



## Alaska Primary Care ASSOCIATION

February 15, 2019

Senator David Wilson, Chair – Senate Health & Social Services Committee  
Alaska Capitol  
Juneau, AK 99801

RE: Letter of opposition to SB7 – Medical Assistance Work Requirement

Dear Senator Wilson and Committee Members:

The Alaska Primary Care Association (APCA) supports the operations and development of Alaska's 27 Federally Qualified Health Centers (FQHCs). We urge members of the Senate Health & Social Services Committee to oppose Senate Bill 7 – Medical Assistance Work Requirement.

APCA and Alaska's Community Health Centers (FQHCs) are mission-driven to support wellness that leads to independence and fulfilled lives by supporting and providing data-informed, efficient comprehensive primary care services. As community-owned and patient governed practices, Community Health Centers also seek to maximize coverage for their patients. Federal waivers that restrict eligibility and decrease access to care result in poorer health outcomes, decreased opportunities for independence, and increased use of emergency rooms.

APCA's opposition to SB7 focuses on:

**Work requirements are the wrong approach to encouraging Medicaid beneficiaries to find and keep jobs.** There are successful programs in other states to consider that offer career counseling and job training that support Medicaid recipients in their employment goals. Montana's Health and Livelihood Partnership is one example. The program increases the employment and earnings of Medicaid recipients, without threatening their coverage.

**Loss of Medicaid coverage and corresponding access to treatment is dangerous for Medicaid beneficiaries and will be expensive for the Alaska health system.** Medicaid enrollees rely on coverage to manage chronic health conditions, obtain substance use disorder treatment, treat behavioral health conditions and seek care for serious health conditions and in emergencies. While the State of Alaska is required to provide exemptions for Alaskans who are "medically frail," many Alaskans with disabilities and serious illnesses either won't qualify for these exemptions or will have difficulty providing physician testimony, medical records or other documentation required to prove they do. Patients unable to manage chronic conditions, obtain treatment and behavioral health services will cost the system more as their needs become urgent and must be addressed in higher cost settings including emergency departments and via the legal and corrections systems.

**The State of Alaska is ill-equipped to administer a Work Requirements program.** The Division of Public Assistance (DPA) continues to be incumbered by a substantial backlog of applications under the current eligibility criteria. Over 16,000 Medicaid applicants have waited months to receive an eligibility determination. DPA and other departments are ill-equipped to implement and assess the additional requirements and exemption procedures outlined in this legislation.

This legislation will only add more red tape and strain to the lives of vulnerable Alaskans. While the exemptions outlined seem reasonable on the surface, experiences in other states that have implemented such requirements have demonstrated that individuals who qualify for the proposed exemption categories will face challenges successfully demonstrating they qualify. They won't meet the exemption rules due to system constraints, lack of awareness, paperwork submission barriers and other technical issues.

Eligibility determination is a complex process as it stands today. Every day, Community Health Center enrollment professionals work with patients to secure and maintain eligibility for a range of private and public health coverage. They are acutely aware of the procedures and steps required to support patients with their applications.

We strongly urge you to devote time and resources to strengthen the current eligibility determination system, work through the current backlog, and take steps to bolster Alaska's vocational programs instead of imposing additional burdens on the DPA and Alaskans who are seeking to remain well and contributing to the Alaska economy.

Coverage opens doors to treatment, preventative care, behavioral health, addressing chronic health needs and ultimately – limits emergency room visits, high health care costs and other expenditures and ramifications that later on get passed to the public-at-large.

We urge Committee members to oppose this bill. Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nancy Merriman', with a stylized circular flourish at the end.

Nancy Merriman  
Executive Director

## Jody Simpson

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**From:** Larry Barsukoff <larry@alaskapolicyforum.org>  
**Sent:** Friday, February 15, 2019 3:37 PM  
**To:** Senate Health and Social Services  
**Cc:** Sen. Peter Micciche  
**Subject:** SB7 - committee testimony

Dear Senator Wilson,

Care for the needy and assistance to those down on their luck are hallmarks of Americans across the country. Our concern for the vulnerable among us is evident in statistics which regularly place Americans among the most willing to donate their time and money to charities which serve the less fortunate. This spirit of care extends to our political institutions in the form of different programs that provide a range of public assistance to various groups of people identified as disadvantaged such as the elderly, the disabled, and the needy. Willingness to help those less fortunate or down on their luck, however, is tempered by the risk of unintentionally creating long term dependency.

Created in 1965, Medicaid was a program originally intended to pay for medical care for blind or disabled adults as well as the children of parents with very low incomes. The Patient Protection and Affordable Care Act, passed into law in 2010, included an expanded definition of Medicaid eligibility that raised income limits and allowed able bodied individuals that was optional for states to adopt. While some states chose not to expand their Medicaid populations and instead focus on the truly needy, others like Alaska opted to expand. As a result, Alaska's Medicaid rolls increased by approximately 50,000.

