May 9, 2025

The Honorable Robert F. Kennedy
Secretary
U.S. Department of Health and Human Services
200 Independence Ave, SW
Washington, DC 20201

Re: ARHOME 1115 Demonstration Amendment

Dear Secretary Kennedy:

Thank you for the opportunity to submit comments on the ARHOME Pathway to Prosperity Waiver Amendment.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions. We have a unique perspective on what individuals and families need to prevent disease, cure illness and manage chronic health conditions. The diversity of our organizations and the populations we

serve enable us to draw upon a wealth of knowledge and expertise that is an invaluable resource regarding any decisions affecting the Medicaid program and the people that it serves. We urge the Centers for Medicare and Medicaid Services (CMS) to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that Arkansas's Medicaid program provides quality and affordable healthcare coverage. Our organizations are strongly opposed to Arkansas's complex new proposal, which includes work reporting requirements and time limits as factors in eligibility review. These requirements will lead thousands of people to lose coverage and jeopardize the health of people with serious and chronic conditions in Arkansas. Our organizations urge CMS to reject this request and offer the following comments on the ARHOME Pathway to Prosperity Waiver:

Our organizations are deeply concerned that this waiver will result in many people losing access to care, which is in direct opposition of the purpose of the Medicaid program – to furnish healthcare services. Arkansas estimates that one in four enrollees will have their coverage benefits suspended as a result of this amendment. Under Arkansas's proposal, individuals with very low incomes or that have been on Medicaid for a specified number of months will be assigned a success coach. Those who are not on track with their Personal Development Plan, based on the assessment of the success coach, are at risk of having their health plan benefits suspended. Though this proposal states that individuals who are suspended will not be disenrolled from the Medicaid program, the waiver indicates that benefits and healthcare services would be stopped, barring enrollees from accessing care until the suspension is lifted. For patients with serious or chronic conditions, a gap in healthcare coverage can disrupt access to regular care and medications needed to manage their condition, leading to exacerbations that require emergency department visits at a higher cost to both the patient and the state. This proposal contradicts the goals of the Medicaid program and jeopardizes access to care for thousands of Arkansans.

Additionally, the state intends to identify the individuals to be assigned to success coaches based on the length of time they have been enrolled in the program, targeting those at 21-80% of the federal poverty level (FPL) who have been enrolled in Medicaid for 24 months or more and those at 81-138% of the FPL enrolled for 36 months or more. An Arkansas resident with one dependent working a full-time, minimum wage job ($11/ hour) would still be under 138% of the FPL and subject to success coaching and review. Using time enrolled as a factor effectively creates a time limit on coverage, which our organizations oppose in all forms. Patients with serious and chronic health conditions rely on regular access to their healthcare providers and cannot afford a disruption in their care. Again, using time limits is not consistent with the goals of the Medicaid program.

In a related issue, the state intends to rely heavily on data matching to identify individuals who are not on track with their Personal Development Plans. Though the proposal indicates that the state will not rely solely on data matching, it does not specify what other assessments would be used for this purpose. There will undoubtedly be individuals whose data is incomplete, outdated, or not accurately captured by the systems in use. For example, data on disability status does not always provide a complete picture of whether individuals with chronic conditions are able to work. Additionally, because of lags in claims data, it is unlikely that information for those with recent or upcoming serious diagnoses that prevent them from working would be accurately captured by data matching. Arkansas's previous attempt to implement work reporting requirements in 2018 revealed significant flaws in the state's ability to use data to identify exemptions, ultimately leading to 18,000 individuals losing coverage largely as a result of bureaucracy and additional paperwork.[1] During Arkansas's recent Medicaid renewal process, only 42%

of enrollees were successfully renewed through automated data matching, with an additional 18% renewed through submitted renewal forms,[2] demonstrating the limitations of data matching. Our organizations are opposed to the administrative burden that this proposal will place on the program and on patients.

Furthermore, the proposal does not specify how individuals can demonstrate compliance or address inaccuracies when data sources fail to verify their eligibility or status as on-track. Navigating an appeals process can be time-consuming and burdensome. For individuals actively receiving treatment for a serious health condition, a challenging appeals process could impact access to lifesaving treatment. Patients may not have the time or resources to complete a lengthy eligibility appeal, leading to loss of coverage.

Overall, implementation of the proposed requirements will pose challenges for the ARHOME program and enrollees alike, increasing administrative burden. The proposed activities of success coaches are complex and time-consuming. The proposal would require significant infrastructure and investment to be implemented as proposed, including enhancing data sources and hiring and training staff. Furthermore, it is unlikely that the state has sufficient resources to support a three-person panel to review all success coach recommendations. Arkansas is likely unprepared for the administrative disruption of implementing new infrastructure to this extent.

Ultimately, these requirements do not further the goals of the Medicaid program or help low-income individuals find work. Most people on Medicaid who can work already do so. According to KFF, 92% of adults with Medicaid coverage under age 65 who do not receive Social Security disability benefits are either workers, caregivers, students, or unable to work due to illness.[3] And continuous Medicaid coverage can actually help people find and sustain employment. In a report looking at the impact of Medicaid expansion in Ohio, the majority of enrollees reported that being enrolled in Medicaid made it easier to work or look for work (83.5% and 60%, respectively).[4] That report also found that many enrollees were able to get treatment for previously untreated health conditions, which made finding work easier. Additionally, a study in *The New England Journal of Medicine* found that Arkansas's work reporting requirement was associated with a significant loss of Medicaid coverage, but no corresponding increase in employment.[5] Terminating individuals' Medicaid coverage for non-compliance with these requirements will hurt rather than help Arkansans search for and obtain employment.

