



The Honorable Secretary Alex M. Azar, II
United States Department of Health and Human Services
Washington, DC
via electronic submission

RE: TennCare Waiver Amendment 38

Dear Secretary Azar,

I am writing on behalf of The Healing Trust to express our strong opposition to the proposed TennCare Waiver Amendment 38. The Healing Trust is a private grant making foundation in Nashville, Tennessee that has given almost \$90 million to nonprofit organizations since 2002 to improve our community's health and well-being. We fund 125 nonprofits from 40 counties in Middle Tennessee that focus on advocacy, physical health, mental health, recovery from alcohol and drug abuse or healing from abuse, neglect, and violence. Our mission is the sacred work of fostering healing and wholeness for vulnerable populations through strategic investment, philanthropy, and advocacy. We believe that access to holistic, quality health care is a right of every human being and that everyone is worthy of, and deserves, compassionate care.

We oppose this waiver as it will negatively impact the health of Tennesseans. The proposal will deprive eligible individuals of health coverage due to their inability, or the state's inability, to document their compliance with complex new administrative requirements. This proposal will cause immense harm, jeopardize health care coverage and access for tens of thousands of Tennesseans, and will waste \$44 million.

Cost Doesn't Justify the Benefit:

The overwhelming majority of TennCare's 1.3 million beneficiaries are children, pregnant mothers, the aged or people with disabilities and are, therefore, not required to work. Of the remainder, nearly three fourths are already employed.¹ Those who aren't working have school age children or other family responsibilities.² A recent Georgetown University Health Policy Institute study found that 68,000

¹ <https://www.sycamoreinstituten.org/2017/09/14/medicaid-work-requirements-what-why-who/>

² <https://www.sycamoreinstituten.org/2017/09/14/medicaid-work-requirements-what-why-who/#>

Tennesseans could lose TennCare benefits because of the requirements.³ Furthermore, Tennessee's legislature estimated that while the waiver will save \$10 million, it will cost taxpayers \$44 million to create levels of bureaucracy that will harm our communities with no quantifiable benefit.⁴ This money would be better spent to further the purpose of the Medicaid program: to provide health care to vulnerable populations.

In addition to the challenges listed above, this proposal leaves many unanswered questions. It is still unclear:

- how the reporting process will accommodate people with disabilities and limited literacy or language;
- how "good cause" will be defined to waive compliance by certain individuals; and
- what criteria will be used to exempt "economically distressed" counties.

Inadequate Infrastructure:

Tennessee's computer system is incapable of managing the required documentation, which will also impact its ability to monitor reporting requirements.⁵ TennCare has lacked a functioning computer system to determine eligibility since 2013 and adding the employment verification requirements will only prolong the delay as the in-progress system will have to be recreated. Creating a new system that can handle reporting requirements will also result in additional costs. Additionally, Tennessee does not provide in-person enrollment assistance and is the only state with no local Medicaid Caseworkers.

Unlike Tennessee, Arkansas expanded Medicaid, had a capable computer system, provided exemptions for parents/caregivers of children under the age of 18, and had Medicaid caseworkers in every county when it implemented reporting requirements. Despite these advantages, over 18,000 people in Arkansas have been disenrolled since September 2018 and only 15% of its residents who were required to report were able to do so because of computer and bureaucratic problems.⁶ Many enrollees were unaware of the requirement or had difficulty navigating the reporting system.⁷ Tennessee will fare worse than Arkansas by every measure and will surpass Arkansas' disenrollment numbers, as it will only provide an exemption for parents/caregivers of children under the age of 6.⁸

Discourages Health:

The reporting requirements rule shortsightedly views benefits and services as costs which should be discouraged. As a foundation, we understand that investing in nutrition, health care, and other essential needs keeps children learning, parents working, and families and communities strong. For all people working low-wage jobs, health care helps them and their families stay healthy, thrive, and contribute to society. Multiple studies demonstrate that Medicaid increases children's lifelong health and their self-sufficiency in adulthood.⁹ As a society, we all benefit when people have access to quality health care and a lack of access to preventative care means that we will pay for health conditions later.

