



August 17, 2018

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

RE: Mississippi's revised proposal for a demonstration project under section 1115 of the Social Security Act

Dear Secretary Azar:

The Children's Defense Fund (CDF) appreciates the opportunity to submit comments in response to the state of Mississippi's revised proposal for a demonstration project under section 1115 of the Social Security Act that would condition Medicaid eligibility on compliance with a work/community engagement requirement for very low-income parents/caregivers. CDF's Leave No Child Behind® mission is to ensure every child a *Healthy Start*, a *Head Start*, a *Fair Start*, a *Safe Start* and a *Moral Start* in life and successful passage to adulthood with the help of caring families and communities. CDF provides a strong, effective and independent voice for *all* the children of America who cannot vote, lobby or speak for themselves. We pay particular attention to the needs of poor children, children of color and those with disabilities. CDF educates the nation about the needs of children and encourages preventive investments before they get sick, drop out of school, get into trouble or suffer family breakdown.

CDF has operated a state and now regional office in Jackson, Mississippi since 1995 and knows firsthand the multiple challenges facing low-income children and families in the state. Thirty percent of Mississippi's children live in poverty – a total of 211,466 children – and 14 percent of children in Mississippi live at less than half the poverty level. Twenty-six percent of children in Mississippi live in food-insecure households. In FY 2017, 437,140 children in Mississippi were covered by Medicaid.

CDF has worked for many years, in collaboration with others, to expand health coverage that is comprehensive, accessible and affordable for all children. Central to that goal has been to preserve and protect Medicaid, which today ensures coverage to nearly 37 million low-income children and children with disabilities as well as millions of low-income parents and other caregivers. **Medicaid is a powerful anti-poverty tool that helps struggling parents get ahead by providing access to health coverage that can help them provide and care for their families. CDF remains very concerned that the imposition of *any* work or community engagement requirement will harm children as parents and caregivers lose the health coverage they need to work and offer**

**quality care to their children. For this reason, we strongly urge the U.S. Department of Health and Human Services (HHS) to reject Mississippi’s 1115 waiver application.**

Mississippi has one of the lowest Medicaid income eligibility limits in the country – set at 27 percent of the federal poverty line (\$467 per month for a family of three)<sup>1</sup> for parents and caregivers – making the state’s Medicaid proposal particularly harmful to parents and their children.<sup>2</sup> Parents working 20 hours per week at a minimum wage job would earn nearly \$580 per month, enough to disqualify them for Medicaid. Most would become uninsured after losing Medicaid coverage, as few low-wage jobs offer any health insurance, let alone an affordable option. While Mississippi’s revised waiver application includes 12 months of Transitional Medical Assistance (TMA) for parents who meet the work requirement for every single one of the 12 months, this solution does little to ameliorate the harmful effects of the proposal. These policies threaten parents, caregivers and their children. Children will be harmed by the imposition of work requirements in three major ways:

**1) Healthier parents are better parents. When work requirements lead to a loss of Medicaid coverage and access to health care for parents, children will be harmed as well.**

- Medicaid helps parents address their underlying health concerns so they can be physically and mentally able to work and care for their children, and maintain stable employment. For example, Medicaid provides health coverage to 27 percent of adults with serious mental illness, and the expansion of Medicaid to low-income parents has helped those struggling with opioids and other addictions get the health care they need to work.<sup>3</sup> Children benefit when their parents are healthy, can work and help meet their needs.
- Mississippi’s proposal directly undermines the *guarantee* of health coverage for low-income parents by creating a new system where it is impossible for these parents to keep their health coverage. Parents who meet the new work requirements will have incomes too high to be eligible under Mississippi’s low-income threshold. Yet if they do not meet the new work rules they will lose their health coverage for non-compliance, creating a “Catch-22.” The state’s budget neutrality estimates project that under this proposal approximately 5,000 Mississippi parents will lose their Medicaid coverage in the first year alone. Over the five years of the waiver, thousands more will lose coverage based on additional enrollment projections. The vast majority of these parents who lose Medicaid are likely to become uninsured, as only 14 percent of people living below the poverty line in Mississippi have employer-sponsored insurance.<sup>4</sup>

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<sup>1</sup> <https://medicaid.ms.gov/medicaid-coverage/who-qualifies-for-coverage/income-limits-for-medicaid-and-chip-programs/>

<sup>2</sup> Note: Parents affected by the proposal are a **mandatory coverage group** in the Medicaid statute at §1902(a)(10)(A)(i)(1).

<sup>3</sup> <https://www.kff.org/medicaid/issue-brief/medicaids-role-in-financing-behavioral-health-services-for-low-income-individuals/>

<sup>4</sup> <https://www.kff.org/other/state-indicator/nonelderly-up-to-139-fpl/?currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22mississippi%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

- The Medicaid changes would disproportionately harm Mississippi's women, African-Americans and families living in small towns and rural communities.<sup>5</sup> Estimates suggest that 91 percent of the parents affected would be mothers and 71 percent would be African-American. Rural areas of the state tend to have higher unemployment rates and disproportionately rely on Medicaid for their health insurance coverage. Sixty percent of children living in rural areas and small towns in Mississippi are enrolled in Medicaid.<sup>6</sup>
- When parents have health coverage, their children are more likely to be covered and to have their health care needs met.<sup>7 8</sup> By causing parents to lose coverage, work requirements will also lead to a decrease in stability of child health coverage and well-being, and an increase in uninsured children. Even short breaks in child coverage can have consequences by disrupting provider relationships and ongoing care and denying children health care when they need it.