While extending government-funded health insurance coverage to more people may be rooted in good intentions, there is growing concern about the long-term impacts not only to federal and state budgets, but to the lifetime economic potential of Medicaid recipients. The Buckeye Institute, a "sister" think tank in our network, has recently released a study showing that Medicaid recipients, through economic decisions related to their work choices, face unintended consequences and may be sacrificing long term earnings ultimately preventing them from improving their lives. A solution may be the addition of work requirements for otherwise healthy Medicaid recipients.

The study seeks to measure the impact of work requirements for able-bodied, childless, adult Medicaid recipients. Work and "community engagement" requirements, such as education and job training, are intended to keep Medicaid recipients participating in the labor force, helping them gain valuable work experience, generate higher earnings, and more income over the course of their lives.

While Alaska specific data is difficult to come by, national statistics are sobering. Nationally, fully 52% of Medicaid recipients do not work at all. The majority work on average only 8 hours per week.

Medicaid benefits are "means tested" and limited to individuals making less than a specified income level. Some Medicaid recipients avoid working more hours or seeking better employment options which would increase their earnings so that they remain eligible for Medicaid coverage. It is a natural, economic decision: foregoing additional working hours, better paying work, or even engaging in work behavior like training and working more hours, that may lead to promotions. In order to receive a short-term benefit, Medicaid healthcare coverage, people are harming their long-term earning potential.

The study's conclusion? There is real, economic cost to people on Medicaid. Women face lifetime earnings reduced by more than \$200,000. Men see their lifetime earnings reduced by more than \$300,000.

Even assuming a person remains on Medicaid for their entire life, work requirements increase lifetime earring by \$212,694 for women and \$323,539 for men. For people who completely transition off Medicaid? They may earn close to \$1 million more over the course of their working years. Medicaid costs make up the bulk of Alaska's Health and Social Services budget. Tens of thousands of otherwise healthy and able-bodied Alaskans were added to our state's Medicaid rolls under the previous administration. Like so many other paths paved with good intentions, long-term dependence on Medicaid may result in leaving its intended beneficiaries in a far worse place than they otherwise would have been.

Larry Barsukoff, JD / MBA  
Anchorage, Alaska

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Larry Barsukoff, JD / MBA  
Director of Operations  
Alaska Policy Forum  
907 334 5853



## Jody Simpson

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**From:** Amber Sawyer <ambibambi63@gmail.com>  
**Sent:** Friday, February 15, 2019 2:55 PM  
**To:** Sen. Cathy Giessel; Sen. Gary Stevens; Sen. David Wilson; Sen. John Coghill; Sen. Tom Begich  
**Subject:** SB7- Please consider

Good afternoon,

Hello my name is Amber Sawyer and I spoke briefly at the public comment this afternoon. I wanted to contact you more directly to let you know that this is a very significant issue for those of us who are able-bodied and want to work. I am a 31-year old Alaskan who has lived in Alaska since I was 8 years old. As I stated during my testimony I worked very actively until 2012 when I was diagnosed with epilepsy after a very unexpected car crash caused by a seizure. There is no way you can predict things like that.

It is difficult to find someone with a more developed resume than myself. When the car accident happened I already had a bachelor's degree had interned for senator Lisa Murkowski an intern at the White House even. Before my diagnosis I never had problems finding jobs or keeping them. After however I was literally asked to leave jobs after having seizures on the clock immediately upon my employer's learning that I had a seizure and it was completely within their legal rights to do so because I was not officially disabled until almost five years after my diagnosis because of how lengthy the process is to go through to become officially disabled.

SB7 makes allowances for those who are disabled but not those of us with chronic illnesses in the application process who want to work but are having challenges. It took me three times applying for disability before I was granted it. During this time I had to try work so that I wasn't homeless. No job would keep me for very long. Sometimes not even long enough for me to qualify for unemployment and SB7 does not make allowances for this.

Even at the main Public Assistance Office in Anchorage there is not information about all of the employment programs where everyone can access them. Often when you are waiting there to speak to someone about your Medicaid renewal or your adult public assistance you are waiting for hours. If there were an employee whose job was to engage people regarding possible employment opportunities and programs much could be accomplished. Not everyone has internet access readily available. Especially with transportation limitations. I myself have not been able to drive since that accident in 2012. Things are substantial more difficult outside Anchorage for those of us with these limitations even in places like the Mat-Su Valley where I grew up.

I know it is very difficult to try to accommodate for every situation but you can't just think that those who are on Medicaid don't want to work or have to be able to get to locations where they will be approved to volunteer. If I was sent home from work I seriously doubt places would have been okay with me volunteering and having seizures there. What would I have done. The system is so out of date that for me to even get the surgery I need it I had to look up the brain surgeons possible myself and some on the list they sent me as their most up-to-date list were dead that is how far behind the system is. This cannot be accommodated.

Thank you for your time,  
Amber Sawyer