³ <https://www.tennessean.com/story/news/2019/01/31/report-tenncare-work-requirements-force-out-68-000-tennessee/2730521002/?itx%5bidio%5d=50847878&ito=792&itq=c65b3cd5-2309-4926-af31-9ee4194a08e3>

⁴ <http://www.capitol.tn.gov/Bills/110/Fiscal/HB1551.pdf>

⁵ <https://www.dnj.com/story/news/2017/12/09/tenncare-continues-push-transparency-clarification-while-navigating-reviews/930741001/>

⁶ <https://www.cbpp.org/blog/over-4300-arkansas-beneficiaries-lost-medicaid-this-month-for-not-meeting-rigid-work>

⁷ <https://www.kff.org/medicaid/issue-brief/state-data-for-medicaid-work-requirements-in-arkansas/>

⁸ <https://www.sycamoreinstitutetn.org/2018/03/28/tenncare-work-requirement-exempt/>

⁹ See Hoynes and Schanzenbach, "[Safety Net Investments in Children](#)"

Impact on Our Work and Grantees:

The majority of the 40 counties that we serve are rural counties. People who live in rural areas have significantly less access to employment, reliable internet service, and sufficient health care.¹⁰ Of those counties, 35% are economically distressed or at-risk for economic distress, which means that the employment opportunities for people in those areas are extremely limited.¹¹ Because of this, the reporting requirements will unfairly penalize people who live in communities where jobs are unavailable or where they lack sufficient internet access to potentially report their work activities every single month. The reporting requirements will also unfairly penalize rural and urban residents who lack access to reliable transportation and childcare. Statewide, almost half of the 95 counties in Tennessee are economically distressed or at-risk for economic distress.¹²

The reporting requirements will also result in decreased access to health care.¹³ Medicaid enrollment has been shown to improve enrollees' financial security and health outcomes.¹⁴ For those losing coverage due to work requirements, these gains will be reversed. Additionally, people with serious chronic health conditions, including mental illness, and people with substance use disorders make up a large fraction of those likely to lose coverage due to reporting requirements.¹⁵ Interruptions and coverage losses for these two groups is especially harmful and can lead to worsening health or death. Documentation and reporting requirements have been repeatedly shown to reduce enrollment in Medicaid across the board¹⁶ and people with serious mental illness or physical impairments may face particular challenges in meeting these new documentation requirements.¹⁷

This decrease in access to health care will result in delayed treatment for chronic illness, a reduction in preventative care, and increased emergency room/emergent care usage, which results in poor health outcomes. This also means that the 125 nonprofits that we support who are already operating beyond capacity will experience a groundswell of health-related needs that they are unable to support. The rule will move care from private providers to nonprofits who don't have the capacity to respond to all of the needs. Philanthropic dollars are not enough to cover the increase in need that will result, which will unfairly punish other vital programs and services available in the community.

This waiver is fundamentally flawed and cannot be fixed. It goes against the goals and purpose of the Medicaid program. We respectfully urge you to not go forward with this harmful proposal. We are all at risk when any of our residents lack access to quality health care. If finalized, the regulation will

¹⁰ <https://www.tn.gov/health/cedep/environmental/healthy-places/healthy-places/land-use/lu/rural-areas.html>

¹¹ <https://www.tn.gov/transparenttn/jobs-economic-development/openecd/tnecd-performance-metrics/openecd-long-term-objectives-quick-stats/distressed-counties.html>

¹² <https://www.tn.gov/transparenttn/jobs-economic-development/openecd/tnecd-performance-metrics/openecd-long-term-objectives-quick-stats/distressed-counties.html>

¹³ <https://www.cbpp.org/research/health/taking-medicaid-coverage-away-from-people-not-meeting-work-requirements-will-reduce>

¹⁴ <https://www.cbpp.org/research/health/taking-medicaid-coverage-away-from-people-not-meeting-work-requirements-will-reduce>

¹⁵ <https://www.cbpp.org/research/health/taking-medicaid-coverage-away-from-people-not-meeting-work-requirements-will-reduce>

¹⁶ <https://www.nytimes.com/2018/01/18/upshot/medicaid-enrollment-obstacles-kentucky-work-requirement.html>

¹⁷ <https://www.cbpp.org/research/health/taking-medicaid-coverage-away-from-people-not-meeting-work-requirements-will-reduce>

severely limit access to critical programs that help families' access health care, food, and other essentials. These programs have demonstrated success in improving participants' health, wellbeing, school success, and economic security that ripples out to a more stable, secure community. As a health-focused funder whose philanthropic goals center on improving the health of Middle Tennesseans, this rule runs counter to our mission and objectives.

Sincerely,

Kristen Keely-Dinger
President and CEO of The Healing Trust