American Kidney Fund®

May 15, 2025

Rebecca Curtiss
Interim Director
Iowa Medicaid
Iowa Department of Health and Human Services
321 East 12th Street
Des Moines, IA 50319

**Re:** Iowa Health and Wellness Plan (IHAWP) 1115 Demonstration Amendment

Dear Interim Director Curtiss:

The American Kidney Fund (AKF) appreciates the opportunity to submit comments on the IHAWP 1115 Demonstration Amendment.

AKF is the nation's leading nonprofit organization working on behalf of the 1 in 7 Americans living with kidney disease, and the millions more at risk, with an unmatched scope of programs that support people wherever they are in their fight against kidney disease, from prevention through transplant. With programs that address early detection, disease management, financial assistance, clinical research, innovation and advocacy, no kidney organization directly impacts more lives than AKF. We are also one of the nation's top-rated nonprofits, investing 97 cents of every donated dollar in programs.

The American Kidney Fund is committed to ensuring that Iowa's Medicaid program provides quality and affordable healthcare coverage. AKF is strongly opposed to Iowa's proposal to implement work reporting requirements for Medicaid beneficiaries. These requirements will lead thousands of people to lose coverage and jeopardize the healthcare of people with kidney disease and other serious and chronic conditions. We urge Iowa not to move ahead with this proposal and offers the following comments on the IHAWP 1115 Demonstration Amendment:

Iowa seeks to implement work reporting requirements for adults in the Medicaid expansion population aged 19-64 who are not otherwise exempt. These requirements are not about promoting work but about adding red tape that jeopardizes patients' access to care, and the American Kidney Fund opposes them.

Iowa's demonstration will lead to significant loss of coverage, which is in direct opposition of the purpose of the Medicaid program – to furnish healthcare services. If the state believes that individuals have not met these requirements, it will suspend coverage for six months, after which the state will terminate coverage at their annual renewal. The state's estimates indicate an overall enrollment loss of 60,000 individuals over five years. Suspension of benefits and loss of coverage create gaps in care for patients and disrupt access to critical and often lifesaving services. For people with end-stage renal disease (ESRD), even a short lapse in Medicaid can

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interrupt the three-times-a-week, four-hour dialysis treatments that keep them alive; missing just one session can trigger fluid overload, life-threatening electrolyte imbalances, and costly emergency hospitalizations.

AKF is deeply concerned that the current exemption criteria may not capture all individuals with, or at risk of, serious and chronic health conditions that prevent them from working. For example, the waiver does not specify how those who are 'medically exempt under Medicaid' would be identified. Many Iowans with kidney disease, including those on home peritoneal dialysis, often do not appear in disability databases. On paper they may look "employable," yet treatment schedules and severe fatigue make meeting an 80- or 100-hour monthly work requirement impossible. Without an explicit exemption for people with ESRD, these patients could lose the very coverage that keeps them alive.

The state intends to use data from existing systems and to develop electronic submissions to verify compliance with the requirements. Additional processes to determine patient eligibility and participation in program requirements inherently create opportunities for administrative errors that jeopardize access to care. There will undoubtedly be individuals whose data is incomplete, outdated, or not accurately captured by the systems in use. For example, during the unwinding of the Medicaid continuous coverage requirements, only 32% of enrollees in Iowa were automatically re-enrolled, demonstrating the significant gaps in existing data and the increased administrative burden many people will face.[i]

Furthermore, the waiver is unclear on how individuals will be able to demonstrate compliance or address inaccuracies if data sources fail to verify their eligibility. ESRD patients who must travel to dialysis centers three times a week, or connect to home dialysis machines nightly, and often experience severe -post dialysis- fatigue and "brain fog" afterward are uniquely disadvantaged by new online portals and documentation uploads. A single missed log-in or misplaced pay stub could erroneously flag them as noncompliant, leading to a suspension of coverage and forcing them to choose between paying hundreds of dollars out of pocket for each dialysis session or forgoing treatment entirely. This interruption can quickly escalate to -life-threatening- complications and costly emergency hospitalization.

