poverty. Moreover, 79% of single-parent families with incomes below the poverty level are headed by women.¹

The health benefits of access to health care are clear. Enrollment in AHCCCS leads to improved health outcomes and decreased mortality rates among infants and children. **Enrollment in AHCCCS also has critical economic benefits for hundreds of thousands of low-income women working to become self-sufficient:** women who are healthy are more likely to fully participate in the workforce and less likely to utilize costly emergency care.

The proposed work/school requirement as outlined is written too broadly and may have unintended consequences for people already facing significant challenges,

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such as health conditions that may limit their ability to participate in work or school, slowly growing economies in rural and semi-urban areas with limited employment or training opportunities or caregiving responsibilities for children or elderly relatives. As written, the proposed five-year lifetime limit could cause more people to fall back into poverty, rather than incentivize economic self-sufficiency.

Finally, the WFSA shares some of the same concerns expressed by the Governor, Congress and our State Legislature, especially around the need to reduce health care costs.

Since 2014, enrollment in AHCCCS has led to a 21% reduction in cost-related delays in health care.¹ Arizona is a leader in reducing health care costs. Changes to AHCCSS eligibility or benefits may be counter-productive and cause health care costs to rise.

We support the approach outlined by AHCCS in holding off on implementing the waiver provisions while Congress and health leaders clarify the future of the Affordable Care Act and the federal direction of the Medicaid program.

Sincerely,



Dawne Bell
CEO

¹ Castelazo, Molly. *The Impact of the Recession and State Budget Decisions on Arizona's Women and Children*, 2015.



Via email: PublicInput@azahcccs.gov

AHCCCS
Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

Dear Director Betlach,

Health Choice Arizona and Health Choice Integrated Care have reviewed the proposed Legislative changes to Arizona's 1115 waiver, and are collectively offering comments on the proposed 1092 waiver requests.

Health Choice agrees with evolving the Arizona Medicaid program to one that further promotes members having a vested interest and responsibility around their health care coverage, and the services they receive. However, as a Managed Care Organization responsible for the provision of quality health services for both the Acute Care and Behavioral Health populations for over 20 years, we find it necessary to express our concerns related to legislative initiatives impacting Arizona's most vulnerable citizens. Specifically, our primary concerns are related to the proposed five-year life time limit, which we feel imposes both unreasonable eligibility limitations and unnecessarily onerous reporting requirements on Arizona's Medicaid Program overall. The proposed changes present foreseeable, negative outcomes, and thus potentially could have the effect of reversing the progress Arizona has achieved through improvement in the Medicaid health service delivery system over the last decade.

In light of the continuous changes in the health care industry surrounding the Affordable Care Act (ACA) and Medicaid funding, these proposed changes would severely impede our ability to be nimble and flexible in the development and implementation of innovative approaches aimed toward ensuring the provision of quality health care to Arizona most vulnerable citizens in coordination with our obligations toward cost effectiveness.

As a participating Acute Care MCO serving over 255,000 lives, Health Choice Arizona has concerns regarding Legislative waiver's reference to the five-year lifetime provision for which the clock starts ticking when able-bodied individuals reach 19 year of age. This provision is contradicts the 26-year old age limit of the ACA, which Arizona polling results show that Americans value highly

Additionally, according to recent AHCCCS estimates, upwards of 242,000 Arizonans are in the population who would be initially subject to the five-year life time limit. Nearly half of this group is older, pre-Medicare, aged 45-65, with low incomes, limited education, and much more likely to suffer chronic and pre-existing health conditions than younger members, leaving them with few job choices or

Health Choice

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opportunities. Without these critical health care services, many who are already currently working, may become unable – either mentally, physically, or -- to retain their employment. Similarly, without access to health care coverage, these the members most likely to go without care, or seek treatment in the emergency departments which will increase costs.

As the Integrated Regional Behavioral Health Authority (RBHA) that cares for members with serious mental illness and adults with mental health and substance abuse problems in northern Arizona, Health Choice Integrated Care also has specific concerns with SB 1092 both concerning the proposal that all "able-bodied adults" receiving Medicaid services will have additional work requirements as well as the before mentioned five-year lifetime limit on coverage. Our concerns include the following:

- (a) Most major mental illnesses and substance use disorders start in early adulthood before young people have established themselves in the community, in their careers and with their families.

The ability to obtain timely and comprehensive behavioral health treatment is essential in ensuring that young adults are adequately treated, and achieve a level of recovery, so that they can become responsible, productive adults. Mental disorders present at a young age. The 2015 prevalence of any mental illness, *not including substance use disorders*, in adults is 21.7% for 18-25 year olds and 20.9% for 26-49 year olds, and 17.9% for all USA adults, per the National Institute of Mental Health (NIMH)¹.

Starting Medicaid eligibility as early as 18 years old, under the 5 year limit, means that by the time affected young people turn 23 years old they would no longer be covered in their adulthood when they continue to require care and services for chronic and new onset conditions.

- (b) The definition of "unfit" is both vague and may impose a higher standard of impairment than the current seriously mentally ill designation; and substance use disorders are also mental disorders and carry high health burdens;

The definition of physically or mentally "unfit" for employment or "capable" of working is vague. Operationalizing the definition to include mental disorders is difficult and poses numerous challenges because it relies on the health care professional to determine the level of dysfunction based on subjective and self-reported internal states like motivation, capacity, concentration, anxiety, mood, thought processes, etc. This could potentially set a very high bar for being able to qualify for Medicaid coverage. It is worth noting that even people who currently qualify as "seriously mentally ill" (SMI) do not have to be determined as unfit for employment; they only have to be substantially impaired or at risk for substantial impairment due to a qualifying diagnosis. Most members with SMI are not on disability benefits, and many are employed, but still have significant serious, chronic and episodic psychiatric disorders, like Bipolar Disorder and Major Depression.

¹ <https://www.nimh.nih.gov/health/statistics/prevalence/any-mental-illness-ami-among-us-adults.shtml>



Further defining “unfit” involves considerations such as, determining qualifying diagnoses for being unfit. As mentioned previously, the definition of “mental disorders” may or may not include substance use disorders. Under SB 1092 the 5 year limit may result in many people missing the opportunity for safe, effective care and recovery if they were to develop a mental disorder/ substance use disorder later in life after their 5 years of eligibility. In the event that the proposal waive were to be approved, we would strongly urge that the authority to determine these definitions be vested in the Director, and that you employ this authority in a manner that addresses the above concerns and limitations.

(c) Monthly compliance reporting appears to be more punitive and administratively costly than beneficial.

Instituting a monthly work requirement compliance report presents an undue burden to both the person and to the administration. Verifying monthly compliance for Medicaid benefits in this context seems unnecessarily onerous. Furthermore, the administrative cost born by the State to monitor this level of compliance will almost certainly far outweigh the limited savings that the reporting will provide.

Health Choice sincerely values our long-standing partnership with AHCCCS, and continues our support of initiatives toward the development and enhancement of the delivery system recognized across the country for the numerous successes we enjoy today. We appreciate the opportunity to share our views on these legislatively-required proposed requests for waivers from CMS.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Uchrin".

Mike Uchrin, CEO
Health Choice Arizona

A handwritten signature in black ink, appearing to read "Shawn Nau".

Shawn Nau, CEO
Health Choice Integrated Care

Health Choice

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Pima County Interfaith Civic Education Organization

February 26, 2017

Dear Director Betlach:

The Pima County Interfaith Civic Education Organization (PCICEO) appreciates the opportunity to comment on the proposed Arizona Medicaid (AHCCCS) waiver. PCICEO is the local affiliate of the Arizona Interfaith Network. We are a non-profit, non-partisan organization comprised of a broad range of faith communities and other non-profit organizations that share a commitment to the common good.

We strongly supported and applaud the improvements in accessibility made possible by reopening the KidsCare program, the expansion of Medicaid for parents and childless adults, and the implementation of the federal ACA marketplace for other low income citizens in Arizona. These programs have enabled over 600,000 Arizonans to gain healthcare coverage. We are extremely concerned about the impact of repeal of the ACA without a comprehensive alternative in place which truly meets the needs of those 600,000 citizens of our state. We are also very concerned about proposals to convert the Medicaid program to a block grant program, since that would disadvantage states like Arizona that experience population growth and have programs that are already functioning in an efficient and cost-effective manner.

We are proud of our AHCCCS program and the recognition it enjoys as one of the nation's premier Medicaid agencies. We want to see the AHCCCS system build on its strengths as a well-run and cost-effective state program and improve even more. It is in that spirit that we submit the following comments on the proposed AHCCCS waiver request.

We wish to express our concerns about the waiver provisions that appear to lack basic understanding of the day to day lives of members and their families and the burdens that these proposed provisions will impose on them. Consistent with the moral principles of reciprocity and empathy as expressed in the "Golden Rule", we believe governments should more fully consider how their decisions affect "the least of these" (*Matthew, 25*). There are many potential unintended consequences which are likely to result if these provisions are approved. In general, we believe the proposed five year lifetime limit for Medicaid eligibility and work requirements imposed on so-called "able-bodied adults" are extremely ill-advised. These requirements, if approved, will be barriers to care that will result in poorer health outcomes and increases in the number of uninsured. PCICEO opposes any arbitrary time limits on AHCCCS (Medicaid) eligibility and the linkage of any work-related requirements to eligibility for Medicaid coverage. AHCCCS is not a work program. It is a vehicle for providing adequate health care services to Arizona's citizens who are unable to afford health coverage on their own. Threats to insurance coverage could lead to more bankrupt families, delayed care and more uncompensated care. Work requirements are likely to result in a loss of health coverage, with little or no gain in long-term employment.

For these reasons, we strongly oppose these proposed provisions.

- Lifetime enrollment limits do not make sense, given the counter-cyclical nature of the Medicaid program during periods of economic downturns and increasing unemployment. When people get sick and lose their jobs, they may become eligible for AHCCCS. If they recover and return to



Pima County Interfaith Civic Education Organization

work, they may no longer be eligible for AHCCCS. This cycle can be repeated multiple times over a person's lifetime and thus an arbitrary limit of five years of eligibility is an unwarranted barrier to healthcare. This means that lifetime limits would disproportionately affect older adults who need care, but are denied due to prior years' coverage. This amounts to a form of age discrimination.

- The introduction of a program requiring members to obtain work assumes there are large numbers of low-income, able-bodied individuals who are purposely deciding to abstain from work. We have not seen any evidence justifying this assumption. While we agree that more coordination and referral between AHCCCS and workforce development and placement programs would be beneficial, onerous reporting requirements and punitive measures are not appropriate. If a work requirement is approved, the periodicity of reporting needs to be much longer and consistent with existing eligibility periods and exceptions need to be very broad to account for those who struggle to maintain employment. We note that we could not find several exemptions that were added as updates to the last waiver proposal in this current draft version, including *persons defined as Seriously Mentally Ill (SMI), caregivers of the elderly or disabled, and those in the, as yet undefined, group of "medically frail" individuals*. Furthermore "able-bodied adult" is still not adequately defined, nor does it clearly specify the following additional exceptions.
 - Those caring for a child over age 6 with special health care needs or a chronically ill adult. Forcing a caregiver to work under these circumstances could lead to having to institutionalize their loved one or make much more costly alternative arrangements for in-home care.
 - Grandparents or step-parents caring for children under 6 years old.
 - Older adults under 65 who were displaced from employment during the recession and have since accessed their Social Security benefits due to a health condition.
 - Those medically vulnerable individuals who have a chronic physical or mental illness that is not covered under existing disability or SMI criteria.
 - Those with illnesses that are characterized by periods of good health followed by long periods of poor health that affect their ability to work, i.e. lupus, multiple sclerosis, etc.
 - Those who have been convicted of a crime and are now unable to secure employment because they have been labeled as undesirable, despite paying for their crime and regardless of present good behavior.
- Furthermore, we question the need to add potentially costly and complex administrative tracking procedures that provide no value added benefits to AHCCCS members and providers. This risks diverting money away from the delivery of direct health services. We are concerned about the establishment and added burden of additional workload to state departments that are already working with limited staffing. We also note the likely additional burden placed on employers by the frequent employment verification process.
- We are also concerned about the affect of provisions related to cost-sharing for emergency room care and the use of emergency transportation. Emergency department use may be necessary in non-emergent situations if there are no alternatives available to those seeking care, especially in rural settings. Individuals may not seek early and appropriate medical services until they believe it is an emergency because of the cost implications. We are concerned that there are few details explaining how this section of the waiver would be implemented. For example, the last waiver request would have imposed significant cost sharing

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Pima County Interfaith Civic Education Organization

on any use of the emergency department that did not result in a hospital admission. Symptoms of a heart attack or stroke that is ruled out after evaluation and monitoring, or stabilization of a broken limb are examples of situations that usually don't result in an admission and should not be subject to higher co-pays. It would be much more effective to create programs that provide better proactive case management and care coordination for those who are clearly identified as "frequent flyers", than to impose these requirements on the entire population affected by the waiver. Similar concerns are relevant to the co-pays that could be imposed to use of emergency transportation services for situations that are subsequently determined as non-emergencies.

Finally, to reiterate our general critique of these aforementioned AHCCCS waiver requirements, we feel that the proposed changes, however well intentioned, will instead make AHCCCS members' lives even more difficult. Perhaps it would have been helpful to have people in poverty at the table when these waiver provisions were drafted, along with those organizations that work most closely with them and have a more realistic understanding of the struggles many of these members face on a daily basis.

We recognize that we currently have an excellent Medicaid program in AHCCCS and very much want to see the program sustained and improved. PCICEO appreciates the opportunity to comment on the concerns we have about the parts of this proposal which are likely to have a very negative impact on the program and its recipients and may result in a number of unintended consequences.

Sincerely,

Judith C. Keagy
Casas Adobes Congregational Church – UCC

Rev. Leah Sandwell-Weiss
Deacon, St. Philip's in the Hills Episcopal Church

Peter Becskehazey
Mountain Vista Unitarian-Universalist Church

Representing Pima County Interfaith Civic Education Organization – Executive/Strategy Team



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February 28, 2017

Mr. Tom Betlach
Director
Arizona Health Care Cost Containment System
801 E Jefferson St MD 4100
Phoenix, Arizona 85003

Via email

Dear Director Betlach:

On behalf of the Arizona Hemophilia Association, thank you for the opportunity to provide comments on the AHCCCS Administration's proposed 1115 Waiver Amendment. For 50 years the Arizona Hemophilia Association (AHA) has been serving those affected with a chronic bleeding disorder living in Arizona and their families. Because of the expense of the treatment, and the duration and severity of the condition, many of those we serve are on AHCCCS. We are committed to working with AHCCCS and community stakeholders to ensure that our members receive the quality healthcare they need in the most cost effective manner. Pursuant to S.B. 1092, the Administration is mandated to propose the following requirements for Medicaid members:

- 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.

We are concerned the requirements proposed in the 1115 Waiver Amendment could threaten access to care for those with bleeding disorders, an already very vulnerable population.

Definition of 'Able-bodied adults'

There does not appear to be a clear definition of what constitutes 'able-bodied' under the Amendment. Since bleeding disorders are an inherited genetic disorder that requires life-long treatment, it does not appear that it would fit the definition. Bleeding disorders are life threatening, debilitating, and expensive to treat with many physical, emotional and social challenges. Failure to preventatively treat the disorder can result in prolonged painful bleeds that cause permanent and severe damage that could lead to death. If access to the medication to prevent bleeding is denied, patients will go to the emergency rooms with acute care situations that require significantly higher amounts of medication and hospital stays to control the bleeding. The bleeding that occurs in acute care situations causes severe and irreparable damage to joints, muscles and organs that can result in permanent disability or death. It will significantly increase the hospital's uncompensated care and cause permanent damage that further decreases the patient's ability to work or be productive.

5-Year Lifetime Limit

AHA strongly opposes the enactment of five-year lifetime limits for “able bodied” Medicaid members. Bleeding disorders currently have no cure. It is a lifelong condition that requires continual treatment. For reasons set forth above, AHA strongly opposes a lifetime limit to AHCCCS coverage. For a person with a bleeding disorder, access to life-changing medications is paramount to being able to be a productive and healthy person. A lapse in access to healthcare will significantly reduce compliance and cause permanent damage. The damage to joints, muscles and/or organs can cause consistent pain. This in turn can lead to pain medication addiction and abuse.

Work Requirement

While AHA is encouraged by the Administration’s objective to connect individuals and families with employment resources, many of our members are currently working but are limited so that they can get the medication needed for their chronic condition. The difference in health and capability by taking the medication preventatively as opposed to no medication is vast. Our members cannot afford not to take the medication for their long-term health outcome and quality of life. Bleeding disorders affects the entire family medically, emotionally and financially. We are concerned the policy could negatively impact unintended populations, such as sole caregivers of ill or disabled family members above age six.

1-Year Ban

We have concerns with the Administration’s proposal to institute a one-year ban for enrollees who knowingly fail to report a change in income or falsify information regarding employment status. One year without the much-needed medication could have permanent, devastating effects on one’s health. The implications from lack of treatment are much longer than the one year. As mentioned previously, the costs of treatment will significantly escalate during an acute care situation with active bleeding. It will become a burden to health care providers, hospitals and taxpayers.

The Arizona Hemophilia Association has had a longstanding relationship with AHCCCS and garnered a reputation of partnership to work toward win-win solutions for the state and those we serve. AHA would like to work with AHCCCS to develop a path for our members on AHCCCS to become self-sufficient, productive, tax-paying citizens who are living healthy and happy lives. We educate our members from youth to adulthood to stay in school, get good grades, go to college and get jobs with access to healthcare benefits. We want to partner with AHCCCS to bridge the gap between being on AHCCCS and being able to be independent. We believe there are many ways to accomplish this for those living with bleeding disorders and are very interested in starting the conversation on how we can best work together to provide quality healthcare in the most cost effective manner.

We thank you for your consideration.

Sincerely,



Cindy Komar
Chief Executive Officer

February 27, 2017

Re: Comments to Arizona – Medicaid Expansion Waiver

<http://www.azleg.gov/legtext/52leg/1r/bills/sb1092p.pdf>

Arizona Health Care Cost Containment System:

The American Lung Association in Arizona respectfully submits the following comments regarding the Arizona Section 1115 Waiver Amendment Request for Senate Bill 1092 Arizona Legislative Directives. The Lung Association's public policy position states that it supports: "...reforms to health insurance programs that ensure universal access to quality health care services, preventive care and appropriate specialty care for all consistent with national guidelines." However, the waiver as proposed does not ensure neither quality nor affordable healthcare consistent with guidelines-based care.

The Lung Association in Arizona opposes the proposed 1115 Waiver Amendment (Waiver Amendment) request as it is currently written. The proposed Waiver does not seek to ensure universal access to quality healthcare services, but rather discourage the state's most vulnerable population from accessing quality and affordable healthcare.

The first provision of the Waiver Amendment requires all "abled-body" adults to be employed, actively seek work or attend school or a job training program. The American Lung Association recognizes a work requirement as a significant barrier to care and therefore oppose its inclusion in the Waiver Amendment. Many factors can serve as barriers to finding employment or attending school, including their own health, a lack of childcare, lack of transportation and needing to care for a sick parent. None of them reduce the need for healthcare.

The fourth provision creates a five year lifetime limit for coverage for "abled-body adults." This arbitrary time limit will reduce enrollment. The need for healthcare does not have an expiration date. There is no definition of, and limited parameters for what the definition of "abled-body" adult should be. Limiting the amount of time an individual has health coverage will result in higher levels of uninsured people, poor health outcomes and care happening in pricey emergency departments, not doctor's offices or clinics.

Arizona has already expanded Medicaid to cover individuals up to 138 percent of the Federal Poverty Level or \$16,643 for an individual or \$33,948 of a family of 4. By definition, this population is the working poor. Imposing a lifetime limit of Medicaid coverage will reduce the opportunity to rise out of poverty – increasing reliance on the government, not reducing it.

The ambiguity in definition "abled-body adult" gives the state unchecked authority to kick people off of Medicaid. Without this definition, the Centers for Medicare and Medicaid Services (CMS) nor the Arizona taxpayers have any idea what the state is asking for. It is, quite simply, an arbitrary term.

While both of the provisions described above would reduce access to quality and affordable healthcare in Arizona, the lifetime limit on benefits, coupled with the work requirement creates a perverse incentive to discourage enrollees to seek career advancement by spending time in school or a job training program.

The Lung Association in Arizona opposes Arizona's 1115 Waiver Proposal and requests that the state withdraw it and not submit it to CMS.

Sincerely,



Bill Pfeifer
President and CEO
American Lung Association in Arizona



February 28, 2017

Mr. Tom Betlach, Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Mail Drop 4200
Phoenix, Arizona 85034

VIA EMAIL:
c/o Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034
publicinput@azahcccs.gov

Re: Comments on Section 1115 Waiver

Dear Mr. Betlach:

The Arizona Council of Human Service Providers, on behalf of our 90 member agencies, appreciate the opportunity to share our thoughts on the Arizona 1115 Waiver resulting from the legislative directive in SB 1092.

Work Requirement

According to the Henry J. Kaiser Family Foundation, of adults in families covered by AHCCCS, 66 percent have one full time worker. Thirteen percent have a part time worker. Clearly, work has value and the majority of adults receiving AHCCCS benefits are already working. However, they are not working for employers who are providing health insurance to their employees. The remaining 21% of adults with AHCCCS coverage include persons with Serious Mental Illness, persons who are disabled or waiting for disability coverage to begin, those receiving ALTCS services, may include someone who is caring for a child below the age of 6, and people who are ill but may not be on disability, e.g., someone on cancer treatment.

We are left, therefore, with a relatively small part of the Medicaid population that might fall under the work requirement. The amount of reporting and tracking required is going to require a large effort for very little return. People with Serious Mental Illness or persons with lesser forms of mental illness or substance use disorders are going to have to file monthly reports as to work status and income. Some of these people have lives that are chaotic, and timely filing every month may be difficult for them to achieve. At the least, persons with Serous Mental Illness would have to be tracked down each month

and asked to sign a form. Not only is this labor intensive, but sometimes the enrollee may be resistant to signing forms due to paranoia, etc. This is going to increase the administrative cost and burden for providers as well as AHCCCS. A more efficient way would be for AHCCCS to electronically monitor employment using the DES labor data base.

Before considering instituting the work requirement, a cost benefit analysis should be completed by AHCCCS to identify need for additional AHCCCS staff to track and monitor this population.

