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The Honorable Alex Azar
U.S. Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue SW
Washington DC 20201

Dear Secretary Azar,

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On behalf of the American Psychiatric Association (APA), the national medical specialty society representing more than 37,800 psychiatric physicians nationwide, we write with concern about Alabama's proposed Section 1115 Medicaid waiver imposing work or community engagement requirements on certain non-elderly, non-disabled adults. We appreciate the opportunity to comment on this important waiver and want to bring your attention to certain negative impacts it may have on patients with mental health and/or substance use disorders. We recognize that voluntary programs to assist Medicaid enrollees in obtaining a job or gaining job skills have been successful in several states, but we are concerned about making employment or other community engagement activities a mandatory condition of eligibility.

In particular, we are worried about this proposal leading to a loss in coverage for the state's most vulnerable citizens. To be eligible for Medicaid in the state, the income threshold is already low, with the income cut off for a family of two being \$247 per month. As the proposal currently stands, Medicaid recipients will be required to document 35 hours per week of community engagement activities or lose coverage. We are especially worried that this waiver will harm parents who will have to comply with these requirements and in turn, lose coverage if they exceed the income threshold. While the proposal makes an exception for parents with children under the age of six (the requirement is 20 hours), it overlooks the challenges a low-income single parent will face in securing stable employment and child care. The jobs available to workers with low skills and education in Alabama are typically in declining industries, such as those in natural resources, old-line manufacturing, and retail.¹ Additionally, part-time jobs in these sectors tend to have more variable and unpredictable schedules,² making it difficult for a single parent to manage and pay for child care. We urge the state to consider these obstacles

¹ Carnevale, Anthony P, and Nicole Smith. A DECADE BEHIND: Breaking out of the Low-Skill Trap in the Southern Economy. 2012..

² Golden, Lonnie. "Still falling short on hours and pay: part-time work becoming new normal." 2016. Economic Policy Institute.

and focus on how Medicaid coverage for parents has led to long-term savings by improving health outcomes for children in poverty.³

We are also concerned that this waiver will disproportionately affect individuals with mental illness and substance use disorders (SUDs). Medicaid is one of the nation's largest payers of these services, covering 25% of mental health services and 21% of substance use disorder services at the national level.⁴ For patients struggling with a mental illness and/or a substance use disorder, overcoming the administrative obstacles to prove they are eligible for an exemption may be cumbersome due to the nature of their condition or stigma attached to their condition, leading them to lose coverage on purely technical grounds. Additionally, patients struggling with mental illness often have co-occurring physical illnesses. Research shows that patients with serious mental illnesses die years earlier than the general population, with the majority of them perishing due to physical health conditions.⁵ Taking coverage away from these patients will likely lead to delayed treatment and costly physical and mental health outcomes.

This waiver will unnecessarily exclude many thousands of working adults with mental illness and substance use disorders from Medicaid coverage due to job availability and reporting requirements. This policy largely ignores the stigma that still surrounds mental illness and substance use disorders, which may lead Medicaid beneficiaries to be reluctant to disclose their condition and forgo submitting the appropriate paperwork. If a patient must make a choice between not disclosing their condition and qualifying for Medicaid, they may choose the former, putting their treatment and stability at-risk. These patients also often face barriers to stable employment due to their fluctuating ability to function (which can lead to job loss) and disproportionately have criminal records, often tied to their medical conditions. Notably, patients may find themselves in an impossible position where they may lose Medicaid coverage because they cannot get their disability documented, but they also cannot get the disability documentation *because* they do not have health coverage.

Even if individuals with a mental illness and/or a substance use disorder meet the requirements of the waiver, there remains a real risk of eligible people losing coverage due to miscommunication, their inability to navigate these processes, or other breakdowns in the administrative process. In just a few months, we have already seen the consequences of this policy's implementation in Arkansas. As of September 2018, 4,300 recipients had been dropped from the Medicaid program's coverage.⁶ The loss of coverage for these recipients has been particularly significant in rural populations. The findings highlight that simply notifying recipients about the new requirements has been challenging when so many do not have stable address and phone numbers. Additionally, a lack of computer literacy and internet access among recipients has led to individuals not being able to set up online accounts or

³ Venkataramani, Maya, et al. "Spillover Effects of Adult Medicaid Expansions on Children's Use of Preventive Services." *Pediatrics*, vol. 140, no. 6, 2017, doi:10.1542/peds.2017-0953

⁴ Julia Zur, MaryBeth Musumeci, and Rachel Garfield. Medicaid's Role in Financing Behavioral Health Services for Low-Income Individuals. June 2017. <https://www.kff.org/medicaid/issue-brief/medicaids-role-in-financing-behavioral-health-services-for-low-income-individuals/>

⁵ Ben Druss et al. "Psychiatry's Role in Improving the Physical Health of Patients with Serious Mental Illness." December 2017. <https://ps.psychiatryonline.org/doi/abs/10.1176/appi.ps.201700359>

⁶ Rudowitz, Robin, and MaryBeth Musumeci. A Look at State Data for Medicaid Work Requirements in Arkansas. 2018, A Look at State Data for Medicaid Work Requirements in Arkansas.

comply with the reporting requirements, even when they may be fulfilling the requirements. We worry that the same factors may be applicable to Alabama's Medicaid population.

We believe this waiver is particularly troubling in light of the ongoing opioid crisis affecting many individuals and families throughout Alabama today. Individuals with SUD already face numerous barriers to accessing substance use disorder treatment. As a result, only 10 percent of the nearly 20 million adults in America who needed SUD treatment received such treatment in 2016.⁷ Addiction is a complex brain disease and seeking treatment can take several attempts. Even when secured, treatment is not a guarantee for lifetime recovery. In the best-case scenario of an individual receiving inpatient care, maintaining access to the ongoing care they need may be compromised if they cannot secure a job shortly after leaving treatment.

Thank you again for the opportunity to respond to the Alabama's proposal. If you have questions, please contact Kathy Orellana at korellana@psych.org. We welcome an opportunity to further continue this conversation with your office, so please feel free to reach out if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Saul Levin, MD, MPA". The signature is written in a cursive, flowing style.

Saul Levin, MD, MPA, FRCP-E
CEO and Medical Director
American Psychiatric Association

⁷ Eunice Park-Lee et al. Receipt of Services for Substance Use and Mental Health Issues among Adults: Results from the 2016 National Survey on Drug Use and Health. September 2017. <https://www.samhsa.gov/data/sites/default/files/NSDUH-DR-FFR2-2016/NSDUH-DR-FFR2-2016.htm>