

ONE HUNDRED FOURTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115
Majority (202) 225-2927
Minority (202) 225-3641

October 6, 2016

The Honorable Andrew M. Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-8150

Dear Acting Administrator Slavitt:

As members of the House Energy and Commerce Committee, we have the responsibility and privilege of protecting the rights of the more than 72 million Americans who receive health care under the Medicaid and Children's Health Insurance Program (CHIP). In light of that responsibility, we are concerned about states that are seeking Medicaid waivers based on ideological and misguided policies that contradict Congress' longstanding intent for the Medicaid program. We write to urge you to reject such proposals, which would harm the ability of beneficiaries to receive and maintain quality health coverage, and will negatively impact the overall health of our communities.

Medicaid provides comprehensive and affordable health coverage to millions of seniors, people with disabilities, children, and working adults. It supports the doctors, hospitals, and clinics that serve our communities, boosting state and local economies. The Affordable Care Act's (ACA) Medicaid expansion is indisputably a good deal for states and has been life-changing for millions of beneficiaries. The Congressional Budget Office (CBO) estimates that states will spend just 1.6 percent more on Medicaid and CHIP with the expansion than they would have without health reform, and this modest cost more than pays itself back with benefits to a state's economy.¹ These fiscal impacts are substantial. For example, one study estimated savings and revenue of \$1.8 billion by the end of 2015 across the eight expansion states it examined.² Moreover, research shows that beneficiaries in states that have expanded Medicaid

¹ Data extrapolated from (www.cbo.gov/sites/default/files/cbofiles/attachments/49973-Updated_Budget_Projections.pdf).

² Judith Solomon, *Medicaid Expansion: State of Play and What's to Come*, NIHCM Foundation (Jan. 2016) (www.nihcm.org/categories/medicaid-expansion-state-of-play-and-what-s-to-come).

have greater access to health care services and fewer problems paying their medical bills,³ and hospitals are admitting fewer uninsured patients.⁴

Medicaid has made significant strides as a program, particularly in recent years, and the opportunity has never been greater to build on recent state successes and move the program forward. Medicaid's existing flexibility has allowed states to find innovative ways to shape their programs to deliver quality care and protect consumers against health crises while lowering costs. In fact, many of these states are informing efforts we would like to see elsewhere in our health care system.

The Medicaid program is a health insurance program, and Medicaid's statutory objective is clear: the program is intended to provide "medical assistance [to eligible individuals] whose income and resources are insufficient to meet the costs of necessary medical services" and "rehabilitation and other services to help such families and individuals attain or retain capability for independence or self-care."⁵ Unfortunately, a handful of states are pursuing waivers which include misguided and harmful ideological policies that are not in line with the aforementioned stated statutory objective, such as proposals to make health coverage contingent on work requirements and onerous premiums and cost-sharing. Work requirements and imposition of premiums and cost-sharing on Medicaid families, who are generally living on a budget of roughly less than \$15,000 per year, are not only punitive but also counterproductive in the long term. Requiring poor families to pay more than they can afford for care makes them less likely to access the care they need or maintain their coverage. Ultimately, this leads to poorer health and more frequent use of the emergency room. Instead, it is critical that CMS encourage states through their waivers to implement effective ways of coordinating care and delivery system reforms, helping families to get the full range of health and social services they need to be healthy and engaged in the community.

It is worth noting that in the over 50 years of Medicaid's existence, the agency has never approved conditioning Medicaid eligibility on meeting a work requirement. Similarly, a work requirement disregards the basic reality that working a full-time minimum wage job in our country today leaves one with a salary of approximately \$15,000 per year for one's family—certainly a very low income by any standard. Moreover, such proposals ignore the fact that for those that are not working, most are caregivers for a family member or have a health problem that keeps them from working. Denying these individuals the healthcare they need won't encourage them to work; rather, it will make it harder for them to stay healthy and care for their

³ Benjamin D. Sommers et al., *Changes in Utilization and Health Among Low-Income Adults After Medicaid Expansion or Expanded Private Insurance*, JAMA Internal Medicine (Aug. 8, 2016).

