

February 26, 2018

Honorable Beth Harwell, Speaker  
Tennessee House of Representatives  
600 Cordell Hull Building  
Nashville, TN 37243

Honorable Randy McNally, Lt. Governor  
Tennessee Senate  
700 Cordell Hull Building  
Nashville, TN 37243

Dear Speaker Harwell and Gov. McNally,

We write on behalf of those we serve to respectfully oppose legislative proposals that would deny TennCare (Medicaid) coverage to people who are unemployed. Such a policy will be costly to taxpayers, require a greatly expanded bureaucracy to administer, and result in unprecedented government intrusion into the lives of hard-working Tennesseans.

Pending proposals are based on misconceptions about TennCare and the Tennesseans it serves. Proponents claim such legislation will create incentives for TennCare beneficiaries to work. They are apparently unaware that most beneficiaries are children or adults with severe disabilities, and that those who are capable of doing so already work. The legislation therefore serves no purpose.

According to TennCare data, 87% of TennCare's nearly 1.5 million beneficiaries are children, pregnant mothers, the aged or people with disabilities. Of the remainder, the TennCare Bureau estimates that nearly three fourths would be exempt or are already working. That leaves an estimated 86,000 unemployed adults who would be subject to the proposed requirements. The Beacon Center believes the number is only 57,000. Under either estimate, less than 5% of all TennCare are currently unemployed. As we explain below, even that small number includes caregivers, domestic abuse survivors and others who cannot work despite their desire to do so. The bottom line: TennCare beneficiaries already have a strong work ethic and don't need government to tell them to get a job.

Though the proposed legislation is unnecessary, it is far from harmless. It will require a massive increase in government staff and new computer capabilities, and it will entail extraordinary government intrusion in Tennesseans' lives. TennCare will have to track the employment status of hundreds of thousands of people on an ongoing basis. The paperwork requirements for employers and employees alike will be burdensome. Documentation will be especially onerous for the self-employed to produce, and for TennCare to process.

The legislation should ensure that TennCare identifies and exempts not only parents of pre-school children, but those who cannot work for the following reasons:

- They have chronic or acute conditions that limit their ability to work, but are not formally "disabled," a designation that requires inability to work for at least a year. That omits large

numbers of people who are recovering from an injury, are undergoing cancer treatment that prevent them from working for less than a year, or who lose their jobs because they get sick (e.g., with flu) and miss more days than employers allow their low-wage workers to miss.

- They live in a county impacted by high unemployment, natural disaster or a plant closing.
- They are in fact disabled but are waiting for the 18 months – 2 years that are required, on average, to obtain an appeal ruling from the Social Security Administration.
- They would like to work and need the earnings but have to care for aged parents or in-laws.
- They would like to work and need the earnings but have to care for a minor child or an adult child with disabilities.
- They're middle-aged grandparents who would like to work, but have to care for school-age grandchildren, because the parents are unable to do so, due to addiction or other causes.
- They are victims of domestic violence who cannot safely leave a shelter to go to work.
- They have mental health needs or an addiction history that limits their employability.

Administering these necessary exemptions will be unavoidably intrusive and even more costly and administratively burdensome than tracking ongoing employment status for wage-earners. The state will have to make provision for the many TennCare enrollees who are protected by the Americans with Disabilities Act, and who will need direct in-person assistance to navigate the new eligibility rules. The net effect is to treat law-abiding citizens like parolees: their work, health and family circumstances will be constantly policed by government employees empowered to control their access to medical care.

Because denying Medicaid to the unemployed is novel, the first states to implement such policies will almost certainly encounter unforeseen challenges and unintended consequences. Beneficiaries in that state will bear the brunt of the problems inherent in any major overhaul of health coverage. If Tennessee is one of those states, the risk is especially great, because our state lacks essential resources for reliably implementing complex eligibility requirements. To identify the tiny fraction of non-exempt unemployed people, the state will have to monitor and properly classify all 1.5 million enrollees. The TennCare Eligibility Determination System, or TEDS, was to be developed by 2013, but difficulties and contract cancellation have delayed completion until 2019, at the earliest. TennCare has acknowledged it will require significant re-programming of that new, unproven system.

Compounding these challenges are chronic problems with the TennCare call center and Tennessee's lack of an in-person application portal. Since the Department of Human Services was removed from the TennCare eligibility process in 2014, Tennessee has been the only state with no local offices at which case workers interview and complete applications for Medicaid applicants. Everyone other than those seeking long term services and supports must apply online to the federal site, [healthcare.gov](http://healthcare.gov). That site has no capacity to determine compliance with new eligibility criteria based on employment status. Even after TEDS is online, enrollees will have to rely on the call center, the mail or a state computer interface, with no recourse to a caseworker.

As a result of these factors, the state has struggled to reliably determine the eligibility of many current enrollees, such as seniors who qualify for the Medicare Savings Program. As you know, a Comptroller report released in December documents numerous systemic problems. Thousands of eligible Tennesseans - many quite frail and vulnerable – have lost their TennCare coverage and, with it,

their access to urgently needed medical care. Given the existing challenges, it would be irresponsible to attempt to implement a whole new set of eligibility policies based on employment status.

If you have any questions please do not hesitate to contact us. Our organizations always stand ready to assist you and other state officials in your efforts to improve life for all Tennesseans.

Respectfully,

Catholic Public Policy Commission

Disability Rights Tennessee

Family Voices of Tennessee

Interfaith Dental Clinic

League of Women Voters of Tennessee

Matthew Walker Comprehensive Health Center, Inc.

Mental Health America of Middle Tennessee

Nashville CARES

National Alliance on Mental Illness Tennessee

Prevent Child Abuse Tennessee

Tennessee Charitable Care Network

Tennessee Coalition for Better Aging

Tennessee Conference on Social Welfare

Tennessee Disability Coalition

Tennessee Health Care Campaign

Tennessee Mental Health Consumers' Association

Tennessee Respite Coalition

Tennessee Voices for Children

The Arc of Tennessee

The Family Center

YWCA of Nashville and Middle Tennessee

cc:

All members of the TN General Assembly