

August 17, 2018

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

**Re: Kentucky Medicaid demonstration project, “Kentucky Helping to Engage and Achieve Long Term Health (KY HEALTH)”**

Dear Secretary Azar:

The American Kidney Fund (AKF) appreciates the opportunity to provide comments on the KY HEALTH demonstration project and particularly components of the Kentucky HEALTH program.

The American Kidney Fund is the nation’s leading independent nonprofit organization working on behalf of the more than 30 million Americans with kidney disease. For the past half-century, AKF has existed to help people fight kidney disease and live healthier lives. We provide a complete spectrum of programs and services: top-rated education materials; free kidney disease screenings in numerous cities across the nation; clinical research funding; and need-based financial assistance enabling one in five U.S. dialysis patients to access lifesaving medical care, including dialysis and transplantation.

Medicaid is a critical source of health coverage and an important safety net for the one in five low-income individuals the program covers. By providing access to care for so many Americans, Medicaid plays a vital role in helping enrollees prevent and manage chronic conditions such as chronic kidney disease and its leading causes, diabetes and hypertension.

AKF strongly supports the core statutory objective of the Medicaid program, which is “to furnish medical assistance [to individuals] whose income and resources are insufficient to meet the cost of necessary medical services.” Therefore, AKF opposes the components of Kentucky HEALTH that would allow the implementation of a community engagement requirement, limits on retroactive eligibility, limits on non-emergency medical transportation, reporting requirements, and lockout periods for certain Medicaid beneficiaries. Taken together, these elements would increase administrative burden, complexity and costs, which create barriers to coverage for eligible individuals and lead to fewer people, especially vulnerable populations, with access to health care. The state’s own estimates show that Kentucky HEALTH would result in 95,000 Medicaid enrollees losing coverage.

With regard to work and reporting requirements in Medicaid, data shows that most Medicaid enrollees who can work are already working, and most of them work on a full-time basis at low-wage service jobs with limited benefits such as sick leave or health coverage. Nationally, more

than six in ten adult Medicaid enrollees are working.<sup>1</sup> While many working Kentucky Medicaid beneficiaries may meet the work requirements of Kentucky HEALTH, and others could be exempt from them, the administrative burden created by the reporting requirements could lead to a loss of coverage for otherwise eligible individuals. Studies have shown that burdensome administrative procedures, even without work requirements, result in eligible people losing access to health care and food assistance due to “not completing paperwork on time, not receiving notices, or office errors.”<sup>2</sup> A specific example is Washington in 2003, when the state required people to establish Medicaid eligibility on a twice a year basis instead of annually. Medicaid enrollment decreased by more than 40,000 children in a year, and a survey of those families showed that many of them were still eligible but had lost coverage due to losing track of the paperwork.<sup>3</sup> The state reversed the policy change two years later.

An analysis that extrapolated the national effect on Medicaid disenrollment if every state implemented work and reporting requirements similar to Kentucky HEALTH showed that of the 23.5 million adult Medicaid enrollees who are non-elderly, non-dually eligible and who do not receive Supplemental Security Income, 1.4 million to 4 million would lose coverage.<sup>4</sup> Most of that disenrollment “would be among individuals who would remain eligible but lose coverage due to new administrative burdens or red tape versus those who would lose eligibility due to not meeting new work requirements.”<sup>5</sup>

With regards to the waiver of non-emergency medical transportation (NEMT) for all services for most expansion adults, AKF believes this will have a harmful effect on Medicaid beneficiaries with chronic conditions and who face transportation challenges in getting to their health care appointments. It would be particularly harmful to patients with kidney failure and who rely on NEMT to attend dialysis treatments three times per week to stay alive. Missing regular dialysis treatments can result in cardiac complications, stroke, low blood pressure, cramping, fluid overload and shortened life expectancy, and can lead to expensive emergency dialysis treatments and hospitalizations. In addition to the harm to patient health that results from denying NEMT and access to needed medical treatment, waiving the NEMT requirement is a misguided economic decision for states. A recent study showed that for 30,000 Medicaid beneficiaries, the total monthly return on investment for NEMT would be more than \$40 million. Looking specifically at individuals with kidney failure, the study found that NEMT saves Medicaid more than \$3,400 per month for each person receiving dialysis, or over \$41,000 per year.<sup>6</sup>

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<sup>1</sup> <http://files.kff.org/attachment/Issue-Brief-Implications-of-Work-Requirements-in-Medicaid-What-Does-the-Data-Say>

<sup>2</sup> [https://www.urban.org/sites/default/files/publication/98086/work\\_requirements\\_in\\_safety\\_net\\_programs.pdf](https://www.urban.org/sites/default/files/publication/98086/work_requirements_in_safety_net_programs.pdf)

<sup>3</sup> <https://www.nytimes.com/2018/01/18/upshot/medicaid-enrollment-obstacles-kentucky-work-requirement.html>

<sup>4</sup> <https://www.kff.org/medicaid/issue-brief/implications-of-a-medicaid-work-requirement-national-estimates-of-potential-coverage-losses/>

<sup>5</sup> Ibid.

<sup>6</sup> <https://www.statnews.com/2018/07/30/curtailing-medicaid-transportation-benefit-pennywise-pound-foolish/>

We urge the Department to protect access to Medicaid coverage for eligible enrollees, and to uphold and promote the program's statutory objective to provide comprehensive health care coverage to low-income people so they can receive needed health care services. For the reasons outlined above, Kentucky HEALTH does not further that objective, and would in fact lead to a loss in health coverage and medical care for eligible individuals.

Thank you for considering our comments.

Sincerely,



Holly Bode  
Vice President of Government Affairs