Pricey, Pointless & Overly Complex: Barriers to Medicaid Coverage

March 17, 2021
Common Good Iowa

- Common Good Iowa is a nonpartisan, nonprofit organization built on a collective 50 years of experience of two respected Iowa organizations — the Child and Family Policy Center and Iowa Policy Project.

- Our policy agenda advances equity in four areas:
  - **Well-being of children and families**, especially those our current systems fail
  - **Adequate and equitably raised revenue** to support strong public structures
  - **Workplace fairness and living wages** for all Iowans
  - **Clean air and water and sustainable energy** for a healthy future for all
SF 389 is a threat to Medicaid (and CHIP and SNAP and FIP)

- SF 389 would have the Iowa Department of Human Services implement a complex real-time eligibility verification system for Iowans enrolled in public assistance programs including Medicaid, CHIP (Hawki), SNAP (Food Assistance) and TANF (Family Investment Program).

- SF 389 passed the Senate and has been referred to the House Human Resources Committee. A sub-committee has been assigned: Fry, Brown-Powers, Meyer
Why should mental health advocates care about Medicaid?
Medicaid and behavioral health

- Medicaid plays a key role in covering and financing behavioral health care:
  - Providing coverage to approximately 1 in 5 adults with mental illness
  - Funding nearly 75% of all adult mental health services in Iowa

- Medicaid also plays an important role for many children with behavioral health needs, providing comprehensive coverage for children through the Early, Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit. Under this benefit, Iowa must provide access to behavioral health care, including screenings and assessments.
Why should mental health advocates care about SNAP, TANF, etc?
Public assistance programs and behavioral health

- There is a strong overlap in people who are eligible for public assistance programs (e.g. if someone qualifies for Medicaid, they may also qualify for SNAP).

- Access to nutrition programs, such as SNAP, may reduce the public health burden of mental illness, thus improving well-being among vulnerable populations (source).

- Losing SNAP benefits may lead to economic strain that may in turn affect children’s and caregivers’ health and well-being (source).
So, back to SF 389:

- We can all agree...
  - Maintaining program integrity is a shared goal —
  - We want every dollar to go to families who need the help
But SF 389 is not a common-sense approach

- It will increase bureaucratic red tape and administrative costs and make it harder for Iowans to stay healthy, put food on the table and support their families.

- Such an approach is especially heartless during a pandemic and economic crisis when so many people’s circumstances are changing from one week to the next, increasing the odds of reporting discrepancies that would cause eligible people to lose their assistance.
It’s pointless

- DHS already verifies identify, income and other eligibility criterial using state and federal sources.
- As a condition of accepting enhanced federal support for the Medicaid program during the pandemic, Iowa cannot disenroll Medicaid members.
It’s pricey

In fact, it’s likely to cost the state a lot

It runs counter to the principle of good stewardship of taxpayer dollars

In some cases, there’s no state savings to be had...It would cost money to bring in less money
SNAP cuts ripple out to the local economy

A loss of SNAP benefits to 1 out of 6 enrollees translates to about 800 fewer people in Webster County getting SNAP in a given month.

Beneficiaries receive an average benefit of about $208. That means a total loss of over $164,000 each month to area grocery stores.

This means a loss of nearly a quarter of a million dollars in economic activity each month due to SNAP cuts in Webster County alone.

Every SNAP dollar spent at local grocery stores provides about $1.50 in broader economic activity.
It’s overly complex

- It sets up complicated hoops for families to jump through
- Those hoops reduce participation even outside a pandemic
  - For every ineligible household screened out, three eligible households also left
- It gives outside vendors incentives to find as many discrepancies as possible
What’s up with all these “welfare reform” bills?
Medicaid is popular ...

Q: In general, do you have a favorable or unfavorable view of Medicaid?

- Very Favorable: 37%
- Somewhat Favorable: 74%
- DK/REF: 6%
- Somewhat Unfavorable: 11%
- Very Unfavorable: 9%

- Total Favorable: 74%
  - Democrats: 84%
  - Independents: 76%
  - Republicans: 61%

58% of Americans say Medicaid is important to them and their family.

Source: Kaiser Family Foundation Health Tracking Poll, June 2017
... but the public has concerns

(regardless of evidence)

Program needs reform due to
fraud and abuse

A lot of people on the program
don’t deserve it

Program encourages
dependency
“Welfare reform” has surface level appeal

- The “welfare reform” frame is a challenge because it leads voters to put individuals into two groups

<table>
<thead>
<tr>
<th>“Deserving”</th>
<th>“Undeserving”</th>
</tr>
</thead>
<tbody>
<tr>
<td>children</td>
<td>adults (working, not working, not looking for work ...)</td>
</tr>
<tr>
<td>people with disabilities</td>
<td>people abusing the system</td>
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<tr>
<td>seniors in nursing homes</td>
<td></td>
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<tr>
<td>veterans</td>
<td></td>
</tr>
<tr>
<td>people who are sick</td>
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- Many don’t mind if “undeserving” individuals lose Medicaid
But most people also have some sympathy

- Most understand that many families are one bad accident, lay-off, or catastrophe away from the brink.
- Most know jobs are different today — they’re not all 9-to-5 at big companies with good benefits.
- Most believe that when people do hit hard times, they should not go without the basics — housing, food and medical care.
So stay grounded in shared values
that evoke sympathy toward folks in need, not unfounded concerns about the program.
“Taking away” is key

- “These proposals take health coverage away from working families.”
  - Low-income children, working parents, and people with disabilities could lose their health coverage.
  - Taking away people’s health insurance does nothing to help them find work or take care of their families. It just makes life harder.
Reinforce Medicaid’s role as health insurance

▪ “Medicaid makes it possible for thousands of low-income children and adults in Iowa to get and stay healthy — making sure they can work and take care of their families.

▪ “It allows them to see a doctor when they are sick, get check-ups, buy medications, and go to the hospital without fear of choosing between their health and groceries or paying the rent or mortgage.”
Medicaid is:

- Health insurance
- Serves vulnerable low-income populations
- Helps in times of crisis
- Improves the economy
- Strengthens rural communities
- Provides temporary help
What can I do?

- Contact members of the sub-committee
  - Fry, Brown-Powers, Meyer
- Contact members of the House Human Resources committee
- Contact House leadership
  - Windschtl, Grassley
What should I say?

- Maintaining program integrity is a shared goal—we want every dollar to go to families who need the help.
- DHS already verifies identity, income and other eligibility criteria.
- SF 389 runs counter to the principle of good stewardship of taxpayer dollars.
  - It is irresponsible to spend state taxpayer money on a system that we could get at no cost from the federal government.
- It would cost money to bring in less money…cuts ripple out to the local economy.
- SF 389 would hurt Iowa families, public health and local economies.
Questions?
Thank you!

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