

May 6, 2019

State of Alabama Senate
11 South Union Street
Montgomery, AL 36130

Re: Senate Bill 294

Dear Members of the Alabama Senate,

Our organizations represent thousands of patients and their families facing serious health conditions in the state of Alabama and are committed to ensuring that Alabama's Medicaid program provides adequate, affordable and accessible health care coverage. **We write to express our deep concerns with Senate Bill 294. This bill would create new and serious administrative barriers to accessing healthcare and jeopardize coverage for Alabama. Our organizations therefore ask you to oppose SB294.**

SB294 would require the state to file a state plan amendment or waiver that would require individuals to prove that they work a certain number of hours to keep their health coverage. One major consequence of this proposal will be to increase the administrative burden on individuals in the Medicaid program, which will likely decrease the number of individuals with Medicaid coverage. Arkansas implemented a similar policy last year, requiring Medicaid enrollees to report their hours worked and during the first six months of implementation, the state terminated coverage for over 18,000 individuals and locked them out of coverage until January 2019.¹ This program was recently halted by a federal judge. Battling administrative red tape in order to keep coverage should not take away from patients' or caregivers' focus on maintaining their or their family's health.

The changes will likely be expensive for the state. States such as Michigan, Pennsylvania, Kentucky and Tennessee have estimated that setting up the administrative systems to track and verify exemptions and work activities will cost tens of millions of dollars.² These costs would divert resources from Medicaid's core goal – providing health coverage to those without access to care – as well as from other important programs in Alabama.

Our organizations are equally concerned about the bill's changes to the Medicaid eligibility review process in Alabama. SB294 would require the Medicaid agency to verify eligibility at least twice per year and allow the state to terminate enrollment if individuals do not respond to a written notice about any potential changes to their eligibility. This policy will likely lead to coverage losses for individuals with serious and chronic health conditions. For example, when Washington state changed its renewal process from every twelve months to every six months and instituted new documentation requirements in 2003, approximately 35,000 fewer children were enrolled in the program by the end of 2004.³ Additionally, a recent report found that 1.6 million individuals lost their Medicaid coverage in 2018, including 744,000 children, with the large coverages losses in states that had burdensome redetermination processes.⁴

Low-income individuals who qualify for Medicaid may move frequently and not receive notices about their eligibility, therefore not realizing they have lost their Medicaid coverage until they show up at a hospital, physician's office or pharmacy. This loss of coverage would likely lead to delays in accessing needed care. People who are in the middle of treatment for a life-threatening disease, rely on regular

visits with healthcare providers or must take daily medications to manage their chronic conditions cannot afford a sudden gap in their coverage.

Our organizations urge you to oppose SB294 and instead focus on policies that promote affordable, accessible and adequate health care coverage in Alabama.

Sincerely,

[LIST OF ORGANIZATIONS]

¹ Robin Rudowitz, MaryBeth Musumeci, and Cornelia Hall, "A Look at November State Data for Medicaid Work Requirements in Arkansas," Kaiser Family Foundation, December 18, 2018. Accessed at: <https://www.kff.org/medicaid/issue-brief/a-look-at-november-state-data-for-medicaid-work-requirements-in-arkansas/>; Arkansas Department of Health and Human Services, Arkansas Works Program, December 2018. Available at: http://d31hzhk6di2h5.cloudfront.net/20190115/88/f6/04/2d/3480592f7fbd6c891d9bacb6/011519_AWReport.pdf

² Michigan House Fiscal Agency, Legislative Analysis of Healthy Michigan Plan Work Requirements and Premium Payment Requirements, June 6, 2018, <http://www.legislature.mi.gov/documents/2017-2018/billanalysis/House/pdf/2017-HLA-0897-5CEEF80A.pdf>; House Committee on Appropriations, Fiscal Note for HB 2138, April 16, 2018, <http://www.legis.state.pa.us/WU01/LI/BI/FN/2017/0/HB2138P3328.pdf>; Misty Williams, "Medicaid Changes Require Tens of Millions in Upfront Costs," Roll Call, February 26, 2018, <https://www.rollcall.com/news/politics/medicaid-kentucky>.

³ Tricia Brooks, "Data Reporting to Assess Enrollment and Retention in Medicaid and SCHIP," Georgetown University Health Policy Institute Center for Children and Families, January 2009.

⁴ https://familiesusa.org/sites/default/files/product_documents/Return_of_Churn_Analysis.pdf