Able Bodied:

AHCCCS has not defined *able bodied* in the context of these program requirements. Suggested criteria for exclusion would be Persons with Serious Mental Illness and persons in active treatment for mental illness and substance use disorders who have been determined by a health care professional as unable to work. Many people with mental illness and substance use disorders want to work, but often encounter barriers to steady employment, such as criminal records, lack of steady work experience, lack of transportation and affordable child care, and stigma. Additionally, it is important to acknowledge the cyclical nature of mental illness. A person may be able to work one month, but not the next.

Often those with a behavioral health diagnosis also have complicated and chronic medical conditions like diabetes or heart disease. Managing both the physical and behavioral health needs of these individuals can be difficult. Again, these conditions and the need for treatment for them can be cyclical. During times of acute illness or disability, the person is not able to work.

Employers are generally not sympathetic to the unique needs of these individuals. Therefore, getting and keeping a job can be difficult.

Ban from Enrollment

Lack of compliance with reporting requirements can lead to a person being banned from enrollment for one year under this proposal. When a person with mental illness or substance use disorder loses coverage for one year, lack of access to services for this period of time can lead to substantial deterioration in their mental status, as well as potential loss of employment, removal of children for abuse or neglect, interruptions in education, and possible incarceration. We saw this happen in Arizona when the freeze on AHCCCS enrollment for childless adults was implemented during the recession. This cost cutting measure wound up ultimately costing much more in uncompensated hospital care expenses, need for higher levels of care, and personal suffering.

Five Year Life Time Cap

There is no cure for mental illness. With regular access to treatment, the majority of people with mental illness can lead productive lives. They can function as parents and employees and students. Without access to treatment, people will at times struggle significantly with their disease. At other times, they will decompensate to the point that they will need inpatient treatment or extensive outpatient services. Some of them will end up in jail and/or prison.

There are costs to be considered in addition to the costs of the Medicaid program itself. Costs for uncompensated care in emergency departments and inpatient facilities, costs for incarceration/probation and parole/ court administration, costs for food, housing assistance, crisis and homeless shelters. All of these are public costs that need to be factored in when considering these policies.

There are chronic diseases associated with long term use of anti-psychotic medications. These become more severe as the person ages. Obesity, diabetes, and hypertension occur frequently among persons

with mental illness. With most forms of mental illness manifesting early in life (16 to 25), it is likely that many people will use up their five years before the age of thirty. As they age and they experience the onset of chronic disease, they will not have the ability to utilize the Medicaid program and they will be too young for Medicare. It is unlikely that they will be able to maintain full time employment. A lifetime cap of five years will provide mentally ill persons with a very short time period to live the lives that others take for granted. What will be lost is an entire population of people who could live productively and not need to be living on the margins. They could be contributors to the tax base, to their families and to the communities they serve.

If the Affordable Care Act is repealed, persons with mental illness and substance use disorders will have pre-existing conditions that will bar them from purchasing insurance. Unless they qualify for employer provided insurance, they will not have insurance coverage and they will be barred for Medicaid. Imposing the life time cap will result in a loss of productivity and an increase of persons needing public supports for food, housing, criminal justice services, and uncompensated health care. There will also be more people on the streets who are dangerous to themselves and others.

The financial and human costs need to be considered when determining if this lifetime cap is good social policy.

We appreciate the opportunity to comment and look forward to working closely with AHCCCS staff to provide quality services to those most vulnerable.

Sincerely,

A handwritten signature in cursive script, appearing to read "Emily L Jenkins", followed by a long horizontal line extending to the right.

Emily L Jenkins
President and CEO



Connecting families to a healthy future

Board Members

February 28, 2017

Joseph Gaudio
Board Chair
United Healthcare
Community Plan

Mr. Tom Betlach
Director
AHCCCs
801 E. Jefferson Street, MD 4100
Phoenix, AZ 85034

Karlene Keogh Parks
Chair Emeritus
USI Insurance Services

Elizabeth Scarano
Vice Chair & Treasurer
The Launch Biz

Dear Director Betlach,

Janice Ertl
Secretary
Retired Clinic Director
St. Vincent de Paul

On behalf of the Board of Directors and staff of Keogh Health Connection, thank you for the opportunity to provide comments regarding Arizona's proposed Section 1115 Waiver Amendment. Keogh is a 501(c)(3) community-based organization that was founded in 2003. Its mission is to assist the un-insured and under-insured obtain access to healthcare and nutrition services. Our goal is to assist people become self-sufficient.

Michael D. Borge
Revenue Cycle Management
Executive Client Services

It is our understanding that pursuant to S.B. 1092, the Administration is mandated to propose the following requirements for Medicaid members:

Lisa Garrett
Community Volunteer

Kathy Haake
Community Volunteer

Carolyn E. Lane
Constable,
Arcadia Biltmore Precinct

Craig Livesay
Delta Dental

Adam Miller
Centauri Health Solutions

Susan Perkins
Community Volunteer

Brian Schulman
Greenberg Traurig, LLP

- The requirements 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.

Anne M. Winter
Health Management
Associates

Keogh Health Connection is a known community partner agency serving on the HEA+Statewide Training Team and working closely with AHCCCS and DES staff and other community-based organizations to improve services. Our concern is that the proposed work requirement provisions and lifetime limits will create barriers to care that will result in poorer health outcomes, increases in the numbers of uninsured and undermine the collaborative efforts taking place throughout Arizona.

Sandra Johnson
Executive Director
Keogh Health Connection

Work Requirement and Definition of "able-bodied adult":

In our opinion, the work requirement, as proposed, is administratively burdensome and will disproportionately impact those clients that are low income or work in jobs with variable hours and income. While attempting to consider categories of people that can meet conditions for an exemption the complexities faced by many is not fully reflected for example:

- caregivers for disabled individuals older than six years of age or a special needs child;
- formerly, incarcerated individuals reentering society;
- people in the process of applying for disability insurance which can take a significant amount of time;
- individuals with undiagnosed physical or mental health impairments.

People suffering from chronic physical and mental illness often deal with a lifetime of health care needs that if not treated can destabilize their condition(s). Available programs that provide continuity of care lead to a healthier community and productive citizens that are self-sufficient.

Finally, in our experience, many AHCCCS members live in working families. A large number of those we serve, suffer from chronic illness or disability, are family caregivers or are going to school. We are concerned that in-depth understanding of the jobs that are available and then matching clients with the skills necessary to succeed in those jobs is necessary for individuals to succeed in the search for a position.

1 Year Ban:

We have concerns with the proposal to institute a one year ban for enrollees who knowingly fail to report a change in income or falsify information regarding employment status. Monitoring such a system on a monthly basis is likely to be administratively cumbersome and cost-prohibitive leaving many members confused, sicker and without the care they need to keep them in the workforce. Finding a simpler solution that addresses personal responsibility but protects the public's health should be sought.

The Board and staff of Keogh Health Connection look forward to working closely with you and our colleagues around the state to continue Arizona's Medicaid program legacy of offering high quality healthcare and improved access to services coupled with fiscal responsibility.

Thank you for the opportunity to comment on Arizona's Section 1115 Waiver proposal.

Sincerely,



Sandra E. Johnson, M.P.A.
Executive Director



Children's Action Alliance

A Voice for Arizona's Children since 1988

Board Chairman

Hon. Claudia Walters

Board of Directors

Rhonda Anderson
Maxine Brandenburg
René Diaz, EdD
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Dana Wolfe Naimark

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Mark DeMichele
Nora Hannah
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Susan Navran
Christine Nowaczyk
Dan Schweiker
Jacque Steiner (deceased)
Greg Wells

February 28, 2017

Mr. Tom Betlach, Director
AHCCCS 801 E Jefferson St.
MD 4100
Phoenix, AZ 85034

Re: Public Comments on SB1092 Legislative Directive Waiver Amendment Proposal

Dear Director Betlach:

Children's Action Alliance appreciates the opportunity to provide comments regarding the proposed Medicaid waiver amendment. As a non-partisan, non-profit children's advocacy organization, Children's Action Alliance has worked over the past 28 years to improve the health, education, and security of Arizona's children. We believe that AHCCCS is an important partner to our mission given that 40% of Arizona's children have health coverage through the Medicaid program.

The stated objectives of the requested waiver are to increase the number of AHCCCS participants with earned income and/or the capacity to earn income and to reduce the amount of churn on and off Medicaid coverage as individuals gain greater access to employer-sponsored health insurance or insurance through the Exchange. However, there is nothing in the waiver proposal that will actually enhance the capacity of individuals to earn income or to gain other sources of health insurance. Arizona has a dismal track record of supporting TANF cash assistance participants with job attainment and retention while they must comply with lifetime time limits and work requirements similar to those proposed here. Fewer than 2 in 10 participants in the jobs program remained employed after 90 days – a far lower work participation rate than current AHCCCS enrollees. Arizona spends less than 2% of the state's TANF block grant on work activities.

A clear body of research concludes that health coverage is, itself, a work support. Therefore, the proposed time limits and work search requirements will lead only to the self-fulfilling goal of reducing the number of Medicaid members by cutting off their benefits.

The waiver amendment requires able-bodied adults to comply with a work requirement, monthly income and work requirement verification, and monthly redetermination of eligibility with disenrollment for one year for knowingly failing

to report. These requirements add a costly and ineffective burden to your administration, creating a larger bureaucracy of overhead and paperwork.

These higher government costs will have a negative spillover effect on children's health coverage and on the well-being of their parents. Numerous studies, including one by the US Government Accountability Office, show that a child is significantly more likely to have public insurance if his or her parent has public insurance (US Government Accountability Office, 2011). Due to the close connection between parent and child enrollment, several elements of the AHCCCS proposal will result in more uninsured kids.

We would like to bring to your attention, in particular, the issue of youth who age out of foster care. As you know, former foster youth is a new mandatory Medicaid coverage category under the ACA, who are exempt from income limits until the age of 26. Locking these young adults out of coverage for failure to comply with new work and reporting requirements would endanger their security and contradict the very purpose of their coverage category. Beyond the legal ramifications of going against the purpose of the ACA law, we urge you to consider that former foster youth are a particularly vulnerable population, which disproportionately suffers from chronic medical and mental health conditions. Medicaid is an essential resource for helping former foster children transcend misfortunes of their childhoods and become well-adjusted, economically self-sufficient adults. We recommend you add this population to those exempt from the "able bodied adult" designation subject to the new requirements.

Parental coverage also affects children's economic security and children's overall well-being – healthier parents make better parents with more stable families. The loss of coverage for parents who do not meet the new requirements will negatively affect the health and security of their children. As a state that ranks among the highest in the percentage of uninsured children, any reform proposal should aim to give children in Arizona more opportunity to access affordable, quality health care.

Work Requirement

Health coverage itself is a work support – it helps people get and stay healthy enough to find jobs and keep working. Making work search a precondition for parents to access health coverage adds yet another barrier to employment. The proposal exempts parents who are sole caregivers of children younger than six, in recognition of the need for full-time care for young children. Similarly, work requirements do not make sense for parents who are full-time caregivers for children or other family members who are elderly or have special health care needs. We recommend expanding the exemption to these families as well. Punitive enforcement measures aimed at fostering self-responsibility can instead prevent enrollees from maintaining continuity of health care and coverage.

Monthly Income and Work Requirement Verification and Enrollee Disenrollment

The central hypothesis of the waiver is to increase the employment rate for beneficiaries; however, we know that already 79% of non-elderly adult and child Medicaid enrollees in Arizona are in families with at least one worker (Henry J Kaiser Family Foundation, 2015). For parents struggling to make ends meet in low-paying jobs, imposing a monthly reporting requirement with the penalty of a year lock out period only makes the goal of climbing out of poverty that much more unattainable. Many people are able to work because they can keep chronic and mental health conditions under control through AHCCCS coverage.

The experience of other states has confirmed Medicaid's role as work support. A study of Ohio's Medicaid expansion found that more than half (52.1%) of enrollees stated attaining coverage made it easier to secure and maintain employment, increasing to 74.8 percent for those currently unemployed (Ohio Department of Medicaid, 2016). Furthermore, the new requirements do not take into account the myriad of barriers low-income adults face in maintaining continuous employment such as securing reliable after-school child care, lack of transportation, fluctuations in hourly schedules, being laid off, divorce, or domestic violence. The high stakes consequence of even one month's lapse resulting in a one year lock out of coverage is not only overly-punitive but contradicts the stated objectives of the waiver.

Monthly Redetermination of Eligibility

This provision, if approved, would permit the state to re-determine eligibility on a monthly basis based on the income and employment related information provided by beneficiaries. AHCCCS currently does not collect this information and would have to expend resources to erect a regulatory infrastructure to manage this additional layer of bureaucracy. In fact, it is currently unknown how many members must be closely tracked, especially taking into account that members move frequently through eligibility categories due to health conditions, pregnancy, and age of their children. The resources required to track the status of hundreds of thousands of enrollees will result in wasteful government spending and compromise the nationally recognized efficiency of the AHCCCS program.

Five-year Maximum Lifetime Coverage

The current waiver proposal limits able-bodied adults to a lifetime limit of five years of benefits. No state in the country has such a limit on health care. While we are unable to determine from the available information what the stated goal of imposing such a limit is, we agree with CMS's rejection of this request earlier this year because it "could undermine access to care." Moreover, it exceeds the life of the waiver, which is due to expire on September 30, 2021 making it impossible to meaningfully test the state's hypothesis. Imposing a five-year lifetime limit runs counter to research on the management of chronic conditions, including behavioral health conditions.

The waiver proposal assumes that AHCCCS members would be able to either afford private insurance or have employer based coverage within five cumulative years of participating in Medicaid. This assumption contradicts the evidence and information about the job market and health insurance market that make it clear that many AHCCCS members would become uninsured if they were disenrolled from Medicaid due to time limits or penalties.

The five industries with the most adult workers enrolled in Medicaid in Arizona are food service, construction, building services (janitorial, cleaning and extermination), elementary and secondary support (cafeteria and front office staff), and landscaping services (Families USA, 2016). If approved, the lifetime limit would lead to more people losing health insurance and being forced to use the emergency room as their only place for health care. The emergency room is the most expensive place to receive health care and its overuse would burden the health care system for everyone. Children would undoubtedly be negatively impacted by their parents' health crisis and inability to pay for treatment.

Impact on budget neutrality

The proposal states (p. 5) that "*The imposition of work requirements, additional verification requirements, and time limits on coverage as stated in the proposal will have a positive effect on budget neutrality*" but provides no evidence at all to support this nor any budget assumptions to explain it.

As stated above, it is clear that this proposal, if approved, would result in substantial administrative costs and undermine AHCCCS' nationally recognized efficiency. Therefore, this positive impact on budget neutrality would derive from savings resulting from beneficiaries' loss of coverage as a result of the proposed changes. No estimates are provided as to how many persons are expected to lose coverage as a result of the proposed changes nor the administrative cost to implement them.

Arizona's Medicaid system is nationally respected and acts as a critical safety net for hundreds of thousands of working families. Creating barriers for adults to maintain health coverage will only hurt families by threatening their health and making it hard for them to get jobs and stay working while increasing administrative burdens on the state.

Thank you for the opportunity to respond to the waiver proposal. We welcome any opportunities to collaborate or discuss this further.

Sincerely,



Dana Wolfe Naimark
President and CEO

Sources:

1. <http://www.gao.gov/new.items/d11264.pdf>
2. <http://kff.org/medicaid/state-indicator/distribution-by-employment-status-4/?currentTimeframe=0&selectedDistributions=at-least-1-full-time-worker--part-time-workers--non-workers&selectedRows=%7B%22nested%22:%7B%22arizona%22:%7B%7D%7D%7Dhttp://medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Assessment.pdf>
3. <http://medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Assessment.pdf>



February 27, 2017

AHCCCS
c/o Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

RE: Comments on the Proposed Extension and Modification to the 1115 Demonstration Waiver

Health Management Systems, Inc. (HMS), is pleased to submit comments to the Arizona Healthcare Cost Containment System (AHCCCS), for consideration as it gathers information on the proposed extension to the state's Section 1115 waiver.

As outlined in SB 1092, AHCCCS is proposing to implement the following requirements for able-bodied adults receiving Medicaid services:

- To become employed, actively seek employment, participate in job training or attend school.
- 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.

In accordance with the guiding principles outlined in SB 1092, HMS recommends AHCCCS implement a premium assistance program, electronically verify key demographic information for purposes of eligibility determination and adopt coverage policies that closely align with commercial insurance practices to ease the transition from Medicaid to commercial insurance. Our recommendations ensures that Medicaid pays last, strengthens program integrity and builds upon commercial insurance market standards.

Promoting & Maximizing Employer Based Insurance Through Premium Assistance Programs

AHCCCS eligibility is based on financial need. There are frequent cases where an individual is employed, but still meets the low-income threshold for the program. Many of these employed AHCCCS members and their family members may have access to, but do not participate in employer-sponsored health insurance (ESI) due

to high out of pocket costs. A premium assistance program would pay the employee's share of their ESI in lieu of providing full Medicaid coverage. Many states leverage such programs today in order to maximize employer sponsored coverage, reduce overall Medicaid spend, improve healthcare access through more robust commercial networks and create greater employer connectivity for these otherwise Medicaid eligible individuals.

Given that AHCCCS is considering a work requirement, we recommend the implementation of a premium assistance program for all Medicaid eligibles who have access to ESI.

For a premium assistance program to be effective, the following policies are highly recommended.

- a. *Mandatory participation for AHCCCS members and their employers.*** Individuals eligible for Medicaid who are employed and have access to ESI should be required to participate in the premium assistance program. This creates greater savings and scalability for the program. At the same time, employer participation must also be compulsory. An employer mandate is not a mandate to offer health insurance coverage to employees, rather it is a mandate requiring employers to share health insurance coverage and eligibility information with the state in order to determine if AHCCCS applicants and members have access to ESI, but are not enrolled.
- b. *Compel employers to share data and enact penalties for non-compliance.*** For a premium assistance program to work effectively, AHCCCS will need timely access to information about members' ESI information, including employment status, employee eligibility status, a summary of benefits, and premium and cost sharing information. AHCCCS must ensure routine, electronic access to the aforementioned data and should complement employer data with external data sources, including routine access to state wage and new hire files for electronic data matching. AHCCCS should have levers available to ensure compliance, including punitive penalties.
- c. *Promote premium assistance programs in AHCCCS's Managed Care program.*** Premium assistance programs are also effective in highly managed care environments such as Arizona. In one state, a pilot demonstrated a significant cost savings by placing an individual otherwise eligible for Medicaid managed care into a premium assistance program. The cost to the state for the ESI was less than the state managed care plan's premiums.

Electronic Verification of Employment and Income Data

Reliance on self-reported information is an ineffective method for maintaining compliance with program rules. Furthermore, an effective premium assistance program (as discussed above) is best accomplished through automated/data matching efforts. Therefore, HMS strongly recommends that the state implement automated wage/employer file matching protocols to supplement self-disclosure of employment and wage information.

Align Medicaid Coverage Practices with Commercial Insurance

Lifetime limits are not permissible in the commercial insurance market. As AHCCCS seeks to emulate the commercial insurance market, and pave a smooth path for transition from Medicaid to commercial insurance, it is recommended that coverage policies be aligned. While the waiver contemplates exceptions to this lifetime limit, there may be circumstances where individuals are not granted access to commercial coverage through employment or other mechanisms. This would make public health insurance programs, such as AHCCCS/Medicaid, their only option. Alternatively, AHCCCS may consider enhanced cost sharing requirements for able-bodied adults after extended periods of AHCCCS enrollment.

About HMS

HMS (NASDAQ: HMSY) provides the broadest suite of cost containment solutions in healthcare to help payers improve performance. Using innovative technology and powerful data analytics, we deliver coordination of benefits, payment integrity, and data solutions to health plans, state agencies, federal programs, and employers. As a result of our services, customers recoup billions of dollars every year and save billions more through the prevention of erroneous payments. As a contractor to AHCCCS, we have helped the state recover over \$51M and avoid over \$620M in erroneous payments since SFY 2012.

We appreciate the opportunity to comment and welcome any questions you may have. Please feel free to contact me at jgorenstein@hms.com or (602) 617-1177.

Sincerely,



Jeremy Gorenstein
Director, State Government Relations



February 27th, 2017

AHCCCS
c/o Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034
publicinput@azahcccs.gov

To Whom It May Concern:

On behalf of Mental Health America of Arizona (MHA-AZ) we would like to thank you for the opportunity to comment on the Medicaid Section 1115 waiver. AHCCCS has a long history of providing quality health care for individuals and families in Arizona, and we look forward to a future which continues to steward access and high quality care for Arizona's most underserved populations.

As you prepare the waiver for submittal, MHA would like to share our serious concerns with a few elements of the proposed requirements for "able-bodied" adults receiving Medicaid services.

MHA opposes the policy of requiring able-bodied adults to verify on a monthly basis compliance with the work requirements and any changes in family income. In addition, MHA opposes the policy that would 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.

We find the monthly verification requirement to be onerous. This change would undermine access to care and jeopardize the progress being made by those covered by AHCCCS. Loss of coverage could lead to bankruptcy and many more people lined up looking for care in our ER's, which will result in uncompensated care. In addition, loss of coverage will make it hard for families to get jobs, start working and even maintain their current jobs.

According to the Kaiser Family Foundation, we know that 79% of adult and child Medicaid enrollees in Arizona are in families with at least one worker. For parents

5110 N. 40th St., Ste. 201, Phoenix, AZ 85018
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To promote the mental health and well-being for all Arizonans through education, advocacy, and the shaping of public policy.

struggling to make ends meet in low-paying jobs, imposing a monthly reporting requirement with the penalty of a year lock out period only makes the goal of climbing out of poverty that much more difficult. Many people are able to work because of the AHCCCS coverage that keeps their chronic and mental health conditions under control. Work requirements would likely end in a loss of health coverage, adding to our unemployment and poverty rate.

We find that the monthly verification requirement will reflect a significant administrative burden to both the claimant and to AHCCCS. With the unknown climate on the federal level, it is not a good use of time or resources to administer and maintain a monthly verification requirement. As with each of these requirements, there are tremendous administrative and cost burdens being added to AHCCCS, health care providers and most importantly to the already overwhelmed individuals needing this support to stay alive.

MHA opposes the proposed lifetime coverage limit of five years for able bodied employees.

Establishing a five-year lifetime limit is not responsive to the nature of mental illness, which can be a lifelong debilitating condition. This condition and the symptoms associated with it, may vary in intensity over time, allowing an individual to meet “able-bodied” criteria for a period, followed by periods of acute symptom exacerbation.

