

Medicaid

GOP-led expansion states test CMS' flexibility on Medicaid waivers

By Virgil Dickson

Republican-led states that have already expanded Medicaid now are coming back to the Obama administration with requests to make their expansion programs more conservative, including higher cost-sharing, work requirements and coverage time limits. These moves may test the limits of the administration's flexibility and could lead to rollbacks in Medicaid expansion across the country.

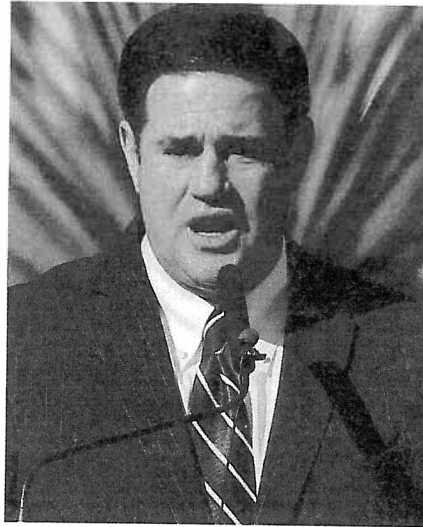
Forthcoming waiver requests from Arizona, Michigan, Ohio and Iowa are raising red flags for the administration. Even Republican supporters of these proposals acknowledge that the provisions are likely to discourage thousands of low-income people from signing up for Medicaid coverage.

These moves come as Republican governors and lawmakers face growing political pressure from conservatives to either make their expansion programs tougher on beneficiaries or end them entirely.

A CMS spokeswoman declined to comment on the emerging proposals, saying only that the requests have not been formally submitted.

In October, Arizona plans to submit a proposal requiring premium contributions for beneficiaries both above and below 100% of the federal poverty level, a job search requirement and the termination of Medicaid benefits for "able-bodied adults" after they have received coverage for five years. Arizona's new Republican governor, Doug Ducey, who opposed Medicaid expansion before becoming governor, signed the little-noticed law in March.

So far, the CMS has not given permission to impose premiums on people below the poverty line with the threat of cutting off coverage. It has not approved any benefit time limits, and it has rejected work requirements. Most people on Medicaid already are employed or are part of working households.



Arizona Gov. Doug Ducey in March signed a bill to tighten state requirements for Medicaid eligibility, limiting the expanded health insurance program to fewer residents.

But Arizona's Republican lawmakers decided to seek the work requirement and time limits anyway. "They want to keep it in front of the federal government as an issue," said Monica Higuera Coury, an official in the state's Medicaid agency.

Advocates for the poor in Arizona are nervous. "Forcing someone to look for a job, or kicking them out of the program after five years undercuts the whole purpose of the program, which is to ensure access to healthcare," said Ellen Katz, director of the Phoenix-based William E. Morris Institute for Justice.

In Michigan, a 2013 law authorizing the Medicaid expansion required that the state must receive a CMS waiver by Dec. 31, 2015, to boost beneficiary cost-sharing to as much as 7% of income after they have been in the program for four years.

If the CMS does not grant the waiver, the state must terminate its Medicaid expansion, which has extended coverage to 600,000 Michiganders.

Under the current expansion program, dubbed Healthy Michigan, beneficiaries with incomes between 100% and 138% of the federal poverty level pay 3% to 5% of their income for premiums and cost-sharing.

The state law also says that low-income people who choose not to pay the higher premiums, and thus have to leave the program, could sign up for coverage through the federal insurance exchange.

Federal officials have told the state that low-income people can't afford to pay 7% of their income for coverage.

"The first year of the Healthy Michigan Plan demonstrated the success of the program, and we will continue conversations with CMS to reach positive outcomes for our residents," a spokeswoman for Michigan's Medicaid agency said.

Kim Sibilsy, CEO of the Michigan Primary Care Association said it's important to preserve the expansion. "Our greatest concern is that without CMS' approval of the second waiver, the program currently covering nearly 600,000 Michigan residents could go away," she said. "We strongly urge CMS to approve the waiver and allow this critical program to continue."

In Ohio, the GOP-led House has proposed that beneficiaries with incomes between 100% and 138% of poverty be required to put 2% of their income into health savings accounts or lose coverage.

It also proposed job search and training programs. The proposal is now being considered by the Senate. About 500,000 Ohioans have received coverage through the state's expansion.

Advocates for the poor are alarmed. "Proposals that recommend cost-sharing would most certainly disrupt continuity of care," said Deanna Moore, a spokeswoman at the Center for Health Affairs, which advocates for Ohio hospitals.

"We've seen in the literature that even surprisingly small cost-sharing requirements, like \$5 per visit, can deter someone with a low income from seeking necessary care," Moore said. ●

MH TAKEAWAYS

Even Republican supporters acknowledge that these types of provisions likely would discourage thousands of people from signing up for Medicaid coverage.