**2) Parents who lose Medicaid coverage are more likely to experience greater household financial stress and suffer poor health.**

- Medicaid is an effective poverty reduction program.<sup>9</sup> There is evidence that parents who gain Medicaid coverage under the Affordable Care Act expansion have greater financial security than those who are uninsured; they have less trouble paying medical bills and are less likely to declare bankruptcy.<sup>10</sup> Family financial stress affects every member of a household, including children, with potential long term consequences: children who experience persistent stress in childhood are at higher risk for developmental delays and serious health conditions into adulthood.

**3) The imposition of a work requirement fails to recognize the nature of low-wage employment and the challenges it already creates for families.**

- Most adults in Medicaid are already working and most who do not have a major work impediment, such as poor health, a disability, or caregiving responsibility.<sup>11</sup> While helping connect people to work is an important goal, the waiver proposal instead threatens opportunities for employment. It offers no new resources to address the real barriers to employment faced by Mississippi's poor families, such as lack of access to child care, job training and transportation.
- The structure of employment in today's economy has changed significantly over the last few decades, and a full- or part-time job with relatively stable hours is now the exception rather than the rule for low-wage workers. Many low-wage jobs are characterized by erratic or seasonal schedules, subject to last minute

<sup>5</sup> <https://ccf.georgetown.edu/2018/04/05/impact-of-mississippi-proposed-new-medicaid-restrictions-on-low-income-families-with-children/>

<sup>6</sup> <https://ccf.georgetown.edu/wp-content/uploads/2017/06/Rural-health-final.pdf>

<sup>7</sup> <http://hrms.urban.org/quicktakes/health-insurance-coverage-children-parents-march-2017.html>

<sup>8</sup> <https://www.kff.org/health-reform/issue-brief/childrens-health-coverage-medicaid-chip-and-the-aca>.

<sup>9</sup> <https://www.sciencedirect.com/science/article/abs/pii/S016762961300091X>

<sup>10</sup> <https://familiesusa.org/blog/2016/09/medicaid-expansion-improves-people%E2%80%99s-financial-stability>

<sup>11</sup> <https://www.kff.org/medicaid/state-indicator/distribution-by-employment-status-4/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

changes that do not guarantee a stable number of working hours per week, making it at times impossible to meet inflexible work requirements.

- The paperwork/work documentation requirements will make it especially difficult for Medicaid enrollees to keep Medicaid coverage. When states add paperwork requirements to Medicaid, enrollment falls.<sup>12</sup> A national study found that a work requirement would cause coverage losses ranging from 1.4 million to 4 million largely on account of the “red tape” burdens associated with implementing work requirements.<sup>13</sup> Early reports from a similar requirement recently implemented in Arkansas show that nearly three-quarters of those required to report an exception or work hours did not do so in the last month.<sup>14</sup> We remain concerned that some parents and caregivers likely to lose Medicaid coverage will be those who work regularly and the requisite number of hours, but are not able to report hours in a timely manner or in an acceptable manner under state rules. The demands of daily living can be a challenge for many low-income families and make onerous paperwork requirements impossible to deal with; they may be even more challenging for parents with children with disabilities face even greater demands.

Mississippi’s proposed revisions to the original waiver proposal do not address any of the underlying problems with the original waiver application. They fail to address the “Catch-22” that will result in thousands of parents losing Medicaid coverage. The small and temporary extension of TMA for 12 months would only impact an estimated 1,280 parents – just 2 percent of the parents currently enrolled in Medicaid in Mississippi.<sup>15</sup>

Thank you for the opportunity for the Children’s Defense Fund to comment on the state of Mississippi’s revised proposal for a demonstration project under section 1115 of the Social Security Act that would condition Medicaid eligibility on compliance with a work/community engagement requirement for very low-income parents/caregivers. We strongly urge HHS to reject Mississippi’s 1115 waiver application – and any future applications from states proposing to impose work requirements in Medicaid or other provisions that create barriers to Medicaid coverage. Such requirements will cause harm to children as parents and caregivers lose the health coverage they need to work and offer quality care to their children. We appreciate your consideration of our comments and would be pleased to discuss them with you further.

Sincerely yours,



MaryLee Allen

<sup>12</sup> <https://www.nytimes.com/2018/01/18/upshot/medicaid-enrollment-obstacles-kentucky-work-requirement.html>

<sup>13</sup> <https://www.kff.org/medicaid/issue-brief/implications-of-a-medicaid-work-requirement-national-estimates-of-potential-coverage-losses/>

<sup>14</sup> <https://www.healthaffairs.org/doi/10.1377/hblog20180812.221535/full/>

<sup>15</sup> <https://ccf.georgetown.edu/wp-content/uploads/2018/08/Mississippi-Short-Summary-of-Revised-Medicaid-Waiver.pdf>

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A handwritten signature in cursive script that reads "Kathleen King".

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