Individuals who experience poverty are at significantly greater risk of mental illness and individuals experiencing a mental illness often experience periods of wellness, interrupted by periods of severe illness. Imposing an arbitrary five-year lifetime limit on AHCCCS eligibility contradicts what is known about disability, chronic disease and mental illness, and jeopardizes progress already gained by AHCCCS.

MHA feels the immediate need to define the term “able-bodied”.

When determining this definition, it’s important to understand the cyclical nature of mental illness. One month an individual may meet the “able-bodied” requirement, followed by periods of acute symptom exacerbation. There are also many physical health issues that can change from day to day that could make a person not able-bodied when they were the day before.

By nature of being eligible to apply for these benefits one has to be living with the unbelievable burden of the Culture of Poverty. The punitive nature of these requests are the opposite of what the science of human change and wellness tells us are the more effective ways of approaching these issues.

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Thank you for considering our state's poor and guiding our Medicaid system toward sustainable policy solutions that will benefit all Arizonans. We look forward to working with AHCCCS to continue to improve the quality of health care delivered to families and individuals in need of health care.

Thank you for the opportunity to comment on the proposal.

Sincerely,

A handwritten signature in cursive script that reads "Kristina Sabetta".

Kristina Sabetta, LMSW
Executive Consultant
On Behalf of Mental Health America of Arizona

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To promote the mental health and well-being for all Arizonans through education, advocacy, and the shaping of public policy.

February 27, 2017

AHCCCS

c/o Office of Intergovernmental Relations

801 E. Jefferson Street, MD 4200

Phoenix, AZ 85034

Via Email: publicinput@azahcccs.gov

Dear Mr. Betlach,

I have been involved in health public policy since the initial legislative effort to establish AHCCCS. I have had roles as a community advocate and as staff to the Arizona State Senate. In those roles and as a resident of Arizona, it is with great concern that I write regarding the Section 1115 waiver under consideration following the enactment of SB 1092 in 2015.

Here are the requirements I am concerned about:

The requirement for all able-bodied adults (ABA) to become employed or actively seeking employment or attend school or a job training program.

1. While this is an admirable and desired goal, this is a mandate to your AHCCCS members **without** any new resources to assist those members in achieving the goal. It seems to me that if Arizona was ever serious about the need to assure that individuals on public benefits were able to secure employment, it would have occurred before July 2016 when 1,400 families lost TANF benefits because of the newly imposed twelve-month limit. That didn't happen. How will Arizona respond to this new mandate? The reality of the Arizona economy is that, as a state, we are very dependent upon the service sector which is greatly impacted by changing economic tides beyond the control of those affected. Individuals are subject to the regional differences in available employment evidenced by the wide variance in unemployment rates between rural and urban counties. Additionally, we're becoming an "on-time" or "gig economy," wherein employees often experience fluctuations in the number of hours they can secure from their employer: as few as 10 hours some weeks; full-time at others. Few private employers provide short or long term disability insurance and workers who become disabled often face months of delay in becoming eligible for the federal disability programs of SSI or SSDI.
2. The exemptions that have been identified fail to recognize the value of caregiving needed for a minor child over the age of six or for other family members such as a disabled spouse, sibling or elderly parents.
3. Data from the 2015 report "Distribution of the Nonelderly with Medicaid by Family Work Status," published by The Henry J. Kaiser Family Foundation, shows that 79% of the households in Arizona on AHCCCS had a family member working full or part-time. The assumption that individuals aren't working is demonstrably false. We need to acknowledge that people are working and trying to become self-sufficient.
4. There is no clear definition of 'able-bodied' contained in the statute and increasingly there is a reluctance by medical providers to complete the necessary documentation to determine disability.

5. Additionally, we know that some illnesses are episodic in nature, with periods of stability with few health care needs, followed by an intense need for care which, if not provided, could have long term adverse impacts on the individual. Let's celebrate the recovery episodes and intervene when health care is needed.

The requirement for able-bodied adults to verify on a monthly basis compliance with the work requirements and any changes in family income.

1. This new requirement presents major challenges to the AHCCCS administration and to your individual members. How will the AHCCCS member be assured that s/he has submitted the required information in a timely manner? As discussed above, there can be wide unpredictable variance between the hours the individual works one month compared to another month. There will need to be a **significant** education effort to assure that members understand what's required and how to timely meet these new demands. The requirement fails to recognize the stress and hassles the individual and his/her family may experience as they deal with meeting month's bills, juggling possibly varying work hours of work, and meeting the needs of their family.

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.

1. As indicated in the earlier discussion about fluctuations in income because of the service or gig economy they are engaged in, the assumption that the failure to report or to properly report was an intentional false statement is frankly intolerable and unwise. Obviously, the health care needs will remain and will impact not only the adult members of the household but also the children in those households. The need for ER usage will climb, and uncompensated care will again increase.

The request to impose a 5-year lifetime coverage for all able-bodied adults.

1. This is an unrealistic proposition and unattainable. How will AHCCCS accurately account for the "months on" benefits and "months off" benefits for several years to come? Will months when an individual lives in another state count towards those lifetime limits? What happens when it's time to **discontinue** benefits and the AHCCCS members request an accounting of months, and request a comparison with medical records showing a hospital stay, ER usage or ongoing therapy but no doctor provided attestation that the individual was not able-bodied? If individuals learn they have to "hoard" their months, will this change usage patterns and result in avoidance of health care until the situation is acute and more costly? How will months when an individual has a severe flu bout or an auto accident resulting in an inability to work, at least temporarily, be accounted for?
2. When the 60-month limit tolls and the individual is terminated from AHCCCS, won't there still possibly be ongoing health care needs? How will the community respond to someone in the midst of chemotherapy or ongoing care for a transplant? Medical care will still be delivered and costs will be shifted to the uncompensated care category again and ultimately to the full community.

As an Arizona taxpayer and long-time health care advocate, I implore the Center for Medicare and Medicaid Services to reject the proposed Section 1115 waiver as outlined in the submittal from Arizona's AHCCCS program. It does not address the significant administrative and educational barriers outlined

above, nor does it further the overall well-being of enrolled members or of the whole of the Arizona health care community. The proposal to impose a 5-year lifetime ban is simply contrary to the intent of the Medicaid program and should not be accepted. A simple "No!" is the best response to this request.

Sincerely,

A handwritten signature in cursive script that reads "Eddie L. Sissons". The signature is written in black ink and is positioned below the word "Sincerely,".

Eddie L. Sissons, C.P.M.
Research Advisory Services, Inc.
5631 N. 6th Street
Phoenix, AZ 85012

AHCCCS
c/o Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034
Via Email: publicinput@azahcccs.gov

Re: SB1092 1115 Waiver Comments

Dear Mr. Betlach:

As Arizona's Primary Association, comprised of Community Health Center providers serving a significant percentage of AHCCCS members. We have submitted a public comment on the 1115 waiver request required by SB 1092 on behalf of all our members. However, some of our members that are "Homeless Grantees" have requested that we submit additional comments that address the unique challenges this 1115 waiver creates for them and their patients.

Brandon Clark, CEO of Circle the City, one of Arizona's FQHC homeless primary care providers would like to bring the following considerations to your attention:

- As a provider of both primary and behavioral health services to more than 3,000 adults experiencing various types homelessness each year, I am concerned about any provisions that limit healthcare eligibility to 'able bodied adults.' With the incidence of chronic substance dependence, mental health challenges and longstanding chronic disease so prevalent in the Medicaid population, the determination of what constitutes an 'able bodied adult' represents a complex, expensive and potentially discriminatory exercise;
- Work requirements, such as those proposed for able-bodied adults, exist to serve the biases of the general non-impooverished public and their respective legislative representatives far more than the members themselves. Complex societal and economic factors affect AHCCCS members' ability to seek and secure meaningful employment. A mandate to do so at the threat of revocation of healthcare coverage does little to enhance the livelihood of members, and instead generally results in additional layers of cursory administrative work without any real impact on economic independence.
- Should the state move forward with provisions for work and income requirements for able-bodied adults, the proposed required frequency of monthly verification is unnecessarily onerous. Many Medicaid members have extremely limited access to those communication mechanisms that enable enrollment and verification activities, such as cell phones, access to transportation, physical mailing addresses, etc. Even when ignoring the incremental administrative costs associated with the handling of hundreds of thousands of verifications each month, such a monthly requirement will be unnecessarily disruptive to the lives of the members being served. Please consider the possibility that an annual verification of eligibility criteria will meet the spirit of cost containment while simultaneously maintaining the dignity of the lives and daily schedules of AHCCCS members;
- Punitive measures, such as the proposed one-year ban for violation of periodic verification of eligibility, will do little to preemptively affect the behavior of vulnerable AHCCCS members and will instead negatively impact community providers who make up the local healthcare safety net. We must do everything in our power to promote access to preventative and cost-effective healthcare services. Punitive bans work in opposition to this goal, forcing those barred from eligibility to seek assistance from first

responders, emergency rooms and other high-cost interventions. Please consider alternative or less disruptive mechanisms to encourage compliance with periodic verification requirements.

Thank you in advance for your consideration of this feedback,

Brandon Clark
Chief Executive Officer
Circle the City



ARIZONA PSYCHIATRIC SOCIETY

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February 27, 2017

The Honorable Doug Ducey
Governor of the State of Arizona
1700 West Washington Street
Phoenix, AZ 85007

Mr. Thomas J. Betlach
Director AHCCCS
Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

Dear Governor Ducey and Mr. Betlach:

The Arizona Psychiatric Society represents member psychiatrists in the state that serve as advocates for the mentally ill. In this role, we present our comments on Governor Ducey's proposed AHCCCS Waiver Update and SB 1092 Directive. We support the stated excellent goals of increased accountability by beneficiaries, reduction of reliance on public assistance and prevention of misuse of healthcare resources. We also support finding ways to reduce non-emergent use of emergency rooms and ambulance services. **However**, some of the provisions listed as part of the Senate Board 1092 directive (Arizona Section 1115 Waiver Amendment Request) *raise significant concerns due to the potential for reduced access to essential healthcare services, difficulty in interpretation and increased burden on an already stretched healthcare system.*

As a way of example, we would like to underline a particular aspect of the proposed waiver changes which highlight these difficulties: the ambiguous term "able-bodied adult". There is no clear definition in the waiver nor in medical literature/practice as to the representation of an able-bodied adult. For mental health care providers, who would need to make this determination clinically, this term can be especially contentious and confusing. What if the body is "able" but the person has a serious psychiatric condition which limits the individual's ability to work?

At present, we face a significant physician shortage throughout Arizona. This shortage affects not only mental healthcare but the whole of medicine. Now, this purposed increased burden on healthcare providers to regularly certify this uncertain condition of *able-bodied-ness* would likely tax a system already struggling to meet the clinical needs of the community.

The proposed 5-year lifetime limits and work requirements could reduce access to essential and preventative healthcare services. The lifetime limits are more likely to affect the older adult population who have greater care needs, but may have exhausted their permitted 5 years. Frequently we as mental health providers see Medicaid beneficiaries who may be working but are unable to generate an income greater than the defined federal poverty line.

Mandating co-pays may be beneficial in eliciting greater engagement in care, however, it can also limit the ability to access healthcare in a timely manner for individuals on a limited income. The predictable outcome of this reduced access is an inadvertent delay in seeking care, leading to an increase in severity/morbidity of illness and an upsurge in the use of emergency and acute care services, thereby defeating the very basis for these purposed changes. Furthermore, monthly verification of income and work requirements are likely to increase the administrative burden for the state and also encumber beneficiaries who already may be struggling to meet their daily needs. The recipients of Arizona Medicaid who would be greatly impacted by the proposed changes are the working poor who already face challenges in allocating their limited financial resources to food, shelter, clothing, transport and healthcare.

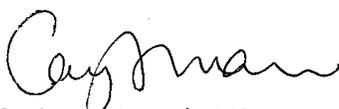
In families where there is one earning member but multiple dependents over the age of 6 (hence do not meet any of the exceptions), being asked to pay even a small percentage of the limited income (as co-pays) can have grave financial impact. The time that would be required to complete the paperwork for monthly reporting would take time away from earning an income. There also does not appear to be any clause that addresses healthcare coverage or assessment of able-bodied-ness for primary caregivers who may be unable to work due to care needs of a loved one. The possibility that more families would lose access to care due to the stringent and burdensome reporting requirements is highly probable. Predictably, there is likely to be an even greater motivation to apply for disability, directly negating the important goal of reducing reliance on public assistance.

As an example, consider the impact on Stephanie, a woman in her thirties who had to give up her full-time job when her husband suffered a stroke 5 years ago requiring her to act as primary caregiver. She herself has a history of drug use and post-traumatic stress disorder but after years of treatment has been sober and doing well prior to this hardship. For the past many years, Stephanie has been trying to work, but is only able to manage part-time work, which is not sufficient to get her own insurance or pay additional healthcare costs for her husband. Limiting her to 5 years on AHCCCS makes it likely that she will be without insurance from this point on. Then she is at great risk for worsening of her mental health and possible dependence on further public assistance.

We hope the above example brings to attention some of the problems with the proposed waiver changes. We strongly urge the governor to reconsider the proposed changes in light of the various challenges they would raise for the beneficiaries of Arizona Medicaid. Implementation of the proposal will result in an increased number of people without regular and adequate access to healthcare. Although initially the projections may appear positive from some co-pay collections, in the long run this will cost the state of Arizona more due to poor health outcomes, increased levels of disability, burden on healthcare providers and significant fiscal burden of acute care services.

We request you to kindly consider our comments and make amendments to this proposal so as to better serve the people of Arizona.

Respectfully,



Gurjot J. Marwah, MD

President

ARIZONA PSYCHIATRIC SOCIETY



Jasleen Chhatwal, MD

Secretary

ARIZONA PSYCHIATRIC SOCIETY

William E. Morris Institute for Justice

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Phone 602-252-3432

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February 27, 2017

VIA EMAIL:

publicinput@azahcccs.gov

Arizona Health Care Cost
Containment System
801 East Jefferson Street
Mail Drop 4200
Phoenix, Arizona 85034

Attn: Office of Intergovernmental Relations

Re: Comments to AHCCCS Proposed
Amendment Request to Section
1115 Demonstration Waiver (as
required by Senate Bill 1092 –
2015)

Dear Office of Intergovernmental Relations:

The Arizona Center for Disability Law (“ACDL”), Arizona Center for Law in the Public Interest (“Center”), the National Health Law Program (“NHELP”) and William E. Morris Institute for Justice (“Institute”) submit these comments to Arizona’s proposed amendment to its demonstration waiver as required by Senate Bill 1092. The ACDL is the protection and advocacy program in Arizona and works on issues concerning access to health care for persons with disabilities. The Center is a public interest law firm that has a major focus on access to health care issues. NHELP is a national program whose mission is to secure health rights for those in need. The Institute is a non-profit program that advocates on behalf of low-income Arizonans. As part of our work, we focus on public benefit programs, such as Medicaid.

The ACDL, Center, NHELP and Institute strongly supported Arizona’s decision to restore Medicaid services to the Proposition 204 adults and to expand Medicaid to all persons with incomes up to 138% of the federal poverty level, with income disregard of

5%. Arizona's restoration and expansion have been highly successful. Approximately 1.9 million persons are on AHCCCS as of February 2017. www.azahcccs.gov/Resources/Downloads/PopulationStatistics/2017/Feb/AHCCCS_Populations_by_Category.pdf. Of this number, 318,000 are the Proposition 204 (0-100% of federal poverty level) and 82,000 are the adult expansion (100-133% of the federal poverty level). Uncompensated care for hospitals has been substantially reduced.¹ In addition, thousands of health care jobs were created.

On September 30, 2016, the U. S. Department of Health and Human Services ("HHS"), Centers for Medicare and Medicaid Services ("CMS") approved the Arizona Health Care Cost Containment System's ("AHCCCS") request to extend Arizona's Section 1115 Demonstration Waiver program for five years. The CMS approval specifically denied the following requests:

... monthly contributions for beneficiaries in the new adult group with incomes up to and including 100 percent of FPL; exclusion from coverage for a period of six months for nonpayment of monthly premium contributions; a work requirement; fees for missed appointments; additional verification requirements; and a time limit on coverage. ...

The reasons for denying these requests were:

Consistent with Medicaid law, CMS reviews section 1115 demonstration applications to determine whether they further the objectives of the program, such as by strengthening coverage or health outcomes ... or increasing access to providers. ... CMS is unable to approve the following

¹ A June 2014 survey of 75% of the state's hospitals by the Arizona Hospital and Healthcare Association found that uncompensated care had dropped significantly as a result of the Medicaid expansion and restoration to \$170 million through the first four months of 2014. During the same period in 2013, uncompensated care was reported to be at \$246 million. *See Arizona Hospitals and Healthcare Association, April 2014 Hospital Financial Results; see also Ken Alltucker, Unpaid Hospital bills drop after Medicaid expansion, THE ARIZONA REPUBLIC, July 13, 2014, <http://azcentral.com/story/money/business/2014/07/13/arizona-medicaid-reduce-unpaid-hospital-bills/12591331>.*

requests, which could undermine access to care and do not support the objectives of the program. ...

AHCCCS now proposes to submit the same proposals initially denied by CMS in September 2016. The amended demonstration waiver proposal contains requests that, if approved, will undo much of the health care gains of the last 4 years. The requests will depress participation, create financial instability, establish high barriers to care and fundamentally change the nature of the Medicaid program in Arizona.

The proposed eligibility amendments are the following for “able bodied adults”:

1. The requirement for all able-bodied adults to become employed or actively seek employment or attend school or a job training program.
2. The requirement for members to verify on a monthly basis compliance with the work requirements and any changes in family income.
3. 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.
4. The authority for AHCCCS to limit lifetime coverage for all able-bodied adults to five years except for certain circumstances.

For the reasons below, the ACDL, Center, NHELP and the Institute request that AHCCCS not proceed with the proposed waiver amendment process because the substance of the amended demonstration waiver proposal has no experimental value related to the Medicaid program, will create barriers to health care and will impede, rather than promote, the objectives of the Medicaid Act.

I. Federal Requirements for a Demonstration Waiver under 42 U.S.C. § 1315

A. Waivers Must Promote the Objectives of the Medicaid Act and Test Experimental Goals

The Social Security Act grants the Secretary of the United States Department of

Health and Human Services limited authority to waive the requirements of the Medicaid Act. The Social Security Act allows the Secretary grant a “[w]aiver of State plan requirements” in 42 U.S.C. § 1396a in the case of an “experimental, pilot, or demonstration project.” 42 U.S.C. § 1315(a) (“section 1315”).² The Secretary may only approve a project which is “likely to assist in promoting the objectives” of the Title XIX and may only “waive compliance with any of the requirements [of the act] ... to the extent and for the period necessary” for the state to carry out the project. *Id.* This proposed waiver amendment clearly includes policies that would impede rather than promote the objectives of the Medicaid program by creating unnecessary barriers to enrollment and access to care.

Legislative history confirms that Congress meant for section 1315 projects to test experimental ideas. According to Congress, section 1315 was intended to allow only for “experimental projects designed to test out new ideas and ways of dealing with the problems of public welfare recipients” that are “to be selectively approved,” “designed to improve the techniques of administering assistance and related rehabilitative services,” and “usually cannot be statewide in operation.” S. Rep. No. 87-1589, at 19-20, *as reprinted in* 1962 U.S.C.C.A.N. 1943, 1961-62, 1962 WL 4692 (1962). *See also* H. R. Rep. No. 3982, pt. 2 at 307-08 (1981) (“States can apply to HHS for a waiver of existing law in order to test a unique approach to the delivery and financing of services to Medicaid beneficiaries.”).

In addition, the Secretary is bound by the Ninth Circuit’s precedent for any waiver requests under 42 U.S.C. § 1315. The Ninth Circuit described section 1315’s application to “experimental, pilot or demonstration” projects as follows:

The statute was not enacted to enable states to save money or to evade federal requirements but to ‘test out new ideas and ways of dealing with the problems of public welfare recipients’. [citation omitted] ... A simple benefits cut, which might save money, but has no research or experimental goal, would not satisfy this requirement.

Beno v. Shalala, 30 F.3d 1057, 1069 (9th Cir. 1994). Under *Beno* the record must show the Secretary considered the impact of the demonstration project on those the Medicaid

² Throughout this letter, the undersigned will refer to the demonstration waiver as “section 1315” not “section 1115” as § 1315 is the statutory cite. 42 U.S.C. § 1315.

Act was enacted to protect. *Newton-Nations v. Betlach*, 660 F.3d 370, 380 (9th Cir. 2011) (relying upon *Beno*).

Any waiver request by Arizona must meet these requirements. AHCCCS's proposal fails to establish any demonstration value and instead seems oriented around proposals that would ultimately limit enrollment through work-related requirements and unprecedented cumulative time limits. Significantly, the proposal cites to no hypotheses to be tested that relate to the health care system. Finally, the proposal fails to even claim that any of the waiver requests would further the objectives of the Medicaid Act. Thus, as explained below, this proposal does not satisfy the § 1315 requirements.

As part of our comments, we incorporate the comments submitted by George Washington University, Department of Health Policy and Management that the lifetime limits and work requirements are contrary to Medicaid's objectives; the proposed eligibility restrictions would create serious harm; it is unlikely the state has the capacity to administer such a system; and there are concerns about budget neutrality. We also note that research has shown that Medicaid coverage makes it easier for working poor adults to work. Two examples are cited. In Indiana researchers found that low-income workers in a Medicaid expansion state had not experienced greater job loss, more frequent job switching, or more switching from full-time to part-time work than low-income workers in non-expansion states. <http://content.healthaffairs.org/content/35/1/111.abstract> "Medicaid Expansion Did Not Result In Significant Employment Changes Or Job Reductions In 2014." In Ohio, the state found that among those who were unemployed or looking for a job when they gained coverage under the Medicaid expansion, 75% stated that having medical coverage made the task easier. "Ohio Medicaid Group VII Assessment," Report to the Ohio General Assembly by the Ohio Department of Medicaid. www.medicaid.ohio.gov/Portals/0/Resources/Annual/Group-VII-Assessment.pdf. This evidence further shows that this waiver proposal should not be submitted.

II. The SB 1092 Legislative Directive Waiver Amendment Contains Requests that Serve No Experimental Purpose, Create Barriers to Health Care and Will Impede, Not Further, the Objectives of the Medicaid Act

AHCCCS again intends to submit substantive waiver components that will create barriers to enrollment and access to care and, thus, do not further the objectives of the Medicaid Act. These waiver requests do not appear to serve any valid experimental purpose and, moreover, represent bad policy for low-income Arizonans and working Arizonans with disabilities who need coverage. They are likely to increase

administration complexity, reduce access to care, increase the number of uninsured and lead to worse health outcomes. In addition, some of these proposals undermine core elements of the Medicaid program and have never been approved by CMS.