We are concerned by the cost of implementing this waiver's implementation. There will likely be large administrative costs to the state given the complexity of tracking work activities, building a data-sharing infrastructure across programs, and having a system in place to identify and track exemptions. For example, a GAO study of work reporting requirements estimated that the administrative costs could be up to $272 million.[ii] In Georgia, the state spent over $86 million within a year of implementing the Georgia Pathways to Coverage Program,[iii] despite the low enrollment, and it is estimated that 90% of this was for administrative and consulting costs.[iv] Furthermore, the aforementioned changes in coverage status are likely to lead to churn, placing greater administrative burden on Iowa's Medicaid program. The administrative cost of churn is estimated to be between $400 and $600 per person.[v] Iowa's Medicaid program is unprepared for the cost and administrative disruption of the proposed requirements.

Work reporting requirements do not further the goals of the Medicaid program or help low-income individuals find work. The vast majority of those with Medicaid who can work already do so; nationally, 92% of individuals with Medicaid coverage under age 65 who do not receive Social Security disability benefits are either workers, caregivers, students, or unable to work due to illness.[vi] Continuous Medicaid coverage can help people find and sustain employment.

In a report looking at the impact of Medicaid expansion in Ohio, the majority of enrollees reported that being enrolled in Medicaid made it easier to work or look for work (83.5 percent and 60 percent, respectively).[vii] That report also found that many enrollees were able to get treatment for previously untreated health conditions, which made finding work easier. Additionally, a study in The New England Journal of Medicine found that Arkansas's work requirement was associated with a significant loss of Medicaid coverage, but no corresponding increase in employment.[viii] Terminating individuals' Medicaid coverage for non-compliance with these requirements will hurt rather than help Iowans search for and obtain employment.

Finally, Iowa is considering legislation that is inconsistent with this demonstration in many ways. SF 615 directs the state to implement work reporting requirements of 80 hours each month, whereas the demonstration requires 100 reported work hours or the equivalent of minimum wage multiplied by 100 hours per month. Furthermore, there are discrepancies between the bill and waiver demonstration as to whether participation in other public assistance program work reporting requirements or in educational programs are an option for maintaining eligibility. The state should clarify which proposal it intends to follow, and, if different from the current demonstration, should reissue the proposal for another state comment period of at least 30 days.

The American Kidney Fund remains opposed to work reporting requirements as they are not in line with the goals of the Medicaid program. In order to protect access to affordable and quality healthcare for Iowans, we urge the state not to move ahead with this proposal.

Thank you for the opportunity to provide comments.

Sincerely,

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[ii] Medicaid Demonstrations: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements. U.S. Government Accountability Office. October 1, 2019. Available at: https://www.gao.gov/products/gao-20-149

[iii] Coker, Margaret. "Georgia Touts its Medicaid Experiment as a Success. The Numbers Tell a Different Story. ProPublica. February 19, 2025. Available at: https://www.propublica.org/article/georgia-medicaid-work-requirement-pathways-to-coverage-hurdles

[iv] Miller, Andy and Rayasam, Renuka. "Georgia's Medicaid Work Requirements Costing Taxpayers Millions Despite Low Enrollment," KFF Health News. March 20, 2024. Available at: https://kffhealthnews.org/news/article/georgia-medicaid-work-requirements-experiment-high-cost-low-enrollment/

[v] Swartz, Katherine et al. Reducing Medicaid Churning: Extending Eligibility For Twelve Months or To End of Calendar Year Is Most Effective. Health Affairs July 2015 34:7, 1180-1187 Available at: https://www.healthaffairs.org/doi/10.1377/hlthaff.2014.1204

[vi] Tolbert, Jennifer et al. Understanding the Intersection of Medicaid & Work: An Update. KFF. February 4, 2025. Available at: https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work-an-update/

[vii] Ohio Department of Medicaid, 2018 Ohio Medicaid Group VII Assessment: Follow-Up to the 2016 Ohio Medicaid Group VIII Assessment, August 2018. Accessed at: http://medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Final-Report.pdf.

[viii] Benjamin D. Sommers, MD, et al. "Medicaid Work Requirements—Results from the First Year in Arkansas," *New England Journal of Medicine*. Published online June 18, 2019. Available at: https://cdf.nejm.org/register/reg_multistep.aspx?promo=ONFGMM02&cpc=FMAAALLV0818B