



February 19, 2019

Senator David Wilson
Chair, Senate HSS Standing Committee
Alaska State Legislature

Re: SB7 Med Assistance Work Requirements

Dear Senator Wilson,

On behalf Alaska State Hospital and Nursing Home Association (ASHNHA), I am providing comments on SB 7 - An Act requiring the Department of Health and Social Services to apply for a waiver to establish work requirements for certain adults who are eligible for the state medical assistance program.

ASHNHA understands and appreciates the interest in workforce engagement in Alaska. We agree with efforts to support Alaskans to be part of the workforce and engage in education and training to prepare to contribute to the economy. However, we are opposed to SB7 in its current form. We are willing to work with the sponsor and Committee to improve this legislation to address some of our concerns.

New Medicaid eligibility standards, unless they are carefully crafted to avoid unintended consequences, could result in restricting needed access to health care for Alaskans with jobs, disabilities, chronic illnesses, and other health care needs.

The majority of Alaskan adults who are enrolled in Medicaid are working but work in low-wage jobs that don't provide health insurance. These jobs have varying hours, high rates of involuntary part-time work, and are inflexible, which leads to job loss and gaps between jobs when individuals are faced with illness, family emergencies, transportation issues or other events that prevent them from going to work.

Losing health care coverage can make it harder for Alaskans to work. Many Alaskans covered by Medicaid face chronic health conditions. When they receive the care they need, they can successfully maintain employment. Without access to health care a health issue can quickly create an impediment to work. If a low-wage Alaskan loses health insurance and can't pay for an expensive ER visit, the cost of their uncompensated care increases health care costs for other patients and for all Alaskans.

We are concerned about adding another layer of administrative paperwork given that the State of Alaska already has a deep backlog in processing Medicaid applications under the current eligibility criteria. Currently, individuals must wait months for eligibility determinations which already limits their access to care. The Alaska Medicaid program simply lacks the capacity to implement and assess additional eligibility requirements.

We have concerns about the lack of detail included in the legislation and believe it is important to provide more guidance to DHSS on the development and implementation of work requirements if this bill moves forward.

The following are provisions other states have considered in implementing work requirements to make the process more successful:

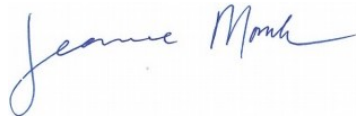
- Identify how support will be provided to help people find employment, training, or volunteer opportunities.
- Apply work requirements specifically to the Medicaid expansion population of non-parenting/caretaker adults ages 19-64. This would eliminate significant administrative costs associated with determining eligibility of many people who would be exempt from the requirements including children, parents/caregivers, disabled, elderly, and pregnant women.
- Provide an allowance for seasonal workers. Due to Alaska's tourism and fishing industries, people in certain areas of the state may work 40 hours or more per week for several months, followed by weeks/months of layoff. Despite the overall number of hours worked people in these industries would lose their health benefits due to the inconsistencies in their overall employment status.
- Allow a recipient to have 3-6 months of noncompliance with the work requirement in a 12-month period. This could address seasonal workers who may not be able to find year-round employment.
- Recognize the lack of jobs and educational opportunities in rural areas, consider an exemption for residents of rural communities with high rates of unemployment and/or where jobs or volunteer positions do not exist, and subsistence activities are prevalent.
- Reduce the administrative burden by implementing an on-line recipient self-verification system with monthly or quarterly, not weekly, reporting.
- Determine penalty for non-compliance with the work requirements. Look to other states for examples of what is reasonable. Michigan has a one-month penalty, as long as the individual meets compliance guidelines.
- Create an evaluation component that includes a cost/benefit analysis of implementing the work, training, education requirement and the cost of maintaining compliance. It is not clear how many people will be part of the work requirement or how much the bill could ultimately cost the state. It will be important to evaluate this if the requirement goes forward.

If the Committee wishes to move towards work engagement requirements tied to Medicaid it is important to have a discussion on program goals and to track if the desired result is achieved.

ASHNHA urges the Committee and Legislature to work carefully to create a well-designed and efficient program to encourage work engagement while maintaining health care benefits for families and other people with low incomes.

Thanks for considering our comments. If you have any questions, I can be reached by email jeannie@ashnha.com or at 907-586-1444.

Sincerely,

A handwritten signature in blue ink that reads "Jeannie Monk".

Jeannie Monk
Senior Vice President
Alaska State Hospital and Nursing Home Association