ARIZONA PSYCHIATRIC SOCIETY

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February 27, 2017

The Honorable Doug Ducey
Governor of the State of Arizona
1700 West Washington Street
Phoenix, AZ 85007

Mr. Thomas J. Betlach
Director AHCCCS
Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

Dear Governor Ducey and Mr. Betlach:

The Arizona Psychiatric Society represents member psychiatrists in the state that serve as advocates for the mentally ill. In this role, we present our comments on Governor Ducey's proposed AHCCCS Waiver Update and SB 1092 Directive. We support the stated excellent goals of increased accountability by beneficiaries, reduction of reliance on public assistance and prevention of misuse of healthcare resources. We also support finding ways to reduce non-emergent use of emergency rooms and ambulance services. **However**, some of the provisions listed as part of the Senate Board 1092 directive (Arizona Section 1115 Waiver Amendment Request) *raise significant concerns due to the potential for reduced access to essential healthcare services, difficulty in interpretation and increased burden on an already stretched healthcare system*.

As a way of example, we would like to underline a particular aspect of the proposed waiver changes which highlight these difficulties: the ambiguous term "able-bodied adult". There is no clear definition in the waiver nor in medical literature/practice as to the representation of an able-bodied adult. For mental health care providers, who would need to make this determination clinically, this term can be especially contentious and confusing. What if the body is "able" but the person has a serious psychiatric condition which limits the individual's ability to work?

At present, we face a significant physician shortage throughout Arizona. This shortage affects not only mental healthcare but the whole of medicine. Now, this purposed increased burden on healthcare providers to regularly certify this uncertain condition of *able-bodied-ness* would likely tax a system already struggling to meet the clinical needs of the community.

The proposed 5-year lifetime limits and work requirements could reduce access to essential and preventative healthcare services. The lifetime limits are more likely to affect the older adult population who have greater care needs, but may have exhausted their permitted 5 years. Frequently we as mental health providers see Medicaid beneficiaries who may be working but are unable to generate an income greater than the defined federal poverty line.

Mandating co-pays may be beneficial in eliciting greater engagement in care, however, it can also limit the ability to access healthcare in a timely manner for individuals on a limited income. The predictable outcome of this reduced access is an inadvertent delay in seeking care, leading to an increase in severity/morbidity of illness and an upsurge in the use of emergency and acute care services, thereby defeating the very basis for these purposed changes. Furthermore, monthly verification of income and work requirements are likely to increase the administrative burden for the state and also encumber beneficiaries who already may be struggling to meet their daily needs. The recipients of Arizona Medicaid who would be greatly impacted by the proposed changes are the working poor who already face challenges in allocating their limited financial resources to food, shelter, clothing, transport and healthcare.

In families where there is one earning member but multiple dependents over the age of 6 (hence do not meet any of the exceptions), being asked to pay even a small percentage of the limited income (as co-pays) can have grave financial impact. The time that would be required to complete the paperwork for monthly reporting would take time away from earning an income. There also does not appear to be any clause that addresses healthcare coverage or assessment of able-bodied-ness for primary caregivers who may be unable to work due to care needs of a loved one. The possibility that more families would lose access to care due to the stringent and burdensome reporting requirements is highly probable. Predictably, there is likely to be an even greater motivation to apply for disability, directly negating the important goal of reducing reliance on public assistance.

As an example, consider the impact on Stephanie, a woman in her thirties who had to give up her full-time job when her husband suffered a stroke 5 years ago requiring her to act as primary caregiver. She herself has a history of drug use and post-traumatic stress disorder but after years of treatment has been sober and doing well prior to this hardship. For the past many years, Stephanie has been trying to work, but is only able to manage part-time work, which is not sufficient to get her own insurance or pay additional healthcare costs for her husband. Limiting her to 5 years on AHCCCS makes it likely that she will be without insurance from this point on. Then she is at great risk for worsening of her mental health and possible dependence on further public assistance.

We hope the above example brings to attention some of the problems with the proposed waiver changes. We strongly urge the governor to reconsider the proposed changes in light of the various challenges they would raise for the beneficiaries of Arizona Medicaid. Implementation of the proposal will result in an increased number of people without regular and adequate access to healthcare. Although initially the projections may appear positive from some co-pay collections, in the long run this will cost the state of Arizona more due to poor health outcomes, increased levels of disability, burden on healthcare providers and significant fiscal burden of acute care services.

We request you to kindly consider our comments and make amendments to this proposal so as to better serve the people of Arizona.

Respectfully,

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