As a preliminary matter, in the “Evaluation Design” section of the amended waiver request, AHCCCS lists the “Research, Hypothesis, Goals and Objectives” of the waiver request.

- A. Research, Hypothesis, Goals, and Objectives. The demonstration **will test whether authorizing work requirements and life time coverage limits** for ‘able-bodied adults’ enrolled in AHCCCS **will increase employment rate for those beneficiaries.** The goal is to reduce individual reliance on public assistance. The **objectives include increasing the number of beneficiaries with earned income and/or the capacity to earn income, reduce enrollment, and reduce the amount of ‘churn’** (individuals moving on and off assistance repeatedly) as the result of greater access to employment and employer-sponsored health insurance or health insurance through the Exchange.(emphasis added).

While the above objectives may be appropriate for a work program, they are not relevant to a healthcare program. Moreover, testing whether work-related requirements and life time limits will increase the employment rate for beneficiaries is not a proper experimental waiver for the Medicaid program. Not do these requirements further the objectives of the Medicaid Act, which does not have as one of its purposes, moving beneficiaries into work-related activities.

These waiver requests were denied in September 2016. In addition, some of the proposals are similar to those made by other states that CMS denied. As explained below, in each of these matters, AHCCCS should not proceed.

A. Lifetime Limit on Enrollment

AHCCCS again proposes a 5 year lifetime limit on enrollment for “able-bodied” persons. AHCCCS defines “able-bodied” as “an individual who is physically and

mentally capable of working.” The Institute is not aware of any state that has proposed a lifetime limit on enrollment. The only reason to suggest a lifetime limit is to save money, which is not a valid reason for a Section 1315 waiver. *See Beno*, 30 F.3d at 1069. Also, such a limit only creates a barrier to access to care and does not promote the objectives of the Medicaid Act.

Time limits have never been allowed in the history of the Medicaid program. As a matter of law, the Medicaid Act does not allow time limits in Medicaid, and numerous provisions of the Act explicitly prohibit them. Nothing related to the Affordable Care Act or Medicaid expansion changed the law in that regard.

Time limits also are far beyond CMS’ demonstration authority. Last year, the Medicaid program turned 50 years old. To our knowledge, in that entire half-century, CMS has never approved any Medicaid program to implement time limits on an eligibility category. Nor is there any reason to believe that CMS should suddenly consider such an extreme departure from established Medicaid law. Although states have flexibility in designing and administering their Medicaid programs, the Medicaid Act requires that they provide assistance to all individuals who qualify under federal law.

More specifically, CMS does not have the authority to use § 1315 to invent new Medicaid law. There is no way to construe time limits as a feature that would “promote the objectives of the Medicaid Act” as is required under the law for a § 1315 demonstration. Moreover, there is no corollary for time-limiting medical coverage in the Marketplace or in commercial health insurance, which both serve a higher income population with fewer health needs.

Time limits applied to health coverage are by nature arbitrary and capricious, and in this case would likely lead to individuals with chronic conditions and people with disabilities (who are more likely to have lower incomes over an extended period of time) to be put in a situation where they would be subject to higher premiums and cost sharing. For such individuals, who may not qualify as disabled or medically frail but still face serious or chronic health challenges that impede their ability to work, Medicaid offers dependable and affordable coverage that supports their ability to generate income (full-time or part time) and may prevent them from otherwise becoming fully destitute. Also, many persons with disabilities who depend on the home and community- based services provided by AHCCCS programs to avoid institutionalization are also employed. Although such persons can maintain employment through the provision of reasonable accommodations by their employer and are at risk of institutionalization without

AHCCCS coverage, this waiver amendment includes such individuals in its definition of “able-bodied” as a result of their ability to work. This waiver amendment will subject persons with severe disabilities to an arbitrary five-year lifetime limit on AHCCCS coverage because they happen to be capable of working. If persons with disabilities lose AHCCCS coverage pursuant to the five-year lifetime limit on coverage, such individuals will be subject to a substantial risk of serious harm to their health and a substantial risk of death.

Conditioning eligibility or raising coverage costs based on an arbitrary cumulative time limit would most certainly have a disproportionate impact on qualified individuals with a disability, and, as a result, may violate the Americans with Disabilities Act and Section 504 of the Rehabilitation Act – provisions the Secretary is not authorized to waive as part of a § 1315 experiment. It also will disproportionately impact older persons who may have hit the 5 year limit earlier in their lives and now have limited income. In addition, AHCCCS offers no evidence or support to justify imposing any time limit at all, let alone a specific time limit of 60 months.

The “Proposed Hypothesis” for the lifetime limit is that:

‘Able-bodied adults’ who lose eligibility due to the five-year maximum lifetime coverage limit will not increase over the course of the demonstration.

We are at a loss to understand what this “hypothesis” means. Whatever it means, it has nothing to do with the Section 1115 requirements of experiment and testing new hypotheses for the Medicaid program.

This amended waiver request has no evidentiary or experimental basis and, therefore, should not be submitted.

B. Mandatory Work-Related Requirements

AHCCCS again proposes the mandatory work-related requirements passed in 2015. For this waiver request, AHCCCS simply recites Senate Bill 1092. In general, the mandatory work-related requirements are that “able-bodied” adults work; actively seek work; or attend school or job training program, or both, for at least 20 hours per week; and verify compliance monthly.

For 50 years the Medicaid program has determined eligibility based on income. This proposal would add work-related criteria. The proposed hypothesis for the work-related requirement is:

The implementation of the work requirement will increase the rate of ‘able-bodied adults’ that are employed, or actively seeking employment, or engaged in training.

Here as well, there is no explanation of how the mandatory work-related requirements would increase access to healthcare, test an experiment related to the Medicaid program or further the objectives of the Medicaid Act. The proposed requirements obviously do none of these. This type of request does not promote the objectives of the Medicaid Act and it is only proposed to create a barrier to access to care and to make persons ineligible for AHCCCS.

This amendment may also be unconstitutionally vague because the amendment exempts persons who require an institutional level of care or are in the Medicare Cost Sharing groups, while at the same time defining “able-bodied” as persons who are capable of working. As discussed above, persons with disabilities who are at risk of institutionalization without AHCCCS coverage may also be capable of working through the provision of reasonable accommodations by employers. The wording of the waiver amendment is unclear as to whether persons who require an institutional level of care but are capable of working would be subject to the work requirement.

Moreover, the undersigned are aware that other states have proposed mandatory work-related requirements and CMS has denied those requests. One example is Pennsylvania. For all these reasons, this request should not be submitted.

C. Monthly Income and Verification Requirements/ Redetermination of Eligibility and Disenrollment for Certain Conduct

The amended proposal requires participants to verify on a monthly basis their compliance with the work-related requirements and their family income. There is no proposed hypothesis stated. Under the proposal AHCCCS is allowed to re-determine eligibility every month based on the information provided. Based on these monthly redeterminations, AHCCCS seeks to *ban* a person from medical coverage for one year if the person knowingly fails to report an income change or makes a false statement about compliance with the work-related requirements.

The proposed hypothesis for this request is:

‘Able-bodied adults’ who lose eligibility due to failure to report a change in family income or making a false statement regarding compliance with the work requirements will not increase over the course of the demonstration.

This proposal makes no sense. There is no hypothesis related to providing health care. AHCCCS apparently wants to increase reporting requirements and do monthly reviews to show that the number of persons disenrolled for failure to report will not increase. First, there is no showing that the current reporting requirements are not working. Nor is there any explanation of the projected cost and where the money will come from to administer the increase in reporting requirements on one-fourth of the AHCCCS population twelve-fold. Requiring monthly reporting will simply increase the number of times each year that a person may not respond to the reporting request and then lose their coverage for one year, although there has been no change in their circumstances.

This proposal also would be unduly burdensome on persons with disabilities who are subject to the work requirements because it is more difficult for persons with disabilities to promptly respond to requests for information. To increase reporting requirement twelve-fold will cause many persons with disabilities to fail to meet the reporting requirements and lose their essential health care coverage for one year.

Finally, if any of the above requests are currently being imposed in other states, then the undersigned do not think AHCCCS’ requests satisfy the novel or experimental prong of the waiver statute. In those situations, AHCCCS should wait to see what the results are of the testing in the other states before proceeding with the requests.

Conclusion

For all the above reasons, AHCCCS should not submit the amended waiver request. As explained above, AHCCCS failed to show that any of these requests comply with federal requirements that they be experimental and test something experimental related to the Medicaid program and further the objectives of the Medicaid Act.

Office of Intergovernmental Relations
Arizona Health Care Cost Containment System
February 27, 2017
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Thank you for the opportunity to comment on the draft proposal. If you have any questions concerning this letter, please contact Ellen Katz at (602) 252-3432 or at eskatz@qwestoffice.net. or Rose Daly-Rooney at 520-327-9547, ext. 323.

Sincerely,

/s/

Ellen Sue Katz, on behalf of

Arizona Center for Disability Law
Arizona Center for Law in the Public Interest
The National Health Law Program
William E. Morris Institute for Justice



AHCCCS
c/o Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034
Via Email: publicinput@azahcccs.gov

Re: SB1092 1115 Waiver Comments

Dear Mr. Betlach:

As Arizona's Primary Association, comprised of Community Health Center providers serving a significant percentage of AHCCCS members, we are writing to comment on the 1115 waiver request required by SB 1092.

Our comments address the following four main aims of the SB 1092 required waiver request:

1. The requirement for all able-bodied adults (ABA) to be employed or actively seeking employment or to attend school or a job training program.
2. The requirement for able-bodied adults to verify on a monthly basis compliance with the work requirements and any changes in family income.
3. 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.
4. The authority for AHCCCS to limit lifetime coverage for all able-bodied adults to five years except for certain circumstances.

AHCCCS is one of the most efficient and effective Medicaid programs in the country. Therefore, we question the value of these four provisions in the proposed waiver as they seem to add significant administrative expense for AHCCCS and the state of Arizona. We are concerned the limited benefits derived from these additional costs will not provide sufficient return on investment. Second, many consumers may have challenges understanding the new requirements and may also face difficulties or hardships in meeting some or all of these requests. Additionally, patients with Medicaid coverage may not be clear about the penalty for not verifying their work status or income on a monthly basis and therefore neglect to report. They may arrive for an appointment not realizing that they have lost their AHCCCS coverage. As a result, they could potentially be turned away by providers other than FQHCs, which are able to provide services on a sliding fee scale to these now uninsured patients. Many newly uninsured consumers also might not access needed primary and preventive care because of their lack of healthcare coverage, potentially resulting in future preventable high cost care such as hospitals..

Rather than moving forward with these provisions, we suggest a more conservative approach which will not have as negative an impact on AHCCCS, your members, managed care organizations and providers. We believe it would not be prudent to move too quickly on implementing policies that may pose additional barriers to access and continuous coverage.

AHCCCS members, because of limited incomes, may lack access to goods and services that many take for granted, such as technology and transportation. If implemented, we are very concerned that large numbers of members will needlessly lose coverage due to a lack of understanding of the new rules. Monthly reporting is a burden that is not placed on any other category of consumers as a requirement for

maintaining coverage. Provisions two through four of the proposed waiver lack specificity regarding the processes and procedures that members will use to report and how inappropriate rescission of benefits will be appealed or resolved. The proposed new requirements will greatly increase member churn as well as risk that a member may inappropriately lose coverage, even if in the middle of vital medical treatment. Without specific processes and systems to protect members who need access to care for either chronic conditions or lifesaving treatments like chemotherapy, it is most likely that AHCCCS will face increased dissatisfaction from individual members and consumer groups.

We suggest the current list of exemptions ([AHCCCS publication, Arizona Section 1115 Amendment, Senate bill 1092 Arizona Legislative Directives](#)) are inadequate to address legitimate reasons why a member should be exempt from provision 1. Specifically, A.1.e ii and A. 2. b, should be expanded to include a member who is a caregiver for a disabled family member, which could include elderly parents and other blood relatives or children with special health care needs beyond the age of 6. By definition, AHCCCS members have very limited means and are not able to afford caregivers for family members who cannot live on their own. Some AHCCCS members are caregivers of family members other than children under the age of six and they may not be able to seek gainful employment due to their commitment of unpaid family care-giving activities. These individuals deserve the same protection as offered to families with children under the age of six.

The fourth provision, a lifetime limit of five years, will require AHCCCS to maintain a database of members for the next 80 -100 years. The data will need to include eligibility by month to meet the proposed monthly eligibility redetermination, and therefore logically a member will be dropped when they reach 60 months of eligibility. This provision again raises the issue of members who need ongoing treatment and also creates greater risk exposure for AHCCCS should a member's accumulated months be inaccurately calculated. This provision also raises the questions regarding how and where these members will seek preventive and wellness care if they reach their coverage limit.

We are very concerned that the potential lack of access to needed care and the aggregate costs and impacts on AHCCCS, managed care organizations, consumers and providers far outweighs any possible benefits of these four waiver provisions.

Respectfully,

John C. McDonald, RN, MS, CPHQ
Chief Executive Officer



American Cancer Society
Cancer Action Network
4550 E Bell Rd, Suite 126
Phoenix, AZ 85032
602.586.7414
www.acscan.org/az

February 27, 2017

Thomas J. Betlach
Director
Arizona Health Care Cost Containment System (AHCCCS)
c/o Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

Re: Arizona Draft Section 1115 Waiver Amendment

Dear Director Betlach:

The American Cancer Society Cancer Action Network (ACS CAN) appreciates the opportunity to comment on Arizona's Draft Section 1115 Waiver Amendment, which proposes to amend the requirements for "able-bodied adults" receiving Medicaid services. ACS CAN, the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society, supports evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem. As the nation's leading advocate for public policies that help to defeat cancer, ACS CAN ensures that cancer patients, survivors, and their families have a voice in public policy matters at all levels of government.

We recognize that, pursuant to 42 C.F.R. 431.408, the Director of the Arizona Health Care Cost Containment System (AHCCCS) is required to request this waiver amendment to be considered by the Centers for Medicare and Medicaid Services (CMS). Our comments focus on the effect that the proposed eligibility requirements, penalties, and lifetime limits will have on thousands of low-income Arizonans enrolled in the AHCCCS. Nearly 36,000 Arizonans – many of whom rely on Medicaid for their health care – are expected to be newly diagnosed with cancer this year.¹ We are deeply concerned that the proposed changes in the draft waiver amendment would deny low-income Arizonans access to coverage, create barriers to care, and place unnecessary administrative burdens on enrollees. In particular, we are concerned what these proposed changes would mean for those who are battling cancer, cancer survivors, and those who will be diagnosed with cancer.

Following are ACS CAN's specific concerns with the AHCCCS Administration Draft 1115 Demonstration Waiver Amendment.

¹ American Cancer Society. Cancer Facts & Figures: 2017. Atlanta: American Cancer Society, 2017.

Medically Frail Designation

We ask the AHCCCS Administration to consider implementation of the “medically frail” designation as defined in 42 CFR §440.315(f), to allow certain individuals with serious and complex medical conditions to be exempt from a number of provisions included in this draft waiver amendment. Cancer treatment can cause a number of side effects, some of which can be serious and debilitating. While some cancer patients and survivors are able to work, attend school, and complete regular activities of daily living, many cancer patients are too sick from the disease and treatment to maintain their personal and professional schedules.

In the AHCCCS Administration’s consideration of the medically frail designation, we encourage the Administration to amend the definition to specifically include those individuals with serious and complex medical conditions – like cancer – to be exempted from various provisions in the waiver, consistent with the exemptions provided to the disabled or caregivers. With respect to cancer, the definition of “medically frail” should explicitly include individuals who are currently undergoing active cancer treatment – which include chemotherapy, radiation, immunotherapy and/or related surgical procedures, depending on their type of cancer – as well as new cancer survivors who may need additional time following treatment to transition back into the workplace.

Five-Year Lifetime Limit

We strongly oppose the proposed use of a five-year lifetime limit on able-bodied adults. Imposing lifetime limits on enrollees is arbitrary and could cause additional disruption in care for individuals managing serious and complex chronic conditions, like cancer. Current federal requirements prohibit most insurance plans from limiting the annual and/or lifetime dollar value of benefits and we urge this important patient protection be applicable to AHCCCS enrollees as well. Individuals are diagnosed with cancer at various stages and, depending on the type of cancer, the stage, and the necessary course of treatment, the patient could easily reach the proposed five-year lifetime limit. Similarly, cancer survivors often experience long-term side effects as a result of their treatment, often requiring maintenance medication and frequent follow-up visits. Denying these individuals and others with complex, chronic medical conditions access to health care coverage through AHCCCS would be devastating to the enrollee and their family and could significantly reduce their chances of surviving the disease.

Lock-Out Period

We are deeply concerned about the proposed 12-month lock-out period or “ban” for individuals who do not comply with the work requirement or who fail to report a change in family income. During the proposed lock-out period, low-income cancer patients or survivors will likely have no access to health care coverage, making it difficult or impossible to continue treatment or pay for their maintenance medication. For those cancer patients who are mid-treatment, a loss of health care coverage could seriously jeopardize their chance of survival. Subjecting enrollees to the proposed lock-out without exception could have overwhelming effects on individuals and families, especially those facing a new cancer diagnosis or a survivor facing a cancer recurrence. Being denied access to one’s cancer care team for a year could be a matter of life or death for a cancer patient and the financial toll that the lock-out would have on individuals and their families could be devastating.

Work requirements

The requirement that all “able-bodied” working age adults become employed, actively seek employment, attend school, or participate in a job training program to maintain eligibility or enrollment in AHCCCS disadvantages patients with serious illnesses, such as cancer. Many cancer patients are often unable to work or require significant work modifications due to multiple physical, cognitive, and psychological impairments, such as fatigue, depression, and other side effects commonly experienced by cancer patients and those undergoing cancer treatment.^{2,3,4} If this requirement is included as a condition of eligibility for coverage, many cancer patients would find that they are ineligible for the lifesaving cancer treatment services provided through AHCCCS.

We urge the AHCCCS Administration to consider implementation of a medically frail designation that would exempt individuals with serious, complex medical conditions from this work requirement.

Conclusion

We appreciate the opportunity to provide comments on Arizona’s draft demonstration waiver amendment. The preservation of eligibility and coverage through AHCCCS remains critically important for many low-income Arizonans who depend on the program for cancer prevention, early detection, diagnostic, and treatment services. Upon further consideration of the policies that will be included in the final waiver amendment application, we ask the AHCCCS Administration to weigh the impact such policies may have on access to lifesaving health care coverage, particularly those individuals with cancer, cancer survivors, and those who will be diagnosed with cancer during their lifetime.

We look forward to working with you and your staff to ensure that all low-income Arizonans have access to quality, affordable, comprehensive health care coverage that best fits their needs. If you have any questions, please feel free to contact me at brian.hummell@cancer.org or 602.586.7414.

Sincerely,



Brian Hummell
Arizona Government Relations Director
American Cancer Society Cancer Action Network (ACS CAN)

² Whitney RL, Bell JF, Reed SC, Lash R, Bold RJ, Kim KK, et al. Predictors of financial difficulties and work modifications among cancer survivors in the United States. *J Cancer Surviv.* 2016; 10:241. doi: 10.1007/s11764-015-0470-y.

³ de Boer AG, Taskila T, Tamminga SJ, et al. Interventions to enhance return to work for cancer patients. *Cochrane Database Syst Rev.* 2011; 16(2): CD007569. doi: 10.1002/14651858.CD007569.pub2.

⁴ Stergiou-Kita M, Pritlove C, van Eerd D, Holness LD, Kirsh B, Duncan A, Jones J. The provision of workplace accommodations following cancer: survivor, provider, and employer perspectives. *J Cancer Surviv.* 2016; 10:480. doi: 10.1007/s11764-015-0492-5.



MIKID Improves the Behavioral Health and wellness of children and youth through a family-centered approach.

February 27, 2017

AHCCCS

Mr. Tom Betlach, Director
Arizona Health Care Cost
Containment System
801 East Jefferson Street
Mail Drop 4200
Phoenix, Arizona 85034

VIA EMAIL:
c/o Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

publicinput@azahcccs.gov

To Whom It May Concern:

We would like to share our concerns regarding the proposed Arizona Section 1115 Demonstration Waiver Requests currently mandated to be proposed to CMS as a result of SB 1092 Directive.

- 1. We feel that any definition of the term “able-bodied” should be eliminated, and replaced with a statement that reflects that anyone that participates in the Arizona Health Care Cost Containment System, will be encouraged to seek employment whenever their health and personal lives can support it, and that health care providers will be encouraged to assist their enrolled clients in becoming gainfully employed whenever possible. Possibly finding a way to incentivize rather than punish.**

In relating to the reason the “able-bodied” term, as well as this recommendation are problematic, we put forth the following considerations: When determining this definition, it’s important to understand the cyclical nature of mental illness. One month or one day to the next an individual may meet the “able-bodied” requirement, followed by periods of acute symptom exacerbation. There are also many physical health issues that can change from day to day that could make a person not able-bodied when they were the day before. Think those with diabetes, epilepsy, narcolepsy, the list goes on. As with each of these requirements, there are tremendous administrative and cost burdens being added to AHCCCS, health care providers and most importantly to the already over-whelmed individuals needing this support to stay alive.

- 2. We oppose the policy of requiring able-bodied adults to verify on a monthly basis compliance with the work requirements and any changes in family income. We also oppose the policy that would ban an eligible person from enrollment for one year if the eligible person knowingly failed to report**



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a change in family income or made a false statement regarding compliance with the work requirements.

We find this requirement to be personally over-burdensome, and an administrative burden to both the claimant and AHCCCS. According to the Kaiser Family Foundation, we know that 79% of adult and child Medicaid enrollees in Arizona are in families with at least one worker. For parents struggling to make ends meet in low-paying jobs, imposing a monthly reporting requirement with the penalty of a year lock out period only makes the goal of climbing out of poverty that much more difficult, and more stressful. Many people are able to work because of the AHCCCS coverage that keeps their chronic and mental health conditions under control, a year lockout from health care coverage would be devastating.

As noted regarding “able-bodied, there are also a host of physical health conditions that can change overnight and prevent participants from even thinking about checking into AHCCCS about if they looked for a job, as they were focused on life threatening health issues.