Implementation Costs

Our organizations are concerned by the cost to implement this waiver. There will likely be large administrative costs to the state to implement data matching, success coaches, and review panels for success coach recommendations. For example, a GAO study of work reporting requirements estimated that the administrative costs could be up to $272 million.[6] In Georgia, the state spent over $86 million within a year of implementing the Georgia Pathways to Coverage Program, despite the low enrollment, and it is estimated that three quarters of this was for administrative and consulting costs.[7] Additionally, the administrative cost of churn, when beneficiaries lose coverage and reapply, is estimated to be between $400 and $600 per person.[8] Taxpayer dollars should focus on providing quality, affordable healthcare coverage, not cutting it.

Lack of Detail

Arkansas's proposal lacks key details that prevent commenters from providing meaningful input on the proposed changes. The proposal states that enrollees who are suspended for noncompliance would

maintain Medicaid enrollment while their health plan benefits and services are suspended. This distinction between remaining enrolled but losing coverage is misleading to commenters and beneficiaries about the availability of care. The state fails to clarify whether suspended individuals would be transferred to fee-for-service coverage while their health plan status is suspended or if suspension would mean loss of all coverage. Furthermore, the proposal does not provide clear qualifications or training requirements for success coaches, despite the many services they will be expected to provide. Finally, Arkansas's proposal does not establish clear criteria for determining when an enrollee is on track with their personal development plan, leaving this to the discretion of success coaches without consistent standards. As a result of this lack of detail, many commenters were likely unable to provide meaningful input at the state level and continue to lack this ability at the federal level. Our organizations urge CMS to clarify these requirements with the state before reissuing the proposal for another comment period of at least 30 days.

Conclusion

Our organizations remain strongly opposed to work reporting requirements and time limits in all forms and urge CMS to reject this proposal in order to protect access to quality and affordable healthcare in Arkansas. These requirements do not promote employment and will reduce access to care for thousands of Arkansans.

Thank you for the opportunity to provide comments.

Sincerely,

AiArthritis
American Cancer Society Cancer Action Network
American Heart Association
American Kidney Fund
American Lung Association
Arthritis Foundation
Asthma and Allergy Foundation of America
Autoimmune Association
Cancer*Care*
Crohn's & Colitis Foundation
Cystic Fibrosis Foundation
Epilepsy Foundation
Hemophilia Federation of America
Immune Deficiency Foundation
Lutheran Services in America
National Bleeding Disorders Foundation
National Coalition for Cancer Survivorship
National Health Council
National Kidney Foundation
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Patient Advocate Foundation
National Psoriasis Foundation
Pulmonary Hypertension Association
Sickle Cell Disease Association of America, Inc.
Susan G. Komen
The AIDS Institute
The Coalition for Hemophilia B
The Leukemia & Lymphoma Society
WomenHeart: The National Coalition for Women with Heart Disease

[1] Robin Rudowitz, MaryBeth Musumeci, and Cornelia Hall. A Look at November State Data for Medicaid Work Requirements in Arkansas. Kaiser Family Foundation, December 18, 2018. Available at: https://www.kff.org/medicaid/issue-brief/a-look-at-november-state-data-for-medicaid-work-requirements-in-arkansas/; Arkansas Department of Health and Human Services, Arkansas Works Program, December 2018. Available at: http://d31hzlhk6di2h5.cloudfront.net/20190115/88/f6/04/2d/3480592f7fbd6c891d9bacb6/011519_AWReport.pdf

[2] What is Happening with Medicaid Renewals in Each State? Center for Children and Families, Georgetown University McCourt School of Public Policy. Accessed February 2025. Available at: https://ccf.georgetown.edu/2023/07/14/whats-happening-with-medicaid-renewals/

[3] KFF. Understanding the Intersection of Medicaid & Work: A Look at What the Data Say. April 24, 2023. Available at: https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-work-a-look-at-what-the-data-say/.

[4] Ohio Department of Medicaid, 2018 Ohio Medicaid Group VII Assessment: Follow-Up to the 2016 Ohio Medicaid Group VIII Assessment, August 2018. Available at: https://medicaid.ohio.gov/wps/wcm/connect/gov/2468a404-5b09-4b85-85cd-4473a1ec8758/Group-VIII-Final-Report.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=ROOTWORKSPACE.Z18_K9I401S01H7F40QBNJU3SO1F56-2468a404-5b09-4b85-85cd-4473a1ec8758-nAUQnlt

[5] Benjamin D. Sommers, MD, et al. "Medicaid Work Requirements—Results from the First Year in Arkansas," New England Journal of Medicine. Published online June 18, 2019. Available at: https://www.nejm.org/doi/full/10.1056/NEJMsr1901772

[6] Medicaid Demonstrations: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements. U.S. Government Accountability Office. October 1, 2019. Available at: https://www.gao.gov/products/gao-20-149

[7] Coker, Margaret. "Georgia Touts its Medicaid Experiment as a Success. The Numbers Tell a Different Story. ProPublica. February 19, 2025. Available at: https://www.propublica.org/article/georgia-medicaid-work-requirement-pathways-to-coverage-hurdles

[8] Swartz, Katherine et al. Reducing Medicaid Churning: Extending Eligibility For Twelve Months or To End of Calendar Year Is Most Effective. Health Affairs July 2015 34:7, 1180-1187 Available at: https://www.healthaffairs.org/doi/10.1377/hlthaff.2014.1204