

October 18, 2018

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

Re: Alabama Medicaid Workforce Initiative - Section 1115 Demonstration Application

Dear Secretary Azar:

On behalf of the American Academy of Family Physicians (AAFP), which represents 131,400 physicians and medical students across the country, and our state chapter, the Alabama Academy of Family Physicians, which represents over 1,745 family physicians and medical students in Alabama, I write in response to Alabama's Medicaid Workforce Initiative Section 1115 Demonstration Application.

Historically, states have requested waivers of statutory Medicaid safeguards to create or test demonstration programs to expand care to new populations, offer new services, and deliver care in innovative and different settings. The AAFP and Alabama AFP stand ready to work with state and federal stakeholders and policymakers to identify innovative strategies to strengthen Medicaid and improve the outcomes of the high-quality care it finances.

Several states have recently submitted Medicaid Section 1115 waivers that would harm Medicaid beneficiaries if approved. They would restrict access by conditioning the receipt of care on meeting standards antithetical to the objectives of the Medicaid program which will ultimately harm patient health. In response to these proposals, a group of six front-line physicians organizations (the AAFP, American Academy of Pediatrics, American College of Obstetricians and Gynecologists, American College of Physicians, American Osteopathic Association, and American Psychiatric Association), representing more than 560,000 physicians and medical students, have adopted [principles](#) related to Section 1115 demonstration waivers. Based on the standards set by these principles, the AAFP and Alabama AFP are deeply concerned with the Medicaid reforms proposed by Alabama in its submitted waiver.

### **Medicaid in Alabama**

Medicaid provides health insurance for more than 76 million low-income Americans. In Alabama, Medicaid and the Children's Health Insurance Program (CHIP) provide health and long-term care coverage to more than 899,000 low-income children, pregnant women, parents, and people with disabilities, or approximately 19% of the state's population. Alabama's Medicaid program currently has the most stringent eligibility requirements of any state, with an upper income threshold of 18% of the federal poverty level (FPL) for adults with children, or \$2,185.20 per year for an individual or \$4,518 for a family of four.

### **STRONG MEDICINE FOR AMERICA**

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### **Work and Community Engagement Requirements**

The AAFP and Alabama AFP do not support establishing barriers to eligibility and coverage, such as work and community engagement requirements, through the waiver process. These waivers and other proposed changes to Medicaid should not impose punitive requirements on individuals that they be employed, actively seeking a job, or enrolled in a job training or job recruitment program as a condition of eligibility. Work requirements and coverage lock-outs for noncompliance limit beneficiary access to preventative and primary care services that promote positive health outcomes, maintain patient wellness, and lower health costs. While we support voluntary programs to assist Medicaid enrollees in obtaining a job or gaining job skills, we are concerned that making participation in such programs a mandatory condition of eligibility will create unacceptable barriers to care, especially for the most vulnerable persons.

If approved, Alabama's waiver application would be the first for a state that did not expand Medicaid and would exclusively affect the state's poorest populations. 66% of adult and child Medicaid enrollees in Alabama currently live in families with at least one individual working outside of the home. Pending CMS approval, the Medicaid Workforce Initiative would impose work requirements on parents who make less than 18% FPL. According to the Georgetown University Center for Children and Families, this waiver would cause approximately 8,700 of Alabama's poorest residents to lose their Medicaid coverage in the first year alone. The new requirement would also affect workers with Transitional Medical Assistance by cutting benefits from 12 to six months despite eligibility rules that ensure beneficiaries, by definition, are working more, and adding another barrier to coverage. This rollback in coverage, particularly amongst the state's most chronically destitute, vulnerable populations, would run counter to the AAFP and Alabama AFP's bedrock mission of quality, affordable health care coverage for all.

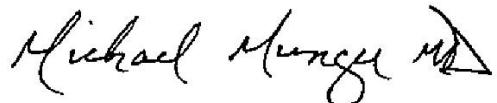
Furthermore, we are concerned that the implementation of the proposed work requirements will most likely compound physician workloads. CMS has recently prioritized the rollback of burdensome regulations constraining physician practice and we commend them for doing so. However, the state and Administration have not engaged in widespread public conversations regarding the impact of the new paperwork burdens a work requirement will create for family physician practices, especially for the hundreds of physicians throughout Alabama in rural or underserved areas. The AAFP and Alabama AFP have concerns that work requirement proposals would add additional administrative burdens on physicians, further limiting the amount of time physicians can spend with patients and interfering with the patient-physician relationship. Additionally, administrative barriers, including those contained in this waiver proposal, would force Medicaid beneficiaries to avoid seeking primary care to stay healthy and avoid costlier health conditions.

Finally, the text of the waiver amendment did not consider the cost of the implementation of this waiver. However, similar states looking to implement work requirements have seen implementation costs skyrocket. We believe this taxpayer money would be better spent financing critical preventive and other primary care services for low-income individuals instead of being used to eliminate coverage with burdensome paperwork requirements.

We appreciate the opportunity to comment on Alabama's Medicaid Workforce Initiative Section 1115 Demonstration Application. Again, we welcome the opportunity to work with policymakers and stakeholders to identify innovative strategies to strengthen Medicaid. However, we believe that the policy changes proposed by Alabama will harm patients covered by Medicaid. We urge

HHS to deny this waiver. For any questions you may have, please contact Robert Hall, JD, Director, Division of Government Relations for the AAFP, at [rhall@aafp.org](mailto:rhall@aafp.org) or Jeff Arrington, Executive Vice President for the Alabama AFP, at [alafamdoc@charter.net](mailto:alafamdoc@charter.net).

Sincerely,



Michael L. Munger, MD, FAAFP  
Board Chair

#### **About Family Medicine**

Family physicians conduct approximately one in five of the total medical office visits in the United States per year—more than any other specialty. Family physicians provide comprehensive, evidence-based, and cost-effective care dedicated to improving the health of patients, families, and communities. Family medicine's cornerstone is an ongoing and personal patient-physician relationship where the family physician serves as the hub of each patient's integrated care team. More Americans depend on family physicians than on any other medical specialty.