The same issues for homeless individuals (especially homeless young adults) would also exist, as their ability to meet deadlines, find transportation to appointments, and even remember appointments when worrying about their next meal and if they are going to live through the night or get robbed, beaten, raped, etc., is extremely difficult.

Work requirements and even missing a monthly reporting of their efforts that could cause them to lose coverage for a year is terribly short sighted (not to mention overly punitive) and surely adding to the cost to care for illnesses, and some of the most expensive ones, would fall back on emergency rooms and indigent care providers already overwhelmed; as well as increasing our unemployment and poverty rates because people would be too sick to work.

Again the huge government administrative burden and costs cannot be overstated.

3. We oppose the proposed lifetime coverage limit of five years for able bodied employees.

Individuals who experience poverty are at significantly greater risk of mental illness and individuals experiencing a mental illness often experience periods of wellness, interrupted by periods of severe illness. Imposing a five-year lifetime limit on AHCCCS eligibility contradicts what is known about disability, chronic disease and mental illness, the difficulty of climbing out of poverty, and jeopardizes progress already gained by those covered by AHCCCS.

Possibly even more to the point, is that this policy request change demonstrates a total lack of understanding of the reality of poverty and the condition of our economy. There are people that can give a lifetime of hard work while employed and never earn enough to be above the poverty line that makes them eligible for this health care coverage, or work for an employer that provides health insurance. This can be the condition for thousands of individuals that do not have the aptitude to participate in the “new economy”, and the lack of real word supports to get themselves out of poverty. And even for those with aptitude, this 5 yr limit shows a total lack of understanding of the realities of getting out of poverty in this country.



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- 4. We oppose the recommended changes to eliminate non-emergency transportation.** Non-emergency transportation is extremely important to facilitate low-income patients getting the primary and preventive care they need. Those living in poverty have limited access to transportation. In rural and frontier areas, there may be no public transportation available at all. Even if transportation is available, many individuals cannot use it because of their health conditions, the expense or other reasons. Refusing to provide access to transportation will simply lead to a lack of access to necessary mental and physical health care, and job training and other preventive social resources that promote physical and mental health. This will often result in the need for more expensive care down the road and other system costs.

In summary: the specific issues noted above; the additional cost to everyone involved in time and money to administer what would be created as a result of these polices; serious health and human costs that cannot be quantified; considering that by nature of being eligible to apply for these benefits one has to be living with the unbelievable burden of the Culture of Poverty; and the punitiveness of all of these request for policy changes are the opposite of what the science of human change and wellness tells us are the most effective ways of approaching these issues, makes the plea to reject these recommended changes even more urgent

Thank you for the opportunity to comment on this submission of Waiver Requests.

Sincerely,

Dick Geasland, LCSW
Chief Executive Officer
Mentally Ill Kids In Distress
7816 North 19th Ave.
Phoenix, AZ 95021

February 27, 2017
Thomas J. Betlach M.P.A., Director
Arizona Health Care Cost Containment System
801 E. Jefferson St., MD 4100
Phoenix, AZ 85034

RE: Section 1115 Waiver Renewal

Dear Director Betlach:

First, I thank you for the opportunity to allow the greater Arizona community to comment on Arizona's 2017 1115 Medicaid waiver application.

As a native Arizonan, graduate student and registered nurse, I have seen firsthand the positive impact AHCCCS has had upon the lives of many Arizonans. I have met individuals who now, for the first time in years, possess health insurance. They can now establish care with a primary care doctor or nurse practitioner and engage in preventive health care. This in turn reduces costs for Arizona, as primary care incurs less costs than tertiary care. Individuals and families who would not have had access to health insurance, are now able to enjoy healthy lives as productive members with their families. The Medicaid expansion after the ACA's implementation was also beneficial to numerous Arizona families. I believe when Arizonans are equipped with tools needed to be healthy individuals, they thrive and contribute to the ongoing building of healthy Arizona communities. Therefore, I am concerned about Arizona's 1115 Medicaid waiver. I believe this waiver will disrupt this quest towards achieving optimal health for Arizonans. In particular, I am commenting on several key areas of the waiver request.

- 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 limit lifetime coverage for all able-bodied adults to five years except for certain circumstances.

Work requirement- One concern I have regarding individuals being required to provide verification of attempts to find employment are the logistics involved. What if individuals are not able to obtain a job? How will the state find ways to prove that Arizona individuals are attempting to seek employment? There are also individuals who own small businesses and those who are independent contractors. They will need to prove they are meeting the work requirement but how? The waiver also does not list or take into account variations in employment during seasonal fluctuations. I would anticipate AHCCCS recipients will be confused about the waiver requirement as well as eligibility staff and community partners. The administrative process to ensure individuals be compliant with attempting to find employment will also be challenging. What kind of procedures will be used to document members who are attempting to find work? Will there be transparency by the administration to update AHCCCS members about these changes?

Lifetime limits and disenrollment- By placing an arbitrary limit on AHCCCS coverage for five years, this will have repercussions for Arizona residents by placing them in a vulnerable position. Without access to health insurance and preventative care, the gains we have made in our state

will be jeopardized. What evidence demonstrates that five years should be the cut off point for Medicaid? I have not found research supporting a five year cut off point. It is well documented that when an economic recession occurs, enrollment in Medicaid increases whereas Medicaid enrollment declines during times of economic growth. Removing critical access to needed medical services for individuals is callous. Any one of us, at any time, could be placed in a vulnerable position (i.e. catastrophic accidents, cancer, life threatening illness) and would possibly need the use of Medicaid. I would hope that services would be in place to assist individuals and families if this were to occur.

Two events regarding Medicaid and Arizona stand out to me. One event includes Arizona's delay to adopt Medicaid. While Arizona was the last state to adopt Medicaid in 1982, this delay resulted in creating a robust model for what Medicaid can truly accomplish across the country. Perhaps Arizona, through the lessons and failures of other states, learned how to be successful in implementing a large program such as AHCCCS. Second, Andy Nichols and his relentless struggle to expand Medicaid for all Arizonans is another chapter in Arizona's history. Andy's ability to reach beyond political party and stand up for what is right for all Arizonans is commendable. Now more than ever, Arizona needs individuals and organizations to collectively speak for those who cannot speak for themselves.

I encourage the administration to withhold approval of a work requirement waiver request until a more comprehensive analysis is completed. Only with a comprehensive analysis can more appropriate criteria be established. I oppose the legislative mandate as it would negatively impact all Arizonans and reduce the gains made to improve the health for all Arizonans.

Sincerely,

Gabriela Flores



Society of St. Vincent de Paul Tucson Diocesan Council

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February 26, 2017

Mr. Tom Betlach
Director, Arizona Health Care Cost Containment System (AHCCCS)
801 E. Jefferson St.
Phoenix, Arizona 85034

Comments on Arizona Section 1115 Waiver Amendment Request

Dear Director Betlach,

The Society of St. Vincent de Paul appreciates the opportunity to comment on the proposed AHCCCS waiver. Inspired by Gospel values, the Society of St. Vincent de Paul, a Catholic lay organization, leads women and men to join together to grow spiritually by offering person-to-person service to those who are needy and suffering in the tradition of its founder, Blessed Frédéric Ozanam, and patron, St. Vincent de Paul. The Society's 160,000 trained volunteers in the United States provided 11.6 million hours of volunteer service in 2015, helping more than 14 million people through visits to homes, prisons and hospitals at a value of nearly \$1 billion dollars.

The Society addresses the issues of poverty in our community by caring for the poor and vulnerable in two ways:

- By responding to the immediate needs of the poor, namely providing food, clothing, furniture and financial assistance, whenever possible
- By engaging in initiatives that help individuals lift themselves out of poverty and by addressing those systems in our society that contribute to the crisis of poverty.

The Society of St. Vincent de Paul has a long-standing commitment to improving access, quality, affordability and cost effectiveness of health care for people in poverty. Thankfully, AHCCCS, the Arizona's Medicaid program, is one of the best in the nation. In 2013, we strongly supported the improvements in accessibility made possible by the expansion of Medicaid. We want to see the AHCCCS system build on its strengths and improve even more and it is in that spirit that we submit the following comments on the proposed waiver:

WORK REQUIREMENT FOR SO-CALLED "ABLE-BODIED" ADULTS

The introduction of a provision requiring AHCCCS members to obtain work, actively seeking a job, or attend school or job training assumes there are large numbers of "able-bodied" individuals, who are purposely deciding to remain idle. In our daily contact with people in poverty, we have not seen any evidence justifying this assumption. To the contrary, we often see people spending

a high amount of time and energy to take inadequate public transportation to an agency providing help or to a part-time job, only paying minimum wage. Therefore, we oppose the imposition of this requirement.

Any work requirements for all “able-bodied” individuals 19 years of age or older, otherwise eligible for AHCCCS, should consider all circumstances. If this provision is implemented, besides the exemptions already noted in the proposal, legitimate exemptions should also be available for individuals not recognized by the Social Security Administration as disabled or impaired, such as, for example:

- those with a chronic physical or mental illness, not covered under existing disability or SMI criteria,
- those with illnesses characterized by periods of good health followed by long periods of poor health that affect their ability to work, i.e. lupus, multiple sclerosis, etc.

Exemptions should also be available to caregivers and family members, including grandparents and step-parents, of those with special needs or disabled (e.g. child over age six with special health care needs or a chronically ill adult), because financial and work requirements affect the dynamics of the entire household. Forcing a caregiver to work under these circumstances could lead to having to institutionalize their loved one or make much more costly alternative arrangements for in-home care.

Additionally, we express our concern for individuals from the reentry population, since many face significant additional barriers to employment due to their criminal records. They might need support to obtain employment, before any requirement is applicable to this population. Similarly, people living in rural areas might not have job opportunities available.

Furthermore, we are concerned about categorizing individuals with inadequate definitions such as “able-bodied adult”. Healthcare is a human right and AHCCCS provides a critical lifeline to low-income individuals. There are many people, who are very sick, or physically or mentally disabled, but not covered under existing disability criteria, and people, who are suffering from an undiagnosed mental condition.

AHCCCS is not a work program. Work requirements are likely to result in a loss of health coverage, with little or no gain in long-term employment.

MONTHLY INCOME AND WORK REQUIREMENT VERIFICATION

Verifying income and work requirement on a monthly basis would impose a sometimes-unsurmountable burden on family in poverty, who often live in the tyranny of the moment, moving from crisis to crisis, not knowing where their next meal will come from. In our daily contact with those in poverty, we see the obstacles that they experience such as lack of transportation, lack of a phone, lack of a computer, etc. They struggle to find or maintain a job, because of poor education or lack of job training. These situations are even more pervasive among the many families living in generational poverty, whose members very often do not have yet the basic skills to function as a productive member of society.

Any verification periodicity need to be much less frequent and consistent with existing eligibility periods, with exceptions for persons, who are Seriously Mentally Ill (SMI), caregivers of the elderly or disabled, and “medically frail” individuals.

In addition, adding costly and complex administrative tracking procedures risks diverting money away from the delivery of direct health services, while contributing nothing that would benefit AHCCCS members and providers.

The above considerations apply to the following two points as well.

MONTHLY REDETERMINATION OF ELIGIBILITY

We oppose a monthly redetermination of eligibility for the same reasons expressed above. We believe that eligibility should remain as currently specified.

ENROLLEE DISENROLLMENT

The proposed ban of an eligible person from enrollment for one year, if the eligible person knowingly fails to report a change in family income or makes a false statement regarding compliance with the work requirements is similarly inappropriate, as there are many reasons why a person might not be able to report monthly changes or report incorrectly.

The creation of harsh punishments for those who fail to meet reporting deadlines penalizes those living in poverty unnecessarily and creates additional barriers to self-sufficiency. In practical terms, disenrollment as a punishment is a form of discrimination.

FIVE-YEAR LIFETIME LIMIT

We strongly oppose setting lifetime limits to medical coverage, as this severely undermines the intent of AHCCCS and its recent expansion to improve access to healthcare for people in poverty. A lifetime limit will increase the number of the uninsured, reducing the health of our communities, shifting the burden of healthcare costs to local providers and increasing uncompensated care, as more uninsured people will seek care in emergency departments.

Lifetime limits combined with work requirements especially do not make sense, due to the recurring nature of economic cycles. People in poverty are the most likely to experience repeated period of employment followed by periods of unemployment, during economic downturns.

It is also important to consider that people in poverty are often in “zero tolerance” jobs. If they make one mistake, or they are one hour late, because the car did not start or the bus did not come on time, or they wear the wrong color scrub, or because of a number of any other issues, they are out.

After the lifetime limit is reached, these people may no longer be eligible for AHCCCS at a time when they might need it the most. The lifetime limit combined with work requirements is setting an unwarranted barrier to healthcare eligibility that would disproportionately affect people in poverty, and even more so as they become older.

In conclusion, we feel that the proposed changes contained in the AHCCCS Waiver, while well intentioned, will make AHCCCS members' lives even more difficult. In our contacts with people in poverty, we realize that they get sick much more often than do middle-class people with a stable life. The stress of living in poverty makes them vulnerable to all kinds of physical ailments. Threats to discontinue their medical insurance coverage would only raise their level of anxiety further. It could also lead to more families seeking bankruptcy, delaying medical care and more uncompensated care for our society as a whole.

Thank you for considering our state's poor and guiding our Medicaid system toward sustainable policy solutions that will benefit all Arizonans.

Tucson Diocesan Council President

Stephany Brown

 2/27/17

- Breaking the Silence - Ending the Stigma - Saving Lives -

NAMI Arizona is a statewide grassroots organization dedicated to serving individuals and families affected by mental illness to improve their quality of life and achieve recovery. NAMI Arizona promotes activities, in partnership with local NAMI affiliates, through education, advocacy, research, and support.

**NAMI Arizona
Governing Board:**

Vicki Johnson, M.A.,
President

Robert Sorce, J.D.,
Vice President

Barbara Lang, M.A., LPC,
LISAC, CCSOTS,
Secretary

Kay Brown, M.C.,
Governor

Sherry Candeleria, B.S.,
CPM, PHR, *Governor*

Gina Boyer, Ph.D.,
Governor

Martha Auslander,
Governor

Leslie Schwalbe, M.P.A.,
Governor

Jim Dunn, M.Ed./C, CPRP,
Executive Director/CEO

February 27th, 2017

AHCCCS

c/o publicinput@azahcccs.gov

Office of Intergovernmental Relations

801 E. Jefferson Street, MD 4200

Phoenix, AZ 85034

Re: Attestation Against State of Arizona's Application to Amend or Modify its current 1115 Waiver to allow new eligibility requirements for "able-bodied adults"

1. Name of Organization: NAMI Arizona
2. Contact/Representative Name and Title: Jim Dunn, Executive Director/ CEO
3. Address: 5025 E. Washington St., Ste 112 Phoenix, AZ 850334
4. Phone: 602-885-4166
5. E-mail address: jimdunnaz@msn.com

6. Signature: _____

Authorized Organizational Representative

Section 1: Introduction – Attestation Against

NAMI Arizona hereby attests to its opposition to and active engagement against Arizona's application to amend or modify its 1115 waiver to allow new eligibility requirements for "able-bodied adults" and impose a five-year lifetime benefit limit.

NAMI Arizona believes that Medicaid, the State's largest insurer, is an important lever for driving delivery transformation. In Arizona, the AHCCCS program has been a leader in health innovation and health policy. With steady and strong leadership, AHCCCS has successfully promoted numerous initiatives to transform the healthcare industry. The program's success has also relied on its roots as a public/private partnership. All of these factors, in addition to serving a critical mission, are reasons why NAMI Arizona supported Medicaid restoration and expansion in Arizona.

NAMI Arizona is equally committed to actively striving toward health delivery transformation to yield better health outcomes and lower costs. Accordingly, NAMI Arizona believes it is essential to collaborate with the State of Arizona, through AHCCCS to effectively improve population health and promote system reform from a payment and delivery perspective.

Given this strong and determined partnering to ensure comprehensive and cost-effective healthcare for our indigent and most significantly impaired citizens, NAMI Arizona cannot in good conscience support any activity that reduces access and creates an undue administrative burden on both the individual served and the State of Arizona.

Section 2: Describe your Organization and its role in system reform currently

NAMI Arizona, a non-profit 501(c)(3) is the Arizona State Office of the nation's largest grassroots organization dedicated to serving individuals and families affected by mental illness to improve their quality of life and achieve recovery. NAMI Arizona promotes activities, in partnership with local NAMI affiliates, through education, advocacy, research and support.

NAMI Arizona strives to be the statewide leader in improving the mental health of all Arizonans by:

- *Educating Arizona citizens on the causes, symptoms and treatment of mental illness.
- *Advocating to legislators and policymakers in support of issues identified as important by peers and family members; and to create, maintain, or increase funding for mental health programs including those sponsored by NAMI Arizona and NAMI Affiliates.
- *Collaborating with the broader behavioral health community in activities that reduce stigma, offer hope and promote prevention, early diagnosis, treatment and recovery.
- *Coordinating with and supporting local NAMI Affiliates to continue offering valuable no-fee training, support groups and other programs for families and individuals coping with mental illness regardless of funding stream.

NAMI Arizona is now playing a significant leadership role in several statewide initiatives including the Arizona Mental Health and Criminal Justice Coalition, the Arizona Justice Alliance, the Arizona Peer and Family Coalition, Mental Health America's "Association of Associations", and the Future Directions Peer and Family Run Leadership Effort, along with being at the table and a valued contributor to many others including The Arizona Council of Human Service Providers, the Maricopa Consumers Advocates and Providers (MCAP), the Arizona Health Care Cost Containment System (AHCCCS) Office of Individual and Family Affairs, The Arizona Administrative Office of the Courts, Arizona Department of Corrections, Arizona Department of Housing, and law enforcement agencies across the State.

Another example is the establishment of the "NAMI Watch Dogs"—a group of dedicated citizens who monitor legislative activity and attend legislative hearings at a moment's notice. The NAMI Watch Dogs are at the forefront educating legislators about mental illness and partnering with community organizations including the Arizona Council of Human Service Providers, the Maricopa County Advocates and Providers, and the Arizona Peer and Family Coalition as well as other community groups. NAMI Watch Dogs routinely serves as guides and hosts assisting others to participate in legislative hearings and the Governor's press conferences.

From this partnering, NAMI Arizona was able to advance a significant number of important initiatives and advocate for key mental health issues including:

- Increased funding for Mental Health First Aid, a nationally recognized program which is designed to train ordinary citizens to recognize the signs and symptoms of mental illness and intervene early to help affected individuals to get treatment.
- Repeal of antiquated language in Arizona laws that defined a mentally ill person using terms that were derogatory and stigmatizing.
- Governor Brewer's proposal to expand Medicaid eligibility to make behavioral health care benefits available to thousands of Arizona's citizens.
- "Prohibited Possessor" laws that would affect individuals who voluntarily seek hospitalized mental health treatment.
- Advocated for training and resources needed for "Mandatory Reporting" laws affecting persons who may be a danger to self or others.
- Participating in Mental Health Court Standards Advisory Committee.

- Partnering with Law Enforcement and Crisis Responders statewide to better educate and inform the public on best practices.
- Moderating Housing and Criminal Justice forums in concert with ASU Center for Applied Behavioral Health Policy and David's Hope.
- Implementing Arizona Health Care Cost Containment System "Building Connections" initiative preparing and facilitating individual and family members to assume leadership roles on committees and in communities.
- Conducting six consecutive Annual Meetings built on health care transformation beginning with 2012 – "Transforming Arizona Integrated Health Outcomes", 2013 – "Cultivating a Collaborative Community Approach", 2014 – "Crankin' Up the Collaboration", 2015 – "Now We're Cooking", 2016 – "Establishing Collaborative Community Oversight", and 2017 – "Collaborative Community Oversight – Arizona Steps Up."

Section 3: Conclusion: Arizona's 1115 Waiver

Arizona has an active and engaged health care sector that provides quality care to Arizonans across the State. As we supported restoration and expansion of Medicaid in Arizona, we did so with the recognition that this added coverage could be leveraged to support initiatives in payment reform and health care delivery transformation.

We see this proposed limitation on the Medicaid benefit to five years with additional burdensome reporting requirements to have negative impact on the system we hope to see improved.

"Able-Bodied Adults" may include numerous individuals who need on-going behavioral health services and resources. When they are no longer eligible for this support, they will likely become an increased burden to the community through potential criminal justice system involvement and emergency medical care demands. This would ultimately be more harmful to the individuals and expensive for the state/community than would be the case for continuation of the current coverage.

NAMI Arizona firmly believes any attempt to modify Arizona's 1115 waiver to allow new/different eligibility requirements for "able-bodied adults" and/or impose a "lifetime benefit limit" are significant steps backward creating undue administrative and financial burdens on Individuals Served and the State itself.

We do not support any of the "able-bodied adult/lifetime benefit limit" provisions and strongly encourage immediate repeal of 2015's SB1092 to prevent the added administrative burden of going through this onerous exercise every year.

Sincerely,

Jim Dunn, M.Ed./C, CPRP,
 Executive Director/CEO
 NAMI Arizona
 5025 E. Washington St., Ste 112
 Phoenix, AZ 85034
 602-885-4166
jimdunnaz@msn.com

Vicki Johnson, M.A.,
 President,
 NAMI Arizona
 5025 E. Washington St., Ste 112
 Phoenix, AZ 85034
 480-236-2552
vlj30@cox.net

February 27, 2017

Arizona Health Care Cost Containment System
c/o Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

Cc: Jane Perkins, National Health Law Program
Ellen Sue Katz, William Morris Institute for Justice
Judith Solomon, Center on Budget and Policy Priorities

Sent by email to publicinput@azahcccs.gov

Subject: Comments on Section 1115 Waiver Amendment under Senate Bill 1092

Dear Sir or Madam:

We would like to submit public comments concerning the plan to submit a Section 1115 waiver proposal to the Centers for Medicare and Medicaid Services pursuant to Senate Bill 1092 to add work requirements and a five-year lifetime coverage limit for able-bodied adults in Medicaid.¹

1. Lifetime Limits and Work Requirements Are Contrary to Medicaid's Objectives

Section 1115 permits research and demonstration waivers if they are "very likely to assist in promoting the objectives of Title ... XIX" of the Social Security Act. There is no statutory objective of Title XIX that includes or is supportive of Medicaid work requirements or lifetime coverage limits. The waiver proposal is contrary to the objectives of the Act; such requirements have not been authorized in the fifty years since Medicaid began. Medicaid has permitted coverage for ongoing treatment needs such as long-term care, care for chronic diseases, and preventive care since its origin; it is inconceivable that lifetime limits are consistent with the objectives of the program. The creation of Section 1931 under the 1996 welfare reform law specifically severed the connection of Medicaid and TANF eligibility to ensure that those losing coverage due to work requirements and lifetimes limits in TANF could still retain health insurance coverage. As the state of Arizona knows, similar waiver proposals have been consistently rejected in the past, establishing a precedent that these policies are contrary to the objectives of Medicaid.

