



FIRST FOCUS

MAKING CHILDREN & FAMILIES THE PRIORITY

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August 17, 2018

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

Secretary Azar:

I am writing on behalf of First Focus, a national, bipartisan children's advocacy organization dedicated to making children and families the priority in federal policy decisions. Please accept these comments in response to the Kentucky's demonstration project "Kentucky Helping to Engage and Achieve Long Term Health (Kentucky HEALTH)" and its component parts, including the Kentucky HEALTH program.

As an advocacy group with the best interest of children in mind, we urge CMS and the Secretary to disapprove of the Kentucky HEALTH demonstration because it will bring harm to children and families. These comments focus on the likely coverage loss in Kentucky HEALTH for eligible parents and children if the state is allowed to proceed.

One concern with Kentucky HEALTH is its monthly premium requirement, which will undoubtedly result in a loss of Medicaid coverage for parents. Research on monthly premium requirements is very clear, in that it leads to Medicaid coverage losses. The Kaiser Family Foundation published a literature review last year on [the effects of premiums on low-income populations](#). The Kaiser study cited 29 different studies and found that "premiums increase disenrollment from Medicaid and CHIP among adults and children, shorten lengths of Medicaid and CHIP enrollment, and deter eligible adults and children from enrolling in Medicaid."<sup>1</sup>

The effects of premiums on low-income populations.

Another aspect of Kentucky HEALTH that will inevitably lead to a loss of Medicaid coverage for parents are its work requirements and lockout periods. A parent who is not considered a "primary caregiver," pregnant, or "medically frail" will be subject to the 20-hour per week work requirement. Though they may be employed, many of these non-exempt parents will likely not be able to comply with the requirements due to unstable employment and fluctuating work hours typical of low-wage work and will therefore lose Medicaid coverage.

The plan's aggressive "lockout" rules that accompany the work requirements could also prove disastrous for low-income parents' health coverage. A parent would risk being locked out for failure to pay a required premium, failure to complete paperwork for annual redetermination of eligibility, or failure to report a change in their income in a timely fashion or falsely reporting work hours. In the case of the failure to pay a required

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<sup>1</sup> S. Artiga, P. Ubri, and J. Zur, "The Effects of Premiums and Cost Sharing on Low-Income Populations: Updated Review of Research Findings," (Washington: Kaiser Family Foundation, July 1, 2017), available at <https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/>.

premium, individuals could re-qualify for coverage prior to six months by paying an amount equal to three months of premiums and attending a financial or health literacy course. In the case of failing to complete paperwork, an individual could re-qualify for coverage by completing a financial or health literacy course.

If approved, lockouts would introduce yet another barrier to continuous for parents and other adults in Kentucky. The proposal disregards [research showing that the opposite approach](#) – implementing policies that reduce barriers to continuous enrollment – is most likely to [improve the efficiency](#) of state Medicaid programs.<sup>2</sup> More importantly, parents who lack coverage for any period of time are exposed to medical debt and bankruptcy, which puts the entire family at risk for worsening their economic prospects. Conversely, it has been well established that [Medicaid coverage reduces medical debt](#) and [protects families from an inability to access coverage due to cost barriers](#).<sup>3</sup>

Even more importantly, Kentucky's Kentucky HEALTH will, if approved, will result in Medicaid coverage losses for children. When parents lose coverage, it puts their child's coverage at significant risk, even if the child remains eligible. A very recent [study](#) by the Urban Institute found that uninsurance rates among children with insured parents are astonishingly low (0.9 percent), but that child uninsurance rates soar (21.6 percent) when their parent is also uninsured.<sup>4</sup>

There is well-established research surrounding this linkage between parents' and children's coverage. For example, a 2015 [study](#) on the coverage effects of the Oregon Medicaid lottery for adults found that children whose parents were selected for the lottery and enrolled in Medicaid were twice as likely to have Medicaid coverage as children whose parents were not selected.<sup>5</sup> Furthermore, the researchers also found that, over a 9-year period, children with at least one parent on Medicaid were [more likely to have coverage](#) than children whose parents were not enrolled.<sup>6</sup>

Access to healthcare has proven to be imperative for the well-being of children, and Medicaid coverage is often the only option for low-income families. Children with Medicaid coverage have better access to needed care than do uninsured children. In fact, children receiving coverage from Medicaid or CHIP are significantly

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<sup>2</sup> J. Solomon, "Locking People Out of Medicaid Coverage Will Increase Uninsured, Harm Beneficiaries' Health," (Washington: Center on Budget and Policy Priorities, February 22, 2018), available at <https://www.cbpp.org/research/health/locking-people-out-of-medicaid-coverage-will-increase-uninsured-harm-beneficiaries>;

L. Ku, P. MacTaggart, F. Pervez, and S. Rosenbaum, "Improving Medicaid's Continuity of Coverage and Quality of Care," Association for Community Affiliated Plans (2009), available at <http://www.communityplans.net/Portals/0/ACAP%20Docs/Improving%20Medicaid%20Final%20070209.pdf>.

<sup>3</sup> K. Breevort, D. Grodzicki, M. Hackmann, "Medicaid and Financial Health," NBER Working Paper No. 24002, issued in November 2017, available at <http://www.nber.org/papers/w24002>;  
Georgetown Center for Children and Families. (March 2017). Medicaid Provides Needed Access for Care for Children and Families. Retrieved from <https://ccf.georgetown.edu/wp-content/uploads/2017/03/Medicaid-provides-needed-access-to-care.pdf>.

<sup>4</sup> M. Karpman and G. Kenney, "Health Insurance Coverage for Children and Parents: Changes Between 2013 and 2017," (Washington: Urban Institute Health Reform Monitoring Survey, September, 7, 2017), available at <http://hrms.urban.org/quicktakes/health-insurance-coverage-children-parents-march-2017.html>.

<sup>5</sup> J. DeVoe et al, "Effects of Expanding Medicaid for Parents on Children's Health Insurance Coverage," *JAMA Pediatrics* 169, no. 1 (January 2015), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4918752/>.

<sup>6</sup> J.E. DeVoe et al, "The Association Between Medicaid Coverage for Children and Parents Persists: 2002-2010," *Maternal and Child Health Journal* 19, no. 8 (August 2015): 1766-1774, available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4864606/>.

[more likely to have a regular source of care](#) and to have a physician and dental visits in the last two years than are uninsured children.<sup>7</sup>

Children and their parents need adequate healthcare, which is why we urge you to disapprove the Kentucky HEALTH demonstration project because it will harm children and their families. Thank you for considering our comments and we ask that you include the full text of each of the studies and other materials cited through active hyperlinks in our comments in the formal administrative record for the purposes of the Administration Procedures Act. Please contact us at [brucel@firstfocus.org](mailto:brucel@firstfocus.org) if you have any questions or if we can be of further assistance.

Sincerely,

A handwritten signature in blue ink that reads "Bruce Lesley". The signature is written in a cursive style with a large initial "B" and a long, sweeping underline.

Bruce Lesley  
President

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<sup>7</sup> R. Rudowitz, S. Artiga, and R. Arguello, "Children's Health Coverage: Medicaid, CHIP and the ACA," (Washington: Kaiser Family Foundation, March 2014), available at <https://www.kff.org/health-reform/issue-brief/childrens-health-coveragemedicaid-chip-and-the-aca>.