⁴ Jesse Cross-Call, *More Evidence of Medicaid Expansion's Positive Effects*, Center on Budget and Policy Priorities (Jan. 11, 2016) (www.cbpp.org/blog/more-evidence-of-medicaid-expansions-positive-effects).

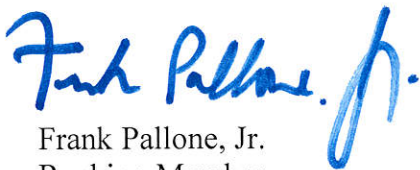
⁵ 42 U.S.C. § 1396-1.

families. Instead of harnessing and building on evidence-based success, such policies take our communities—and the Medicaid program as a whole—backwards.

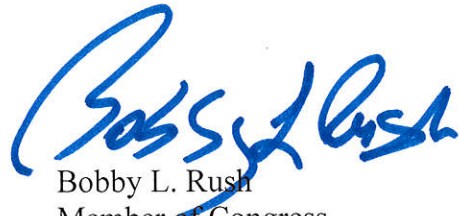
Medicaid waiver proposals must be judged on the Centers for Medicare & Medicaid Services' own stated principles: whether they strengthen coverage, expand access to providers, improve health outcomes, and increase the efficiency and the quality of care for individuals.⁶ We urge you to continue to adhere to such standards, which are founded on Congress' longstanding intent that is reflected in the statute that has governed the Medicaid program for more than 50 years. In the end, a high-quality Medicaid program pays all of us as a society back.

We look forward to working with you to move the Medicaid program forward by building on successful state efforts that support beneficiaries and ensure a strong program in the coming years.

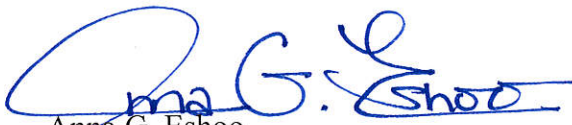
Sincerely,



Frank Pallone, Jr.
Ranking Member
Committee on Energy and Commerce



Bobby L. Rush
Member of Congress



Anna G. Eshoo
Member of Congress



Eliot L. Engel
Member of Congress



Gene Green
Ranking Member
Subcommittee on Health



Diana DeGette
Member of Congress

⁶ Centers for Medicare & Medicaid Services, *Section 1115 Demonstrations*, (www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Section-1115-Demonstrations.html).



Lois Capps
Member of Congress



Mike Doyle
Member of Congress



Jan Schakowsky
Member of Congress



G. K. Butterfield
Member of Congress



Doris O. Matsui
Member of Congress



Kathy Castor
Member of Congress



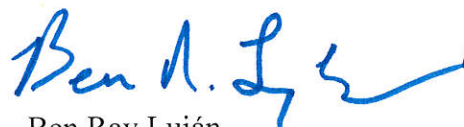
John Sarbanes
Member of Congress



Jerry McNerney
Member of Congress



Peter Welch
Member of Congress



Ben Ray Luján
Member of Congress



Paul D. Tonko
Member of Congress



John Yarmuth
Member of Congress

A handwritten signature in blue ink that reads "Yvette D. Clarke". The signature is fluid and cursive, with the first name being the most prominent.

Yvette D. Clarke
Member of Congress

A handwritten signature in blue ink that reads "David Loebsock". The signature is written in a cursive style with a large, sweeping 'D'.

David Loebsock
Member of Congress

A handwritten signature in blue ink that reads "Kurt Schrader". The signature is cursive and somewhat stylized, with a long horizontal stroke at the end.

Kurt Schrader
Member of Congress

A handwritten signature in blue ink that reads "Joseph P. Kennedy, III". The signature is cursive and features a large, circular flourish at the end.

Joseph P. Kennedy, III
Member of Congress

A handwritten signature in blue ink that reads "Tony Cárdenas". The signature is cursive and written in a bold, confident style.

Tony Cárdenas
Member of Congress