Because of this fundamental conflict with the objectives of the program, the proposed waiver request is unlawful and should not be submitted.

¹ AHCCCS. Arizona Section 1115 Waiver Amendment Request: Senate Bill 1092 Arizona Legislative Directives. Jan. 2017.
<https://www.azahcccs.gov/Resources/Federal/sb1092legislativedirectivewaiverproposal.html>

In addition to this fundamental problem with the waiver proposal, we note that there are other serious flaws.

2. The Proposed Eligibility Restrictions Would Create Serious Harm

The proposed five year lifetime limit on Medicaid (AHCCCS) eligibility for those considered “able-bodied” is very harmful. We are unaware of any rationale for the proposed limit. It is a basic fact of life that health needs grow as we age; people in their forties to sixties are more prone to serious chronic diseases like diabetes or coronary artery disease or illnesses like breast or prostate cancer. Effective, life-saving medical therapies are available for these diseases, but long-term treatment is often needed to allow people to maintain their health. If low-income people are ineligible for Medicaid because they used the program for five years while they were impoverished in their twenties, they are likely to be uninsured and unable to get the types of medical care or medications when they most need assistance. It is inconceivable that the objectives of Medicaid are consistent with such a harsh limit on eligibility. Low-income people should not be required to ration an allotment of health insurance over the course of their lifetimes, guessing at when they will urgently need care and leaving themselves exposed to unexpected needs and without preventative care when going uninsured.

The inevitable result of lifetime limits will be increased morbidity and mortality because care will be unavailable when it is most needed. Research has shown that Medicaid expansions can significantly reduce mortality² and efforts to cut eligibility can have truly life-threatening results. Some uninsured individuals may still be able to get some services from safety net hospitals and clinics, but this is not a substitute for insurance and would greatly increase the level of uncompensated care these providers must bear. Moreover, these additional burdens placed on the safety net providers will make it harder for them to provide care for others in need.

The work requirements are also inappropriate to Medicaid. Although the proposal would exempt those who are disabled, many adults have physical or mental health problems that require medical care, even though they have not met conditions for disability. We analyzed data from the 2015 National Health Interview Survey about the health status of non-elderly Medicaid enrollees in the Medicaid expansion income range. About one-quarter (26%) of Medicaid expansion enrollees reported SSI or Social Security disability status. But an additional 15% reported functional limitations (i.e., problems that interfere with basic activities of living or working) caused by diseases such as arthritis, cancer, diabetes and mental health problems and another 7% reported being in fair or poor health.³ Those who report being in fair or poor health are more likely to die.⁴ That is, the

² Sommers B, Baicker K, Epstein A. Mortality and Access to Care among Adults after State Medicaid Expansions. New England Journal of Medicine. 2012; 367:1025-1034. Sept. 13, 2012.

³ GW analyses of the 2015 National Health Interview Survey, conducted by the Centers for Disease Control and Prevention.

⁴ Mc Gee, et al. Self-reported Health Status and Mortality in a Multiethnic US Cohort. American Journal of Epidemiology. 1999; 149 (1): 41-46.

number of Medicaid expansion adults with serious health problems but not classified as disabled is almost as high as the number who classified as disabled. The exemptions may miss a very large number of adults with serious health problems, some of which may make it impossible for the person to secure employment.

Getting exemptions for disability will entail substantial delays in coverage. National data indicate that the average time to process a Supplemental Security Income or Social Security Disability claim was 83 to 86 days in 2014.⁵ Appeals, which are common and often upheld, typically take years. People with serious problems could be denied eligibility for months or even years while trying to get disability determinations.

A particularly unfair paradox inherent in Arizona's proposal is that a person may be unable to even pay to get a doctor's physical or mental evaluation if they are denied Medicaid coverage because they might be "able-bodied." Comprehensive physical examinations are usually more expensive than other types of primary care visits because they take more time. It frequently takes months to get appointments for physicals scheduled. In the meanwhile, people may be unable to get needed medical care or medications.

Arizona's proposal does not include any accommodation for local differences in the availability of work. Arizona employment data indicate that in July 2016 county unemployment rates varied from a low of 5.5% in Yavapai County to a high of 24.5% in Yuma County.⁶ In certain areas of the state there are far fewer jobs available than in other areas and residents of those areas are therefore much less likely to find work and will be more often ineligible for health insurance coverage.

Finally, we note that the types of low-wage jobs that Medicaid enrollees are likely to get frequently lack health insurance. For example, in 2015 only 25.5% of workers in Arizona employed in private firms with low average wages (e.g., retail, food service, and agriculture) had health insurance at work, slightly below the national average of 27.5%. Less than half (48%) of Arizona workers in these low-wage firms were even eligible for work-based health insurance, substantially below the national average of 58%.⁷ Even when low-wage workers are eligible for insurance, the monthly premiums are often too high to be affordable or the insurance available has such high deductibles (e.g., HSA-compatible plans) that they offer very little real coverage. Thus, many low-income workers will continue to need Medicaid coverage for longer than the proposed 5 year time frame.

3. It Is Unlikely That Arizona Has the Capacity to Administer Such a System

⁵ Office of the Inspector General, Social Security Administration. Disability Determination Services Processing Times (A-07-15-15037) May 8, 2015.

⁶ <https://laborstats.az.gov/local-area-unemployment-statistics>

⁷ These data are for firms with the lowest quartile of average wages, as reported by the 2015 Medical Expenditure Panel Survey, Insurance Component, Agency for Healthcare Research and Quality. https://meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp

In a public forum, AHCCCS provided a preliminary estimate that 224,000 adult enrollees might be subject to the new requirement. While there are already work requirements, as well as related evaluation, counseling, job search, job training and education and monitoring systems for TANF and SNAP, the scope of the number of new Medicaid enrollees would likely overwhelm the system. Providing sufficient job training and evaluation services, as well as monitoring beneficiaries' compliance with the new requirements, would substantially increase Medicaid administrative costs. These administrative costs only receive a 50% federal match, so the state would bear a substantial increase in state expenses to develop this system and to ensure adequate capacity in all regions of the state.

If the state believes it can administer and finance an adequate system of job support services for all adult enrollees subject to the new requirements, the details should be provided in its Section 1115 waiver request.

4. We Have Concerns about Federal Budget Neutrality

One of the most important elements of any federal Section 1115 waiver proposal is the assessment of federal budget neutrality. As stated above, the administrative costs for this waiver would be substantial. Additionally, the exclusions of Medicaid eligibility will increase federal outlays, such as premium tax credits or disability benefits, creating problems for federal budget neutrality.

Many Arizonans excluded from Medicaid eligibility if this policy is adopted ought to become eligible instead for premium tax credits under the federal health insurance marketplace. Federal tax credit and marketplace eligibility do not include work requirements or lifetime limits. Those excluded from Medicaid will have very low incomes, making them eligible for the largest tax credits and cost-sharing subsidies, incurring additional federal costs. Since Medicaid costs per enrollee are often lower than the maximum tax credits and cost-sharing subsidies, federal costs may actually rise if a large number of individuals are excluded from Medicaid coverage and instead receive federal tax credits and cost-sharing assistance.

Moreover, the work requirements and lifetime limits would likely increase the number of adults who seek and become eligible for Supplemental Security Income or Social Security Disability benefits because this will enable them to get health insurance coverage. This could also increase federal costs.

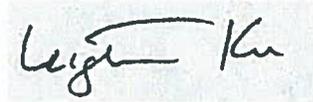
Any assessment of budget neutrality should include assessments of the impact of Arizona's proposed policies on raising costs for these federal programs.

Thank you for consideration of our comments.

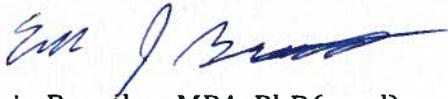
Our qualifications: Leighton Ku is a Professor of Health Policy and Management and Director of the Center for Health Policy Research at George Washington University. He is a nationally-known health policy researcher with strong expertise in issues related to Medicaid and health insurance marketplaces. Erin Brantley is a Senior Research Associate working with Professor Ku and PhD candidate in health policy at the Trachtenberg School

of Public Policy and Public Administration. She has expertise in Medicaid and public health issues.

Yours truly,

A handwritten signature in blue ink that reads "Leighton Ku". The signature is written in a cursive style with a light blue rectangular highlight behind it.

Leighton Ku, PhD, MPH
Professor of Health Policy and Management
Director, Center for Health Policy Research

A handwritten signature in blue ink that reads "Erin Brantley". The signature is written in a cursive style.

Erin Brantley, MPA, PhD(cand)
Senior Research Associate

ARIZONA PEER AND FAMILY COALITION BOARD AND MEMBERS

709 E CALLE CHULO RD, GOODYEAR, AZ 85338



2/27/2017

Mr. Tom Betlach, Director of AHCCCS
801 E. Jefferson St. MD 4100
Phoenix, AZ 85034
publicinput@azahcccs.gov

Dear Director Betlach:

On behalf of the Arizona Peer and Family Coalition board and members, we would appreciate the opportunity to comment on the current Medicaid Section 1115 waiver. AHCCCS has done some admirable work in this community and we would like to see this continue. We would like to share our concerns with the proposed requirements for "able-bodied" adults receiving Medicaid services.

1. We feel the immediate need to define the term "able-bodied".

When determining this definition, it's important to understand the cyclical nature of mental illness. One month an individual may meet the "able-bodied" requirement, followed by periods of acute symptom exacerbation.

2. We oppose the policy of requiring able-bodied adults to verify on a monthly basis compliance with the work requirements and any changes in family income. We also oppose the policy that would 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.

We find this requirement to be burdensome and an administrative burden to both the claimant and AHCCCS. We know that 79% of adult and child Medicaid enrollees in Arizona are in families with at least one worker. For parents struggling to make ends meet in low-paying jobs, imposing a monthly reporting requirement with the penalty of a year lock out period only makes the goal of climbing out of poverty that much more difficult. Many people are able to work because of the AHCCCS coverage that keeps their chronic and mental health conditions under control. Work requirements would likely end in a loss of health coverage, adding to our unemployment and poverty rate.

3. We oppose the proposed lifetime coverage limit of five years for able bodied adults.

Individuals who experience poverty are at significantly greater risk of mental illness and individuals experiencing a mental illness often experience periods of wellness, interrupted by periods of severe illness. Imposing a five-year lifetime limit on AHCCCS eligibility contradicts what is known about disability, chronic disease and mental illness, and jeopardizes progress already gained by those covered by AHCCCS.

Thank you for the opportunity to comment.

Sincerely,

Arizona Peer and Family Coalition Board and Members

Krista Long

Acting President

Carol McDermott

Treasurer

Debra Jorgenson

Secretary

Jim Dunn

Jill Hogan

Richard Beeman

Phil Sawyer

Sherron Candelaria

Board Members at Large

MCAP

Maricopa Consumers Advocates and Providers
1406 N. 2nd Street
Phoenix, AZ 85004

VIA EMAIL: publicinput@azahcccs.gov

Mr. Tom Betlach,
Director
Arizona Health Care Cost
Containment System
801 East Jefferson Street
Mail Drop 4200
Phoenix, Arizona 85034

Re: Comments on Draft Section 1115 Waiver Request

Dear Director Betlach:

On behalf of Maricopa Consumers, Advocates and Providers (MCAP), thank you for the opportunity to comment on the proposed Medicaid waiver. MCAP, whose membership includes more than 40 provider agencies that are advocates for a quality and cost effective public behavioral health system. MCAP enthusiastically supported the integration of behavioral health and acute care services in AHCCCS. MCAP takes interest in this proposed waiver because of its impact on those in need behavioral health services through our Medicaid system.

Our comments focus primarily on those areas of the waiver request that would require “able-bodied” adults to become employed, actively seek employment, or job training program; authorize AHCCCS to ban an eligible person from enrollment for one year if the person knowingly fails to verify compliance with work or income requirements; and allow AHCCCS to limit lifetime coverage for all able-bodied adults to five years. We believe that each of these provisions pose unique and significant risk to persons with serious mental illness and other behavioral health issues.

While MCAP fully supports efforts to increase employment, the time limits and work requirements at issue are arbitrary and ill-advised. There are many physically or mentally impaired individuals who are unable to work, but who may not meet the definition of disabled under existing disability categories. The current proposal will have a disproportionate effect on individuals with chronic conditions and disabilities and lead to worse economic and health consequences. These requirements would also lead to time-consuming and expensive administrative burdens on the state, insurance vendors and individuals expected to carry out complex monthly reporting obligations. A five-year lifetime limit would force many to be uninsured, limit their access to the primary, preventive, acute and chronic care. It would shift costs of care to other health providers, worsen health outcomes, delay necessary care, and increase costly emergency department visits and preventable hospitalizations.

MCAP

**Maricopa Consumers Advocates and Providers
1406 N. 2nd Street
Phoenix, AZ 85004**

Non-emergency transportation is extremely important to facilitate low-income patients getting the primary and preventive care they need. Those living in poverty have limited access to transportation. In rural and frontier areas, there may be no public transportation available at all. Even if transportation is available, many individuals cannot use it because of their health conditions, the expense or other reasons. Refusing to provide access to transportation will simply lead to a lack of access to necessary mental and physical health care. This will often result in the need for more expensive care down the road and other system costs.

Thank you for allowing us to comment on this proposal. We appreciate your consideration of MCAP's perspective.

Ted Williams, Chairman

Arizona

February 24, 2017

16165 N. 83rd Avenue, Suite 201 | Peoria, AZ 85382
1-866-389-5649 | Fax: 602-256-2928 | TTY: 1-877-434-7598
aarp.org/az | aarpaz@aarp.org | twitter: @AZ_AARP
facebook.com/aarparizona

AHCCCS

c/o Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

Dear Sir/Ms:

AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million people, including more than 880,000 members in Arizona. We are writing to express our concern about Arizona's 1115 Waiver request, as required yearly by the passage of SB 1092 in 2015.

Since Arizona expanded Medicaid under the leadership of Governor Jan Brewer in 2013, the state has reduced the number of uninsured Arizonans by 33 percent. Indeed, Medicaid expansion has helped an additional 463,000 Arizonans receive access to healthcare coverage.* The progress Arizona has made in providing access to coverage is noteworthy, however AARP is concerned that the proposed changes to the waiver will be detrimental to the state and to a large number of Arizonans, including many older adults.

Lifetime Limit

Of most concern to AARP is the proposal to limit lifetime coverage for all able-bodied adults to five years. This arbitrary limit is subject to only a few exceptions that do not account for many types of hardships (foreseeable and unforeseeable) that many non-exempted populations may face. For example:

- While Arizonans who meet institutional-level of care criteria and receive home and community-based services (HCBS) qualify for an exemption, the waiver should ensure that those at risk of institutionalization who receive HCBS may also be eligible for such an exemption.
- Other Arizonans with chronic conditions, including behavioral health conditions, may not qualify for an exemption but may experience recurring periods of illness that prevent them from working.
- Caregivers of children with disabilities over age 6, other relatives with disabilities, or elderly relatives are not eligible for an exemption. The lifetime limit could result in disruptions of those caregiving arrangements leading to increased institutionalizations.

By its terms, the lifetime limit falls most severely on older, sicker adults. Instead of improving health outcomes for this population, the lifetime limit will instead deny these individuals the preventive and chronic care needed to avoid more costly alternatives, such as emergency department visits and institutional placements. Many will be unable to shoulder these higher medical costs themselves, resulting in more personal bankruptcies, more uncompensated care for Arizona providers and more cost-shifting to other taxpayers.

We believe that a lifetime limit is fundamentally inconsistent with the objectives of the Medicaid statute and will likely lead to an increase in the number of uninsured Arizonans. This will invariably have potential future consequences for the state when dealing with public health emergencies such as the opioid epidemic or infectious disease outbreaks. Arizona will have one less tool in its public health tool belt for persons impacted by both the lifetime limit and a public health emergency.

Loss of Coverage

The proposed waiver amendment would permit the state 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. There is no consideration given to the negative health outcomes of a person's loss of health care coverage. Terminations from the program could result both in added uncompensated care costs for health care providers as well as in poorer health outcomes for terminated enrollees who may have health needs that are more expensive to treat later.

The proposed waiver provision requiring able-bodied adults to verify work requirement and family income compliance on a monthly basis places an undue burden on certain care recipients. For example, it is unclear on how the reporting requirement will be satisfied. Will reporting be completed in person, thereby placing undue hardship on older Arizonans, people with unverified disabilities, or for anyone else who does not have access to transportation? Or equally problematic, will the reporting be done electronically, without consideration for an individual's lack of computer or internet access? The state will also be saddled with new costs and staffing needs to develop a reporting system and administer the monthly reporting requirements that are likely to drain resources away from other priority initiatives.

Work Requirement

Since the beginning of Medicaid, the federal Department of Health and Human Services has shown extreme reluctance to grant a state any waiver that would create Medicaid eligibility requirements beyond the program's focus on those "whose income and resources are insufficient to meet the costs of necessary medical services" (42 U.S.C. § 1396-1(1)). The waiver's work requirement presents another unnecessary barrier to health coverage for a sector of the population that needs coverage the most, including many individuals with recurring periods of illness due to chronic and behavioral health conditions who may be determined not to be exempted from the work or school requirements.

AARP appreciates the progress the state has made in providing access to healthcare to its citizens, and we encourage the state to carefully reconsider these harmful provisions that will adversely affect many older Arizonans, health care providers and Arizona's taxpayers. We thank you for the opportunity to provide these comments and look forward to discussing them with you. If you have any questions, please contact me at (602) 262-5191 or dkennedy@aarp.org.

Sincerely,



Dana Marie Kennedy
State Director

* <https://www.healthinsurance.org/arizona-medicaid/>



February 24, 2017

Thomas J. Betlach MPA, Director
Arizona Health Care Cost Containment System
801 E. Jefferson St., MD 4100
Phoenix, AZ 850

RE: Section 1115 Waiver Renewal

Dear Director Betlach:

On behalf of the Board of Directors from the Arizona Family Health Partnership (AFHP), thank you for the opportunity to comment on Arizona's 2017 1115 Medicaid waiver application.

Founded in 1974, AFHP (formerly the Arizona Family Planning Council) began receiving the Title X Grant for Arizona in 1983 and for the Navajo service area in 2014. AFHP contracts with seven delegate agencies and 34 health centers across Arizona and southern Utah, with clinics in nine Arizona counties and one county in Utah to provide sexual and reproductive health services as outlined in the [Quality Family Planning guidelines](#). Through the delegate agencies the family planning and reproductive health services provided include contraceptive services containing Long Acting Reversible Contraception (LARC) and Emergency Contraception (EC); pregnancy testing and counseling; achieving pregnancy; basic infertility services; preconception health; STD testing and treatment and breast and cervical cancer screening.

Title X and Medicaid combine to form our nation's family planning safety net and in Arizona it is via AFHP & AHCCCS. The importance of the work done in this area cannot be overstated as there is a direct link between access to reproductive health care and poverty. [insert something here]. By way of example, in 2016 AFHP served over 36,000 clients and access to services listed above saved the state of Arizona over:

- \$61 million in maternal and birth related costs,
- \$300,000 from the STI testing and
- \$33,000 from PAP and HPV testing.

The areas of concern with AHCCCS's current waiver submission include the work requirement as well as the limit to five years for all able-bodied adults with some exceptions.

Work Requirement

We know that 79% of adult and child Medicaid enrollees in Arizona are in families with at least one worker. For parents struggling to make ends meet in low-paying jobs, imposing a monthly reporting

requirement with the penalty of a year lock out period only makes the goal of climbing out of poverty that much more unattainable. Many people are able to work because they can keep chronic and mental health conditions under control through AHCCCS coverage.

Lifetime Limits and Disenrollment

Imposing a five-year lifetime limit on low-income people runs counter to research on mental health recovery and chronic disease management. Moreover, many low-income adults eligible for AHCCCS are working, but do not have access to job-based coverage. Cutting them off after five years would expose them to poor health outcomes and medical debt, which entrenches the cycle of poverty in our state.

Preventive Health Services

Currently, AHCCCS covers preventive services assigned a [grade of A or B by the United States Preventive Services Task Force \(USPSTF\)](#) for individuals living between 100%-138% federal poverty level (FPL). However, these same services are not covered for individuals living under 100% FPL. AFHP advocates for coverage of the USPSTF Category A and B services to be included for all AHCCCS members under the new waiver, and would like to bring attention to [2013 CMS guidance](#) indicating a 1% reduction in the Federal Medical Assistance Percentages (FMAP) rate for states which pay for those services for individuals living under 100%FPL. The preventive measures that AFHP provides include STI screening for Chlamydia and Gonorrhea, diseases that may decrease the ability to become pregnant.

Limiting access to health care with work requirements and/or time limits decrease access to preventive care that in the long-run will only cost the state additional funding or decrease health outcomes for individuals.

Thank in advance for your consideration of these comments.

Sincerely,



Brenda L. "Bré" Thomas, MPA
CEO



Arizona Association of Health Plans
800 North First Avenue
Phoenix, AZ 85003
602-680-7680

February 23, 2017

Via email: PublicInput@azahcccs.gov

AHCCCS
Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

Dear Director Betlach,

I write on behalf of the member companies who make up the Arizona Association of Health Plans (AZAHP) to comment on the proposed Legislative changes to our state's 1115 demonstration program.

As the contractors who provide health care to Arizona's most vulnerable citizens, we appreciate having this opportunity to register our concerns regarding the Legislative initiatives, in particular the proposed five-year life time limit. Representing the private half of the public-private partnership that makes the AHCCCS model one of the most successful managed care programs in the Nation, we are hopeful that our views will inform and advance your final request of CMS, as well as their deliberations.

In our Governor's recent letter to Congressional leaders, he said that our success is dependent upon getting maximum flexibility around program design and administration. We concur with Governor Ducey's assessment, including the need for:

- Flexibility in our state's benefit and eligibility criteria;
- Revision of Obama era regulatory provisions and duplicative levels of oversight;
- Giving the states the flexibility to leverage the mechanisms that we think will work best for our populations – copays, premiums, deductibles, work requirements and other tools that will allow us to establish cost sharing requirements that meet our needs, not Washington's; and
- Modernizing the 1115 waiver process itself, the mandatory renewal every five years is outdated and drains state resources at an alarming pace.

