Minnesota Health Care Safety Net Coalition

March 28, 2018

Re: H.F. No. 3722 (Fenton) – Medical Assistance Work Requirements

Dear Minnesota Legislator,

The Minnesota Health Care Safety Net Coalition represents Minnesota's safety net providers who serve primarily low-income and uninsured Minnesotans. We work on behalf of safety net providers from all sectors of health care: medical, dental, mental health, substance abuse, hospital and specialty. Nearly 500,000 Minnesotans from all parts of the state are served by Coalition members. They have service sites in 80 of the 87 counties in MN. The Coalition's members are on the front lines of working daily with the Medical Assistance recipients who will be affected by H.F. No. 3722. Few others have as much knowledge and experience with this population.

The Coalition opposes H.F. No 3722 in its current form. Many others have provided testimony and we will not repeat all of the many facts and reasons for our opposition. We will focus in this letter on two important reasons for our opposition:

1. Unintended harm to Minnesotans, and
2. Unintended harm to health care providers.

Finally, we will recommend an alternative, less-expensive, and more effective path to achieving the laudable goals of the legislation, which is to increase rates of employment of Medical Assistance recipients who are employable.

Unintended harm to Minnesotans. Based on our experience working with the patient populations that will be affected, there are very few MA recipients who are both capable of working and unwilling to work, and therefore patients might be pressured by this work requirement to obtain work in order not to lose their health benefits. It is doubtful that any measurable increase in employment will occur because of the legislation. Unfortunately, the much greater impact of this requirement will be the unintended result of the loss of health coverage for many people who are not able to work.

There are many reasons people who should be eligible for exemption from the work requirement will lose coverage anyway. The reasons have been covered in other testimony, but one important reason is the fact that people living in poverty will have difficulty navigating through the additional paperwork, meetings, employability assessments, clinic diagnostic

assessments, and other requirements that must be satisfied to prove their eligibility for an exemption from the work requirement. As a result, many people who are unable to work will fall through the cracks and lose coverage. The consequences of losing health coverage are that people are much more likely to skip preventive care and delay needed treatment until their health deteriorates more and more. Many will end up in a medical crisis requiring more extensive and expensive treatment, including visits to an emergency room and possible specialty treatment and hospitalization. This leads us to our second main point.

Unintended harm to Minnesota providers. Medical needs do not disappear when health coverage does. Instead, the costs of treatment of uninsured Minnesotans are shifted to county governments, community hospitals and safety net providers who have an obligation and responsibility for providing health care to uninsured patients. Many safety net providers are already facing serious financial challenges. Adding more uncompensated care losses puts the safety net provider system at even greater risk of being forced to make cuts, downsize and even consider closing a clinic. This will affect providers across the state, including mental health centers, community health centers, nonprofit dental clinics, community hospitals, and other safety net providers.

State fiscal impact. Based on our members' experience with this patient population, we believe that costs of the Medical Assistance program will ultimately *increase* for many patients as a result of the work program requirement. We predict that many people on Medical Assistance who are not employable, who are in the gray area of employability, or who are employable but do not understand the process for obtaining services to help them find work or community services will lose coverage. As we have noted, this will result in declining health status, a worsening of existing conditions, lack of early screening and intervention, and delaying treatment until their conditions are more serious and costly to treat. Eventually they will need treatment and eligibility for Medical Assistance will be reinstated. Unfortunately, by this time the costs of care will now be much higher than if they had continuously received needed treatment. Additional, more of the individuals who were *potentially* employable before losing eligibility may no longer be able to work due to their worsened medical conditions, which will have the opposite effect as was intended – fewer people working.

Alternative path to increasing employment. Because safety net providers work primarily with people living in poverty, they offer an expanded array of wraparound services beyond the core Medical Assistance medical benefits. These additional services help patients overcome many non-clinical factors affecting their health, such as lack of housing, transportation or food. Safety net providers work closely with nonprofits, community agencies and local governments to arrange for services their patients need. One important service offered by many safety net providers is assistance in obtaining employment. For this reason, safety net providers are among the most knowledgeable organizations about employment and employability for low-income Minnesotans. Based on our experience with the population affected by this legislation, we know that nearly all wish they could work, and seek employment as soon as they are able to work. In order to work, many will first need treatment to recover from existing medical and

mental health conditions, and then will need substantial training and work placement assistance to obtain and retain a job.

Based on our experience working with this population, including assisting patients to find employment, we know that the bill in its current form will be administratively costly, will be ineffective in significantly increasing rates of employment, and will cause unintended harm to Minnesotans and Minnesota providers. For less money, the goal of higher employability will be better achieved by putting the same resources that would be spent on administration of the work requirement into employment training and placement services to help those who are unemployed but capable of work to find a job.

To show you first-hand evidence that most Minnesotans who are on Medical Assistance and are capable of work want to work and are seeking work, we would be happy to arrange a visit to a safety net clinic and/or an employment service offered by safety net providers so you can talk directly with the frontline clinicians, professionals and staff who have the best knowledge of this population and to review the extensive facts and research on this issue that supports this premise. These individuals and their organizations can help you draft legislation that will actually work. Armed with full understanding, I am confident that you will conclude that the dollars are better spent on targeted strategies to assist patients in becoming employed. If you don't do this before passing legislation, you will return to this issue again in the future in order to do damage control because of the harm being done to individuals and providers in your communities.

Respectfully yours,

Michael Scandrett, J.D.
Executive Director
612-790-2547
mscandrett@msstrat.com