The Half Sheet

The blog of The Commonwealth Institute

October 3, 2018

Speak up: State Medicaid Waiver Will Be Costly, Block Access to Coverage

In September, the state Department of Medical Assistance Services (DMAS) released a proposed 1115 demonstration waiver to implement the Creating Opportunities for Medicaid Participants to Achieve Self-Sufficiency (COMPASS) program. Part of the waiver seeks to impose work requirements and premiums on many Virginians who currently receive or will receive health insurance through Medicaid. The waiver includes detailed information on how the state plans to implement a work requirement program to all non-exempt adults and charge monthly premiums to a portion of the newly eligible Medicaid population.

The 1115 waiver is undergoing a 30-day state public comment period that will end on October 20, 2018. The Healthcare For All Virginians (HAV) Coalition has created a user friendly tool to help advocates and the public share their thoughts and concerns about the COMPASS waiver with Virginia DMAS. Virginia DMAS are required to consider and reply to these public comments prior to submitting the waiver to The Centers for Medicare & Medicaid Services (CMS). A federal comment period will follow this submission prior to a final decision by CMS on the 1115 waiver.

The work requirement program will be imposed on non-exempt individuals who currently receive Medicaid and the newly eligible population expected to gain coverage January 1, 2019 from expansion. Far from being a useful tool to save the state money and improve health outcomes, the work program alone will cost the state more than $25 million in administrative costs and would cause at least 21,600 individuals to lose Medicaid coverage.

Work requirements like the ones Virginia is proposing have had negative outcomes in states where they have been implemented. Arkansas has seen thousands of enrollees lose coverage in the first three months of the work requirements program, with several thousand more at risk of losing coverage. More analysis of these and other impacts of work requirements can be found in our updated report, *Work Programs Should Help, Not Harm, Virginia Families*.

In addition to work requirements, new premiums will be both administratively costly and result in people losing health insurance. The waiver proposes that a monthly premium of $5 or $10 dollars be charged to non-exempt enrollees making at or above the federal poverty line. State estimates indicate that thousands of individuals will lose access to Medicaid coverage due to premiums within the first year of enforcement.

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The Commonwealth Institute for Fiscal Analysis provides credible, independent and accessible information and analyses of fiscal and economic issues with particular attention to the impacts on low- and moderate-income persons.

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In states where financial requirements on low-income families receiving Medicaid have been implemented, use of medical services has declined or been delayed, enrollees have worse health outcomes, and debt and financial hardship has increased for families living on the poverty line. More analysis of the impact and experience of those states that have implemented premiums and copayments can be found in our recent report, *Medicaid Premiums and Copayments Will Make it Harder for Low-Income Virginians to Access Needed Care*.

The bottom line is that states moving forward with work requirements and premiums for Medicaid enrollees expect to see major coverage and high administrative costs in. Virginia is likely to see similar impacts. But it's not a done deal yet.

Take Action

Visit www.havcoalition.org to register your concerns with Virginia's proposal to raise new barriers to accessing quality and affordable health care for more than a hundred thousand Virginians.

--Freddy Mejia, Policy Analyst

Learn more about The Commonwealth Institute at www.thecommonwealthinstitute.org

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