It is apparent that the most critical issues about the future of the ACA that have found resonance and acceptance with the American people are allowing people with pre-existing conditions to get health coverage, and letting kids stay on their parent's health plans until age 26. This Legislative suggestion for a five-year life time limit proposal would infringe on both of those principles.

To be clear:

- The AzAHP opposed the Legislative proposal for a five-year life time limit requirement when it was enacted;
- In 2016 we called this measure “draconian” in our comments regarding 1115 waiver application; and
- We are steadfast in our opposition to this legislative mandate today.

This plan, crafted by the Arizona Legislature two years ago, would impose a heavy-handed and inflexible eligibility limit on our state’s Medicaid program, the timing of which is certainly ill-suited to today’s robust conversations in Washington and here at home about sending the Medicaid program back to the states to administer with innovation and alacrity.

At a time when states need all the flexibility we can get to navigate the looming changes to the Affordable Care Act (ACA) and Medicaid financing, this proposal ties our hands and limits our ability to ensure we are providing quality health care to our most vulnerable citizens, at the lowest cost possible.

For example, in the Legislative waiver, the five-year lifetime clock starts ticking when able-bodied individuals reach 19 year of age. This is not consistent with the 26-year old age limit of the ACA, which poll after poll shows that Americans value the most; it appears an arbitrary starting point.

According to recent AHCCCS estimates, approximately 242,000 Arizonans are in the population who would be initially subject to the five-year life time limit. Nearly half of this group is older, pre-Medicare, aged 45-65, with low incomes, limited education, and much more likely to suffer chronic and pre-existing health conditions than younger members, leaving them with few job choices or opportunities. Without access to health care coverage, these are the members most likely to go without care, or seek treatment in the emergency departments.

Additionally, we’ve lived through record levels of uncompensated care during Arizona’s great recession and well understand the consequences of this, both economically and to the well-being of our members, especially those with chronic disease.

Such a limit restricts our ability to find innovative ways to treat large populations of older Arizonan’s in need of care – those who are too young for Medicare but unable to find or engage in work that offers health insurance.

If we are to move to a system that lets the states manage the needs of our populations, then an alternative to the life time limit would allow our state to experiment with ways to encourage those who are able to work, to do so. For example, a work requirement incentivizing -- but not penalizing -- able-bodied adults within the 26-45-year-old age range might be a more appropriate place to start, through a new program that transitions people toward self-sufficiency, and moves them off of AHCCCS and into commercial or work place sponsored health insurance.

Just as the Governor's own AHCCCS CARE plan to modernize Arizona's Medicaid program is on hold now, pending clarification from the Congress about what the Medicaid program is going to look like, we suggest that consideration be given to delaying the submission of this waiver for the same reason.

Please know, we value our partnership with the state and are very grateful to have had this opportunity to share with you our views on the important changes anticipated in the Legislative waiver.

Sincerely,

A handwritten signature in black ink that reads "Deb Gullett". The signature is written in a cursive, flowing style.

Deb Gullett
Executive Director
Arizona Association of Health Plans



Arizona Smokers' Helpline
An affiliate of the University of Arizona

PO Box 210482
Tucson, AZ 85721-0482
Tel: (520) 318-7212
Fax: (520) 318-7222
1-800-55-66-222
ashline.org

January 30, 2017

Dear Mr. Betlach

The Arizona Smokers' Helpline (ASHLine) is very grateful for the opportunity to comment on the Medicaid changes recently proposed. ASHLine is Arizona's state-funded tobacco quitline, which provides phone-based tobacco cessation services to all Arizona residents. The work requirement, monthly verification process, potential yearlong ban, and 5-year lifetime limit proposed under SB 1092 pose a significant concern around access to care, especially to tobacco cessation services.

Smoking is the leading preventable cause of premature death and disease in the United States and annually costs more than \$300 billion in healthcare expenditures and productivity losses¹. Medicaid and uninsured individuals smoke at rates more than double the privately insured population². Annually in Arizona, tobacco use results in 8,300 deaths per year³, \$2.38 billion in annual healthcare costs and \$2 billion in productivity loss⁴. Access to comprehensive tobacco cessation services is critical to efforts around reducing the burden of tobacco in Arizona.

In fact, Arizona has made great progress in reducing tobacco use across the state. Arizona's current smoking rate is estimated at 14%, down from over 19% in 2011. We believe a major factor in our success is access to cessation treatment efforts. Behavioral counseling combined with cessation medication is most effective for helping smokers quit⁵. While ASHLine funding ensures that all Arizonans have access to telephone counseling, medication support is extremely limited and does not include any of the prescription medications. In order to ensure clients of low income have optimal medication coverage, ASHLine relies heavily on the AHCCCS cessation medication benefit, which currently includes access to all 7 FDA approved tobacco cessation medications twice per year.

Over thirty percent of ASHLine clients have Medicaid. Therefore, limiting Medicaid eligibility through the actions proposed under SB1092 would likely reduce the number of people with access to important, cost-saving tobacco cessation services. Even more concerning is the impact on tobacco use rates, particularly in low-income populations. We felt it important to bring this unexpected consequence to your attention as you deliberate the economic and public health impact of SB 1092.

Sincerely,

Cynthia Thomson, PhD, RD
Director, Arizona Smokers' Helpline

1. United States Department of Health and Human Services. The Health Consequences of Smoking—50 Years of Progress A Report of the Surgeon General. *A Rep Surg Gen*. 2014:1081.
2. Jamal A, Homa DM, O'Connor E, et al. Current Cigarette Smoking Among Adults - United States, 2005-2014. *MMWR Morb Mortal Wkly Rep*. 2015;64(44):1233-1240. doi:10.15585/mmwr.mm6444a2.
3. *Arizona Behavioral Risk Factor Surveillance System*.; 2014.
4. Center for Disease Control and Prevention. *Smoking-Attributable Mortality, Morbidity, and Economic Costs (SAMMEC): 2005-2009*.
5. Fiore MC, Jaén CR, Baker TB, Bailey WC, Benowitz N, Curry SJ et al. A clinical practice guideline for treating tobacco use and dependence: 2008 update. A U.S. Public Health Service report. *Am J Prev Med*. 2008;35(2):158-176. doi:10.1016/j.amepre.2008.04.009.



Public Comment: SB 1092 Legislative Directive Waiver Proposal

Thank you for the opportunity to comment. We are fortunate in Arizona to have such a unique and cost effective program AHCCCS in Arizona.

Because Arizona has always been recognized as an innovative model our comments regarding the lifetime limits and work requirements want to encourage that the proposed changes will not do anything to “undermine access to care and do not support the objectives of the (Medicaid) program”.

Additionally,

- lifetime limits would disproportionately affect older adults who need care, but are denied due to prior years’ coverage ,
- work requirements could result in loss of health coverage, with little or no gain in long-term employment,
- threats to insurance coverage could lead to more bankrupt families, delayed care and more uncompensated care,
- implementing work requirements could be a significant cost to Arizona and
- accurately defining “able-bodied” is a significant challenge and risks imposing requirements on individuals who may be ill and unable to work, yet don’t qualify for disability or forgo work to care for a disabled loved one.

Respectfully,

A handwritten signature in black ink that reads "Michael DeForth". The signature is written in a cursive style.

Executive Director

From: [Joan Serviss](#)
To: [Public Input](#)
Subject: SB 1092 Legislative Directive Waiver Proposal
Date: Wednesday, February 22, 2017 3:58:57 PM

Dear Director Betlach,

Thank you for allowing the public to provide commentary on the proposed Medicaid waiver. As the director of a statewide organization that represents nonprofits that work tirelessly to end homelessness for Arizonans, I firmly believe that there are three basic essential elements in ending homelessness in our state. The first is access to affordable housing, something this state lacks. There are over 150,000 families in Arizona paying more than half their income towards rent. The second element is a livable wage. I often hear that people experiencing homelessness “just need to get a job”, but in reality, many homeless individuals and families are employed, but in low-wage employment situations. Finally, the third essential element in ending homelessness is access to health care.

That’s why I am writing to you to express our concerns about the direction of our state’s Medicaid program, and the ability to access the program for millions of people in our state.

I must express concern about the proposed restrictions on “Able-Bodied” adults. I believe that health is a human right, one of the essential tool in ending homelessness, and that Medicaid provides a critical lifeline to low-income individuals. AHCCCS provides relief from the uncertainty of poverty, which we know has more tangled roots than simply a lack of work or education.

Similarly, the creation of harsh punishments for those who fail to meet reporting deadlines penalizes those living in poverty and creates additional barriers to self-sufficiency. Individuals and families living in and out of shelters and working toward gainful employment and permanent housing struggle to meet their basic needs of food, clothing, and shelter, much less adherence to monthly check-ins to continue their care.

Please consider the over 9,000 individuals, families, and veterans living without a safe, affordable place to call home in our state when guiding our Medicaid system toward sustainable policy solutions that will benefit all Arizonans.

Thank you,


JOAN SERVISS, EXECUTIVE DIRECTOR | AZCEH.ORG
141 E. PALM LANE, SUITE 105, PHOENIX, AZ 85004 | PH: (602) 340-9393

ARIZONA COALITION TO END HOMELESSNESS



February 21, 2017

Mr. Tom Betlach
Director
Arizona Health Care Cost Containment System
801 E Jefferson St. MD 4100

Dear Director Betlach:

On behalf of Vitalyst Health Foundation, thank you for the opportunity to provide comments on the AHCCCS Administration's proposed 1115 Waiver Amendment. Given Medicaid's reach and impact across Arizona, we are committed to working with the Administration and community stakeholders to ensure that all Arizonans have access to quality, affordable coverage and care. Pursuant to S.B. 1092, the Administration is mandated to propose the following requirements for Medicaid members:

- 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.

Vitalyst Health Foundation commends the work you and your team have undertaken to improve care coordination, reduce costs and ensure that the managed care system operates in a highly efficient manner. Our two organizations have also collaborated together on previous efforts such as the new Treat and Refer program, the crosswalk to improve Medicaid behavioral health services, the task force looking at coordination of services for clients within the autism spectrum, as well as support for the Opioid Task Force.

Unfortunately, we are concerned the requirements proposed in the 1115 Waiver Amendment do not align with these collaborative efforts, and are more likely to threaten, rather than enhance, access to care. Vitalyst's comments and concerns are outlined below:

5-Year Lifetime Limit

Vitalyst Health Foundation strongly opposes the enactment of five-year lifetime limits for "able-bodied" Medicaid members. When AHCCCS proposed its 1115 Waiver in 2016, CMS weighed the suitability of each proposed requirement based upon whether it furthered the objectives of the program. In CMS' response to AHCCCS, the Acting Administrator stated the program's objectives included "strengthening coverage or health outcomes for low-income individuals in the state or increasing access to providers." Using this as its litmus test, CMS determined that time limits on coverage and work requirements "could undermine access to care and do not support the objectives of the program."¹ We agree with CMS' previous decision and urge the AHCCCS and CMS Administrations to maintain this standard as their benchmark in determining whether to implement changes to state Medicaid programs.

Specifically, we are concerned the proposed five-year limit for "able-bodied" adults does not reflect the nature of chronic physical and mental illness. Individuals suffering from chronic illness, be it physical or mental,

¹ Centers for Medicare & Medicaid Services

<https://www.azahcccs.gov/Resources/Downloads/1115Waiver/LetterToState09302016.pdf>

often experience symptoms on a periodic basis for more than five years. Imposing time limits on an impoverished, older adult suffering from diabetes or depression does not help assure them access to care; rather, it may exacerbate their illness, eventually landing them in more costly healthcare facilities, such as a hospital emergency room. In turn, hospitals would be adversely affected through increased uncompensated care and bad debt.

We are also concerned the proposed five-year limit does not recognize the counter-cyclical nature of Medicaid enrollment. During economic declines, the need and demand for Medicaid coverage rises. Arizona is particularly vulnerable to economic instability, as evidenced by our unemployment rates during the Great Recession.² Imposing time limits on Medicaid coverage does not account for such economic fluctuations and the subsequent public need which arises. We cannot predict when or how often recessions may hit; therefore, we should not assume that five years is ample time for individuals to receive public assistance.

We have seen no evidence to suggest an arbitrarily-set five-year lifetime limit on Medicaid coverage would help fulfill the program's objectives. Hence, we strongly oppose its implementation.

Work Requirement

Vitalyst Health Foundation recognizes there is a positive correlation between health and economic prosperity, and we are encouraged by the Administration's objective to connect individuals and families with employment resources. Such efforts are likely to assist individuals toward employment and reduce the overall need for public assistance.

We strongly recommend that prior to approving work requirements, the Administration, CMS and community partners garner a better understanding of AHCCCS members' employment status in an effort to better inform public policy. In order to accurately craft public policy and understand progress toward any objective, it is critical for the Administration and community partners to first identify Arizona-specific baseline metrics. A recent report by the Kaiser Family Foundation shows that nationally, the majority (upward of 79%) of "non-disabled, adult Medicaid enrollees" in 2015 lived in working families. According to the research, Arizona fared better than the national average, with upward of 81% of non-disabled adults living in working families. With regard to Medicaid enrollees who did not work, the main reasons included: illness or disability (35%); taking care of home or family (28%); and going to school (18%).³

The Kaiser report represents a one-time study from a national organization, but we are not aware of similar information being collected locally on a regular basis. We recognize the administrative burden this may cause the Administration; however, such due diligence will help assess the appropriateness, accuracy and impact of the proposed work requirement. Without this information, we are concerned the policy could negatively impact unintended populations, such as sole caregivers of ill or disabled family members above age six.

1-Year Ban

We have concerns with the Administration's proposal to institute a one-year ban for enrollees who knowingly fail to report a change in income or falsify information regarding employment status. It is our understanding the Administration does not currently have systems in place to re-determine eligibility on a monthly basis, and building organizational processes (e.g., member notification, income and employment monitoring, documentation and remedial actions) for the one-year ban and other requirements are likely to be administratively burdensome and cost-prohibitive.

We are also concerned that instituting a one-year ban may serve to the detriment of public health and

² The University of Arizona <https://www.azeconomy.org/2014/07/this-week/az-adds-45900-private-sector-jobs-yy-in-june/>

³ Kaiser Family Foundation <http://kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>

the AHCCCS program. Banned individuals suffering from physical or mental illness are likely to become more ill in the absence of coverage, subsequently becoming more costly to the AHCCCS program once the ban has ended. During the gap in coverage, individuals who suffer from communicable diseases or engage in risky behaviors will be less likely to receive treatment, thereby jeopardizing public health. In short, we fail to see how the proposed one-year ban furthers the objectives of the Medicaid program.

Should remedial actions be necessary to steward fidelity of the program, we recommend identifying alternative means of discipline which are less onerous and more protective of the public's health.

In addition to the concerns raised above, we urge the Administration to be mindful of looming Federal discussions regarding Medicaid reform and its potential impact on Arizona's resources. Enacting changes to the AHCCCS program prior to any Federal direction and consensus on Medicaid's structure is likely to create inefficiencies in Arizona's use of taxpayer dollars.

AHCCCS has a long history of providing high quality care to millions of individuals and families across Arizona, and the Administration has built a reputation within Arizona and the Nation as a mature managed care program that delivers high value care at a relatively low cost. While we cannot support the requirements proposed in this Waiver Amendment, we continue to welcome the Administration's leadership and commitment to open dialogue on these important issues, and we are proud to offer our support in moving Arizona's healthcare system forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Suzanne Pfister". The signature is fluid and cursive, written in a professional style.

Suzanne Pfister
President and CEO



Legacy Foundation of Southeast Arizona

PROMOTING POPULATION HEALTH AND COMMUNITY WELLNESS
THROUGHOUT SOUTHEAST ARIZONA

February 21, 2017

Mr. Tom Betlach, Director
Arizona Health Care Cost Containment System
801 E Jefferson St. MD 4100
Phoenix, AZ 85034

Dear Director Betlach:

On behalf of the Legacy Foundation of Southeast Arizona, thank you for the opportunity to provide comments on the AHCCCS Administration's proposed 1115 Waiver Amendment. Given Medicaid's reach and impact across Arizona, we are committed to working with the Administration and community stakeholders to ensure that all Arizonans have access to quality, affordable coverage and care. Pursuant to S.B. 1092, the Administration is mandated to propose the following requirements for Medicaid members:

- 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.

The Legacy Foundation commends the work you and your team have undertaken to improve care coordination, reduce costs and ensure that the managed care system operates in a highly efficient manner.

Unfortunately, we are concerned the requirements proposed in the 1115 Waiver Amendment do not align with these collaborative efforts, and are more likely to threaten, rather than enhance, access to care. We submit the following comments for your review.

PO BOX 1089, SIERRA VISTA, AZ 85636
PHONE 520-335-6015 FAX: 520-335-8566

5-Year Lifetime Limit

Legacy Foundation of Southeast Arizona strongly opposes the enactment of five-year lifetime limits for “able-bodied” Medicaid members. When AHCCCS proposed its 1115 Waiver in 2016, CMS weighed the suitability of each proposed requirement based upon whether it furthered the objectives of the program. In CMS’ response to AHCCCS, the Acting Administrator stated the program’s objectives included “strengthening coverage or health outcomes for low-income individuals in the state or increasing access to providers.” Using this as its litmus test, CMS determined that time limits on coverage and work requirements “could undermine access to care and do not support the objectives of the program.” We agree with CMS’ previous decision and urge the AHCCCS and CMS Administrations to maintain this standard as their benchmark in determining whether to implement changes to state Medicaid programs.

Specifically, we are concerned the proposed five-year limit for “able-bodied” adults does not reflect the nature of chronic physical and mental illness. Individuals suffering from chronic illness, be it physical or mental, often experience symptoms on a periodic basis for more than five years. Imposing time limits on an impoverished, older adult suffering from diabetes or depression does not help assure them access to care; rather, it may exacerbate their illness, eventually landing them in more costly healthcare facilities, such as a hospital emergency room. In turn, hospitals would be adversely affected through increased uncompensated care and bad debt.

We are also concerned the proposed five-year limit does not recognize the counter-cyclical nature of Medicaid enrollment. During economic declines, the need and demand for Medicaid coverage rises. Arizona is particularly vulnerable to economic instability, as evidenced by our unemployment rates during the Great Recession.² Imposing time limits on Medicaid coverage does not account for such economic fluctuations and the subsequent public need which arises. We cannot predict when or how often recessions may hit; therefore, we should not assume that five years is ample time for individuals to receive public assistance.

We have seen no evidence to suggest an arbitrarily-set five-year lifetime limit on Medicaid coverage would help fulfill the program’s objectives. Hence, we strongly oppose its implementation.

Legacy Foundation of Southeast Arizona recognizes there is a positive correlation between health and economic prosperity, and we are encouraged by the Administration’s objective to connect individuals and families with employment resources. Such efforts are likely to assist individuals toward employment and reduce the overall need for public assistance.

We strongly recommend that prior to approving work requirements; the Administration, CMS and community partners garner a better understanding of AHCCCS members’ employment status in an effort to better inform public policy. In order to accurately craft public policy and understand progress toward any objective, it is critical for the Administration and community partners to first identify Arizona-specific baseline metrics. A recent report by the Kaiser Family Foundation shows that nationally, the majority (upward of 79%) of “non-disabled, adult Medicaid enrollees” in 2015 lived in working families. According to the research, Arizona fared better than the national average, with upward of 81% of non-disabled adults living in working families. With regard to Medicaid enrollees who did not work, the main reasons included: illness or disability (35%); taking care of home or family (28%); and going to school (18%)

The Kaiser report represents a one-time study from a national organization, but we are not aware of similar information being collected locally on a regular basis. We recognize the administrative burden this may cause the Administration; however, such due diligence will help assess the appropriateness, accuracy and impact of the proposed work requirement. Without this information, we are concerned the policy could negatively impact unintended populations, such as sole caregivers of ill or disabled family members above age six.

1-Year Ban

We have concerns with the Administration's proposal to institute a one-year ban for enrollees who knowingly fail to report a change in income or falsify information regarding employment status. It is our understanding the Administration does not currently have systems in place to re-determine eligibility on a monthly basis, and building organizational processes (e.g., member notification, income and employment monitoring, documentation and remedial actions) for the one-year ban and other requirements are likely to be administratively burdensome and cost-prohibitive.

We are also concerned that instituting a one-year ban may serve to the detriment of public health and the AHCCCS program. Banned individuals suffering from physical or mental illness are likely to become more ill in the absence of coverage, subsequently becoming more costly to the AHCCCS program once the ban has ended. During the gap in coverage, individuals who suffer from communicable diseases or engage in risky behaviors will be less likely to receive treatment, thereby jeopardizing public health. In short, we fail to see how the proposed one-year ban furthers the objectives of the Medicaid program.

Should remedial actions be necessary to steward fidelity of the program, we recommend identifying alternative means of discipline which are less onerous and more protective of the public's health.

In addition to the concerns raised above, we urge the Administration to be mindful of looming Federal discussions regarding Medicaid reform and its potential impact on Arizona's resources. Enacting changes to the AHCCCS program prior to any Federal direction and consensus on Medicaid's structure is likely to create inefficiencies in Arizona's use of taxpayer dollars. AHCCCS has a long history of providing high quality care to millions of individuals and families across Arizona, and the Administration has built a reputation within Arizona and the Nation as a mature managed care program that delivers high value care at a relatively low cost. While we cannot support the requirements proposed in this Waiver Amendment, we continue to welcome the Administration's leadership and commitment to open dialogue on these important issues, and we are proud to offer our support in moving Arizona's healthcare system forward.

Sincerely,



Margaret Hepburn, RN, MS, FACHE
Chief Executive Officer

February 21, 2017

Arizona Healthcare Cost Containment System (AHCCCS)
C/o Office of Intergovernmental Relations
801 E. Jefferson St., MD 4200
Phoenix, AZ 85034

Dear Office of Intergovernmental Relations Staff:

The National Association of Social Workers Arizona Chapter (NASWAZ) writes today to express concerns with the next phase being considered by the submission of the Section 1115 waiver. NASWAZ represents over 1,500 social workers who work with vulnerable clients statewide, including people who receive care from AHCCCS.

We believe this phase of the Section 1115 waiver presents many problems for families in Arizona. The following paragraphs outline our concerns. We strongly oppose any blanket approval of the waivers, as submitted. It simply is not good public policy and will ultimately have an adverse impact on families and the health care community in Arizona.

The proposal requires work participation for “able-bodied” adults with children over the age of 6.

