



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

August 21, 2018

Dear Secretary Azar:

The American Network of Community Options and Resources (ANCOR) is a national, nonprofit trade association representing more than 1,400 private community providers of services to people with disabilities. Through our members, ANCOR supports more than one million individuals with intellectual and developmental disabilities. In light of the numerous states that have initiated or are in the process of initiating work requirements into their Medicaid programs, ANCOR felt compelled to issue this letter of concern about the potential unintended consequences on our workforce and the people with disabilities whom we support.

As you know, people with disabilities represent a diverse population, including people with intellectual and developmental disabilities, which includes people with autism, cerebral palsy and Down Syndrome. The specific needs and circumstances of this population must be considered in developing new Medicaid policies, particularly policies that will cause some people to lose Medicaid coverage. Medicaid work requirement policies have made efforts to address the needs of this vulnerable population by excluding people with disabilities who qualify for Medicaid based on qualifications like receipt of Supplemental Security Income. However, this exemption falls short of protecting the full population of Medicaid beneficiaries with disabilities. Fifty-seven percent of Medicaid beneficiaries with disabilities nationally do not receive SSI.¹ These individuals are at risk of losing coverage as a result of Medicaid work requirements, including ending Medicaid coverage for people who are unable to document that they work or engage in work-like activities, conditioning eligibility on payment of premiums on people with very low incomes, and ending coverage for people who fail to complete renewal paperwork on time or report a change in circumstances.

People with disabilities face substantial health obstacles that can make activities like participating in the workforce and completing paperwork in a timely manner difficult. Over half of all Medicaid beneficiaries with disabilities who qualify on a basis other than receipt of SSI have two or more limitations, which include limitations in cognitive functioning, mobility, vision and hearing, and ability to carry out activities of daily living. Although some of these beneficiaries may be exempt from Medicaid

work requirements through a medically frail exception, screening processes may not identify them correctly, and some will not be able to navigate an exemptions process successfully. These individuals' cognitive and functional limitations, as well as their life circumstances, which include lack of access to the internet and mobile devices, limited ability to use computers, and barriers to travel, mean that they should not be subject to onerous bureaucratic requirements such as an exemptions process. Similarly, requiring people with disabilities who are working to document and verify that they are working or engaging in similar activities for numerous hours each month, will lead those who do not successfully navigate these bureaucratic processes to lose Medicaid coverage.

People with disabilities who lose Medicaid are unlikely to be eligible for other insurance coverage. They will go without coverage, and research suggests their health status is likely to decline as a result. Declining health or losing access to the supports that Medicaid finances to help people live in their homes and communities may cause more people to use hospital emergency rooms, state-run institutional or nursing care, which compromises their independence and costs taxpayers more than community-based supports do. In this way, eligibility restrictions pose the risk not just of leaving some vulnerable people uninsured, but of undermining some of the decades of progress that has been made advancing community-based supports rather than public institutional care.

Eligibility restrictions related to work requirements are also likely to have unintended, negative consequences for low-income workers, including the direct support professionals who are the backbone of long-term services and supports for people with intellectual and developmental disabilities. These professionals are integral to helping individuals with disabilities live successfully in the community, avoid state-run institutional care, and enable states to comply with the integration mandate of the Americans with Disabilities Act. Unfortunately, the shortages of such workers and the challenges facing this workforce have reached a crisis level. Turnover rates among direct support professionals approach 50 percent in many areas of the U.S. Their wages are low, in some cases at or near the federal poverty level. Current provider rates and limitations on HCBS waiver funding hamper providers' ability to add funding needed to recruit and retain these professionals, despite their clear importance to the daily lives of Medicaid beneficiaries with disabilities.

One in four direct care workers in the U.S. are Medicaid beneficiaries, making Medicaid coverage an essential direct care workforce support.ⁱⁱ Eligibility restrictions will cause some of these workers to lose coverage. This is because some state work requirement proposals establish complex bureaucratic processes that many low-income workers are unlikely to navigate successfully. Medicaid beneficiaries who are working must report and verify their status at defined intervals. Individuals will lose Medicaid coverage if they do not successfully complete these processes. The counterintuitive impact of such work requirement policies is that people who are actually working -- but fail to complete onerous paperwork requirements -- will lose coverage. A recent analysis of the national coverage impacts of work requirements concluded, "most people losing coverage are disenrolled due to lack of reporting rather than not complying with the work requirement."ⁱⁱⁱ Additionally, individuals who do not successfully pay required premiums, complete renewal paperwork in a timely manner, or who inadvertently fall short of the 80-hour minimum for required work or work-like activities will lose their Medicaid coverage. Imposing these complex bureaucratic requirements and enforcing them by taking away Medicaid coverage risks further destabilizing the direct service workforce.

ANCOR appreciates the opportunity to share our perspective and identify the potential consequences of workforce requirements for our members, their workforce, and the one million Medicaid beneficiaries with disabilities they serve. Given the complexity of the direct care workforce and DSPs that ANCOR members employ, ANCOR would respectfully request to be involved in a dialogue around reporting requirements for employment and how it impacts our workforce. We look forward to working with CMS to find ways to better strengthen long term services and supports for people with disabilities who rely on Medicaid for their health, well-being and independence.

Sincerely,



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ⁱ MaryBeth Musumeci, Julia Foutz, Rachel Garfield, "How Might Medicaid Adults with Disabilities be Affected by Work Requirements in Section 1115 Waiver Programs?," Kaiser Family Foundation, January 26, 2018.

ⁱⁱ PHI analysis of American Community Survey data.

<https://cqrcengage.com/ancor/file/ZuL1zlyZ3mE/Workforce%20White%20Paper%20-%20Final%20-%20hyperlinked%20version.pdf>

ⁱⁱⁱ Rachel Garfield, Robin Rudowitz, MaryBeth Musumeci, "Implications of a Medicaid Work Requirement: National Estimates of Potential Coverage Losses," Kaiser Family Foundation, June 27, 2018.