As outlined in SB 1092, or Chapter 7 from the 2015 legislative session, able-bodied adults, other than those individuals with an institutional level of need and those enrolled in Medicare Cost Sharing groups, must be employed, actively seeking employment, attending school, or in job training for at least 20 hours per week.

In 2015, the Kaiser Foundation found, among non-elderly AHCCCS enrolled members, 66% had at least one full-time worker in the household, with an additional 13% having a part-time worker in the household. So, today, without any additional inducements, AHCCCS households are already making efforts to improve themselves by working. Neither AHCCCS nor any other state agency has received new state or federal funds to promote employment among AHCCCS members who are not now employed, nor have funds been made available to assist members in overcoming practical barriers to employment, which include inadequate education, transportation and child care. Thus, this requirement is basically an unfunded mandate placing additional burdens on families enrolled in the AHCCCS program.

The most difficult administrative burden being imposed by this waiver is that eligible members must provide monthly verification of work, job search, job training or education. AHCCCS does not have either the capacity or the procedures to respond to this mandate. If individuals comply, what documentation must they retain so they will not be banned from the program? How long must that documentation be kept? Individuals could be penalized with disenrollment for one year if they fail to report changes or make a false statement. AHCCCS members will need to know what the reporting requirements are, how to file the necessary paperwork, and how to keep track of changing earnings among able-bodied family members.

The book [\\$2.00 a Day: Living on Almost Nothing in America](#) reported how so many at the bottom of the labor market have at best a tenuous hold on employment and economic stability. Many workers depend on service sector positions which often have part-time or varying work hours. Additionally, employers

fluctuate their hourly staff based upon customer flow, making it difficult to accurately report earnings in a timely manner. An employee may be required to work 20 hours one week, 30 the next, and 10 the following. This wide swing makes it difficult to promptly and accurately meet the mandated monthly reports, much less know which month would be on the “lifetime” benefit clock discussed below.

Exemptions from the work requirement are outlined as: 1) being at least 19 while still attending high school as a full-time student, 2) receiving temporary or permanent long-term disability benefits from a private insurer or the government, 3) being the sole caregiver of a family member under the age of six, or 4) having been determined physically or mentally unfit for employment by a health care professional.

The following problems have been identified with those exemptions:

1. One exemption is for sole caregivers of a child (or children) under the age of six. This narrow definition fails to recognize the role family caregivers play in the lives of older children with health or mental health concerns, with adult children who have disabilities or with older relatives. AHCCCS should, at the very least, allow for waivers from this provision based upon the needs of families providing necessary caregiving for an older child, an adult child with disabilities or an older relative.
2. Kristen Monaco in her article “Disability insurance plans: trends in employee access and employer costs,” *Beyond the Numbers: Pay and Benefits*, vol. 4, no. 4 (U.S. Bureau of Labor Statistics, February 2015), noted “The lowest paid occupational group—service workers—is also the group least likely to be covered by employer-provided short- or long-term disability plans. Low paid workers are also the group most likely to apply for Social Security disability insurance (SSDI), which has led to financial problems for the program.” The promise of a private insurer for a temporary or permanent long-term disability is unrealized. For individuals seeking SSI or SSDI determination, the usual course is to apply only if the disability is expected to last 12 months or longer. The practical problem is that for SSI or SSDI determinations, the decisions can take upwards of two years. It is unlikely that the Social Security Administration’s decisions will be made sufficiently timely to assist in the determination of the status of an adult to be “able bodied” enough to be working.
3. The third exemption, as outlined in law, is for an individual who has been determined to be physically or mentally unfit for employment by a health care professional in accordance with AHCCCS rules. The rules have not been put in place, and no guidance is available for health care professionals. Additionally, there is, sadly, a growing trend of doctors who may be unwilling to complete disability medical evaluation forms or submit necessary written statements. Some medical offices will only complete the required paperwork if the patient pays a billing fee.

The proposal places a limit of five years for able-bodied adults in a lifetime.

Prior to approval of the waiver, AHCCCS must have demonstrated the ability to adequately and correctly track enrollment and eligibility history of able-bodied adults for many years. The tracking database will need to accommodate the turnover in employment and income that happens among low-income individuals as they move about the state or out-of-state. Unresolved is how months enrolled in another state’s Medicaid program would be calculated in imposing the five year lifetime limit. Additionally, eligibility status may change related to pregnancy, caring for a minor child under the age of six, disability status, school attendance and enrollment in the DCS program at the time of reaching age 18. Finally,

eligibility status may fluctuate as the individual secures a promotion or additional hours at his/her employer while remaining income eligible for the AHCCCS program.

AHCCCS members will little know, at least at first, why there's a focus on monitoring which months for the able-bodied individual are on the "benefit clock" and which months might truly be off the clock because of the exemptions outlined in the law for which the individual remains income eligible for AHCCCS. The health care community and various social service programs that assist AHCCCS enrollees will need detailed education on this issue prior to its implementation, should it be approved.

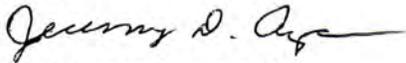
As AHCCCS members become knowledgeable about the workings of the "benefit clock" and the need to conserve months for an unknown medical episode in the future, there may be a strategy to be enrolled in the AHCCCS program ONLY when the individual has a medical need such as an accident, uncontrolled diabetes or cancer. The preventative services that will in the long-term "bend the cost curve" may be avoided because of a person's desire to avoid using up the "benefit clock". This behavior will add to the continual turnover of members on and off the program and may result in increased use of ER rooms due to the lack of preventative and maintenance care.

The health needs of an individual will not be eradicated because s/he is beyond the 5-year lifetime limit on AHCCCS benefits. The costs for care may well be added back to uncompensated care among the health care providers in Arizona. There is no guidance given as to what an AHCCCS member might do should s/he be in the midst of active care when the "benefit clock" runs out. Nor is there guidance given on how the individual could request a review of his/her months used under the "benefit clock" to determine if there were errors made by AHCCCS.

We recommend CMS deny the Section 1115 waiver, imposing work requirements for able-bodied adults. The waiver is contrary to Medicaid law. It fails to properly deal with numerous administrative burdens for AHCCCS and its members. The waiver, as proposed to be submitted, will result in increased health care costs for individuals, our community and certainly for the AHCCCS Administration.

NASWAZ respectfully requests that CMS deny this waiver. There is work to be done for empowering Arizona's families and communities – lets focus on these priorities.

Sincerely,



Jeremy Arp, MSW, ACSW
Executive Director
NASW Arizona Chapter

February 20, 2017

Thomas J. Betlach M.P.A., Director
Arizona Health Care Cost Containment System
801 E. Jefferson St., MD 4100
Phoenix, AZ 850



RE: Section 1115 Waiver Renewal

Dear Director Betlach:

On behalf of the Arizona Public Health Association (AzPHA), we thank you for the opportunity to comment on Arizona's 2017 1115 Medicaid waiver application.

Founded in 1928, AzPHA is a membership organization that works to improve the level of health and well-being for all Arizonans. Our members include healthcare professionals, state and county health employees, health educators, community advocates, doctors, nurses and students. The comments below are reflective of our vision to create healthy communities for all Arizonans. Our comments focus on the following key areas of your waiver request:

- 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.

Work Requirement, Verification, and Suspended Eligibility

Henry J. Kaiser Family Foundation (2015) found three in four households eligible for Medicaid expansion in the U.S. have a full- or part-time worker. Among those not working, nearly half report that an illness/disability or family obligation was the main reason for their work status. Another 18% were going to school and 20% could not find work. *To our knowledge, no such analysis has been done for the state of Arizona.* We encourage you to conduct such an analysis before implementing the proposed work requirement.

Other states have reported significant barriers to employment for Able Bodied Adults without Dependents as required by some states through the Supplemental Nutrition Assistance Program, including a lack of employment history, lack of transportation, substance abuse, mental illness and felony convictions. In Ohio, nearly 33% of clients reported a physical or mental health limitation, more

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Phoenix, AZ 85034
www.AzPHA.org

than 30% have no high school diploma or GED, and 34% have felony convictions. *Here again, we urge you to conduct an analysis to examine the employment barriers your members face before implementing the proposed work requirement.* Getting more detailed information in advance will help you test a hypothesis that is more refined and targeted and more likely to demonstrate that it is effective at transitioning members off public benefits.

We expect that your Waiver request work requirement will result in confusion for clients as well as eligibility staff and community partners. First, the Administration will need to determine who is subject to or exempt from the work requirement. It is likely that administrative challenges will exist throughout the notification, compliance, documentation and eligibility processes. Some points of considerable concern for our members include:

- Will doctors/providers be faced with an unfunded mandate to determine work status of those requesting an exemption from the work requirement? We have heard from the behavioral health community that there are barriers in getting doctors willing to complete the necessary paperwork to receive or maintain SSI/SSDI. An additional expectation that doctors/providers document work exemptions will exacerbate this problem.
- How will eligibility staff understand and apply the rules related to the time limits consistently and accurately? Would these staff be located at AHCCCS or at the Arizona Department of Economic Security?
- How will Administration staff adequately and appropriately assess each individual for work readiness?
- What procedures will the Administration use among their more than 1 million members to document the means by which members will verify on a monthly basis compliance with the work requirement and any changes in family income? How will members verify that they have appropriately and correctly provide AHCCCS the necessary reports to retain his/her eligibility?
- How will the Administration ensure that eligible Arizonans are not terminated, especially those who are physically or mentally unfit for employment? How will the Administration reinstate individuals who have been improperly terminated and credit them back the benefits?
- How will staff understand and count allowable employment activities? How will they track the required number of hours and what will the Administration use as criteria for meeting attendance in school or job training requirements?
- What changes will be necessary to forms, including applications and notices? How many new FTEs would be required to implement the new requirement and how much additional administrative costs would that entail?
- How will these new rules be communicated to clients in a way they understand and are able to respond?

For these reasons and concerns, we encourage the Administration and the Centers for Medicare and Medicaid Services to withhold approval of the Administration's work requirement waiver request.

Getting more detailed information and addressing the questions above in advance will help AHCCCS test a Demonstration Waiver hypothesis that is more refined and targeted and more likely to demonstrate effectiveness toward reducing individual reliance on public assistance.

Lifetime Limits and Disenrollment

Removal of Medicaid coverage after 5 years of lifetime enrollment will negatively impact our collective efforts to improve health outcomes, threaten the viability of public and private investments, and jeopardize access to care for vulnerable populations.

The Administration has included in its waiver request a lifetime limit of 5 years for Medicaid benefits. As Director Betlach has indicated a number of times, Medicaid and AHCCCS are counter cyclical programs. When the economy is in contraction, people lose employment and Medicaid enrollment tends to increase. The opposite is true during a robust economy. Economic cycles tend to occur in 8 – 12 year intervals, with several recessionary cycles during the employable life.

In addition, there are much longer-term "geographic recessions" that exist in Arizona, even when the U.S. is not officially in a recession. Many parts of Arizona, particularly in rural and frontier areas, have much higher unemployment rates than our urban areas. These geographically depressed areas have fewer economic opportunities for residents, increasing the likelihood that they would exceed your proposed 5-year lifetime enrollment cap.

The Administration's request provides no safety valve to account for the counter cyclical nature of the Medicaid program and the importance it plays during economic down swings. Further, it does not account for the economic opportunity disparity that many rural Arizona communities face. Your proposed 5-year lifetime limit appears to be arbitrary and would needlessly limit access to healthcare for critical medical services for many Arizonans. In addition, individuals will seek care even if they have reached their 5-year lifetime limit, resulting in increased uncompensated care and care being delivered after complications have developed in more expensive settings.

We oppose the legislative mandate and your request to place a 5-year lifetime limit on AHCCCS coverage because: 1) it would negatively impact our collective efforts to improve health outcomes; 2) is not evidence-based; 3) the 5-year limit is arbitrary; and 4) the request does not account for the counter-cyclical nature of the Medicaid program; and 5) does not account for geographic economic opportunity disparities.

Non-emergency Transportation

Ensuring individuals have access to reliable transportation to medical services is important in order to ensure that members have access to pre-emergent care. We understand the Administration's concern that some members may not be using the non-emergency transportation benefit appropriately.

Adding a reasonable and modest co-pay for non-emergency transportation may be an effective means of achieving lower non-emergency transportation costs as long as it is implemented thoughtfully (e.g. considering how the policy may affect rural v. urban areas). If your request to require co-pays for the use of non-emergency transportation is approved by the CMS, we encourage you to implement it using requirements that are evidence-based and that you measure over time the impacts that the

requirement may have on missed appointments and the effect that it may have on emergency transportation because of delayed pre-emergent care.

Preventive Health Services

Currently, AHCCCS covers preventive services assigned a grade of A or B by the United States Preventive Services Task Force for individuals living between 100%-138% federal poverty level.

However, these same services are not covered for individuals living under 100% FPL. While your waiver request does not mention these preventive health services, AzPHA advocates for coverage of the USPSTF Category A and B services to be included for all AHCCCS members under the new waiver, and would like to bring attention to 2013 CMS guidance indicating a 1% reduction in the Federal Medical Assistance Percentages (FMAP) rate for states which pay for those services for individuals living under 100% FPL: <http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/SMD-13-002.pdf> .

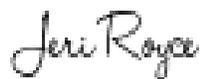
Adequate coverage of A and B services is important in our collective work to promote health equity across all populations since federal law also requires commercial and marketplace health insurance plans to include this in benefit packages.

Summary

We encourage the Administration and the Centers for Medicare and Medicaid Services to withhold approval of the Administration's work requirement waiver request until more complete analyses are completed and a clear picture of employment ability and status is known among AHCCCS members. Getting more detailed information in advance, including answering key implementation questions highlighted in this letter, will help AHCCCS test a Demonstration Waiver hypothesis that is more refined and targeted and more likely to demonstrate effectiveness toward reducing individual reliance on public assistance.

We oppose the legislative mandate and your request to place lifetime limits on AHCCCS coverage because: 1) it would negatively impact our collective efforts to improve health outcomes; 2) is not evidence-based; 3) the 5-year limit is arbitrary; and 4) the request does not account for the counter-cyclical nature of the Medicaid program; and 5) does not account for geographic economic opportunity disparities in Arizona.

Sincerely,



Jeri Royce, Interim Executive Director

February 2015 | Fact Sheet

Are Uninsured Adults Who Could Gain Medicaid Coverage Working? <http://kff.org/medicaid/fact-sheet/are-uninsured-adults-who-could-gain-medicaid-coverage-working/>



Arizona Grandparent Ambassadors

A support network for grandparents who are raising their grandchildren

AHCCCS

c/o Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

Re: Public Comments on SB1092 Legislative Directive Waiver Proposal

I am writing as State Chair of Arizona Grandparent Ambassadors. We are an educational and advocacy group concerned with the needs of grandparents raising grandchildren and other kinship families. **Arizona Grandparent Ambassadors opposes the provisions of the proposed waiver: the five year eligibility limit, the work requirement, the monthly reporting requirement, and the premium/co-payment provisions.**

If approved, this waiver could adversely affect a portion of our families. Some grandparents raising grandchildren, as well as aunts and uncles or other kin raising a child from their extended family, are under age 60. They may be caring for children over the age of 6. In this case, they would fall under the work requirement. The children they care for often have special needs because of dislocation and trauma. The additional stress created by meeting the requirements of the proposed waiver would be detrimental to their family well-being.

We believe that the premium requirement will cost the state more to administer than it will collect in revenues. And if the purpose is to teach recipients responsibility, that assumes that these beneficiaries are somehow irresponsible. Certainly this is not the case with grandparents raising grandchildren, who are already saving the state a great deal of money by caring for children who might otherwise be in the foster care system. Many of us are in this position because our own child, parent of the grandchildren, is mentally ill and struggles to manage a chaotic life situation. If they lose their AHCCCS coverage for a year because they failed to meet some aspect of the work requirement, their ability to work on recovery will be harmed by the loss of medications and health care services. And we will have the children even longer than if the parent were able to be rehabilitated.

We believe that access to healthcare is fundamental to strong families and a strong community. Provisions like those proposed in this waiver application will cause hundreds of thousands of Arizona's citizens to lose healthcare. Our state has many rural areas where work is scarce and needs are great. People living there will be especially adversely affected by this proposal. We are also concerned about how these proposals will penalize families caring for elders, whose lives are as disrupted and stressful as are our kinship families raising grandchildren. They are affected.

We understand that AHCCCS is a model program in keeping costs low and delivering quality services. It works well serving the people of Arizona as it is. Let us keep it that way.

Respectfully submitted,
Ann W. Nichols
4556 N. Flecha Drive
Tucson, AZ 85718

As grandparents and relatives we seek to keep our families together, in doing so we hope to assure that the children we are raising enjoy a healthy, basic quality of life.

gparentambassador@gmail.com



Arizona Grandparent Ambassadors

A support network for grandparents who are raising their grandchildren

As grandparents and relatives we seek to keep our families together, in doing so we hope to assure that the children we are raising enjoy a healthy, basic quality of life.

gparentambassador@gmail.com



February 10, 2017

Tucson Medical Center appreciates the opportunity to provide comments on the waiver requirement outlined in Senate Bill 1092, and appreciates the outreach efforts your department has undertaken to better understand how the proposal impacts your constituency and clientele.

TMC is also appreciative of the fact that AHCCCS operates on efficient and effective managed care principles and continues to serve as the gold standard for Medicaid programs nationally. We are concerned however, that some of the waiver provisions may jeopardize the work that has been done to provide care to some of the state's most vulnerable residents.

Specifically, TMC is concerned about the impacts of the five-year lifetime limit for able-bodied residents and remains concerned as well that the work/school requirement as outlined is written too broadly and may have unintended consequences for some residents already facing significant challenges.

TMC encourages the state to consider expanding the exemptions as envisioned in the waiver to include:

- caregivers of disabled children or elderly relatives
- those with chronic conditions that may flare up intermittently and limit their ability to participate in work or school
- those in rural areas lacking robust employment or training opportunities
- those who have served their time in prison but may continue to face challenges in obtaining stable employment or training.

As a nonprofit community hospital, we know that medical insurance is critical in stabilizing people and families. We also know that barriers to access to insurance results in driving up costs as more people seek care in emergency departments, instead of managing their conditions before they become acute.

Finally, TMC supports the approach outlined by AHCCCS in holding off on implementing the waiver provisions already approved in 2016, while Congress and health leaders grapple with the very large endeavor of coming up with an appropriate next step as we transition from the Affordable Care Act.

This decision is in line with the President's executive order instituting a regulation moratorium to allow the Administration time to consider how to best to facilitate reform. Given the uncertainty of that national solution and its impact on the state, we believe these additional waiver provisions would be best explored under a more stable healthcare landscape.

Sincerely,

A handwritten signature in cursive script that reads "Judy Rich".

Judy Rich
President & CEO



Elizabeth Lorenz
Assistant Director
Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

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.¹

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

¹ 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

Children's Clinics
2600 North Wyatt Drive
Tucson, Arizona 85712

Statement for AHCCCS Public Hearing re: Medicaid Waiver 1115
January 27, 2017

Changes to Medicaid coverage for adults may have critical impacts on families with children who have special healthcare needs. By decreasing lifetime limits and implementing strict work requirements, parents who care for a child or children with special healthcare needs may have to search for alternative childcare. Arizona has a severe need for quality early childhood education, and the cost of childcare is exorbitant, rendering it difficult for families to find adequate care for children, especially those with special healthcare needs. In addition to inhibiting parents from the ability to act as the primary caregiver for their complexly ill child, some of the changes proposed in the Medicaid Waiver 1115 also neglect the importance of caring for a caregiver. Parents who act as the primary caregiver for a child with complex healthcare needs often disregard their own healthcare needs. While they are busy ensuring their child receives all of the complex care they need, parents do not make the time to care for themselves. If it becomes more difficult for parents to receive proper healthcare because of the changes proposed in Medicaid Waiver 1115, families in southern Arizona will further struggle to take care of themselves, resulting in the indirect impact on children with special healthcare needs. If a parent lacks access to care and becomes ill, they will no longer be able to provide optimal care to their child. Please consider families with children who have special healthcare needs as decision-makers in Arizona.

ELIZABETH HOMANS McKENNA, M.D.
NILAM PATEL KHURANA, M.D.
SANDRA ROMERO, M.D.
MANDY OLIDEN, M.D.
LORA VAN TASSEL, M.D.



Healing Hearts
Pediatrics, P.L.C.

RICHARD HECK, M.D.
CHARLES ROLLER, M.D.
NICHOLE KAISER YNIGUEZ, C.P.N.P
DEBRA MILLER, C.P.N.P

To Whom It May Concern,

I am a pediatrician and member of the Azaap and writing on behalf of over 900 pediatricians and pediatric healthcare providers.

I am co owner of my own practice. Every day we see patients who have AHCCCS and many who have parents with AHCCCS.

Many of the patients we see who are covered by AHCCCS, have disabilities or multiple developmental or medical problems. Oftentimes their parents have similar mental, medical, psychological or developmental problems, or have multiple social problems which make care for their children a daunting task. We are extremely happy when we can see these patients and help their parents provide the care that they need for their children to grow up with as optimal health as possible.

We are concerned that having these parents have a requirement to be employed will adversely affect the health of their special needs children. In addition, requiring the monthly documentation will put these children at risk if their parents are not able to do this monthly, lose their healthcare and the loss of healthcare puts an undue amount of stress on their parent's lives.

In addition, we take care of many children whose parents are single or divorced who may have multiple children. The cost of Daycare for these families is often cost prohibitive.

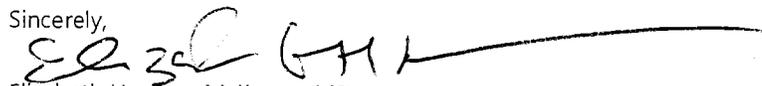
Many of these families have parents who have not been able to obtain employment, which would pay sufficiently to pay for daycare, because they do not have adequate job training. We feel strongly that if employment is required to obtain AHCCCS, then there should be required job training and referral provided by AHCCCS as well as support for these families.

In addition, the limit of lifetime coverage is not appropriate for these families for similar reasons, as many of these families will have children with long term medical, developmental medical or social problems.

Furthermore, having a physician is the one to sign off on whether an adult can work or not, to have AHCCCS insurance is an inappropriate demand that will be placed on Arizona physicians.

We ask that you rescind the AHCCCS waiver to the CMS.

Sincerely,



Elizabeth Homans McKenna, MD

Chair, Access to Care Committee
Vice Chair, Advocacy committee
Board member, Arizona Chapter of the American Academy of Pediatrics
Aboard