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STAFF

Public Hearing on Healthy PA Section 1115 Demonstration Application

Jennifer R. Clarke
Executive Director

Remarks of Benjamin Geffen, Staff Attorney, Public Interest Law Center of Philadelphia

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My name is Benjamin Geffen. I am a staff attorney at the Public Interest Law Center of Philadelphia. The Law Center has worked for decades to ensure that low-income children and others receive comprehensive health care under Medicaid.

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The Healthy PA proposal will generate enormous amounts of unnecessary red tape that will get in the way of needed health care for hundreds of thousands of Pennsylvanians. By refusing to allow working Pennsylvania families to receive federally-funded health care unless they jump through bureaucratic hoop after bureaucratic hoop, the Corbett administration is creating a blizzard of paperwork instead of empowering struggling Pennsylvanians to make healthy choices for themselves and their families.

Sonja D. Kerr
Director, Disabilities Rights Project

Edwin D. Wolf
Executive Director
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I have only three minutes, so I will focus on just two of the many flaws in the Healthy PA proposal. First, DPW's proposal purports to be a "demonstration" program that will test certain "hypotheses," but the proposal is at best pseudoscientific. For instance, the program would impose a new monthly premium on families making over 50% of the federal poverty level. This would apply, for instance, to the parents in a two-child household in which Dad works full-time for minimum wage at a small business and Mom stays home with the kids. DPW's plan claims that charging such working parents extra for health care "will prepare these individuals for health coverage financial obligations" if and when their Medicaid eligibility ends (pg. 11). If the Corbett administration sincerely meant to test this hypothesis, it could have, for example, created an *experimental group* that would have to pay the new premium, and a *control group* that would continue to operate under traditional Medicaid rules, as in the highly regarded Oregon Medicaid health experiment. Indeed, the proposal alludes to control groups to test certain hypotheses (pp. 14-16). But in large part the proposal structures changes to Medicaid in ways that will make it impossible to measure their effectiveness. By rejecting any sort of scientific approach with controls or permitting meaningful historical comparisons, the Healthy PA plan will make it hopelessly complicated to measure whether forcing the working poor to spend more of their income on healthcare will improve their health or empower them to climb out of poverty.

The second flaw I'd like to discuss is the ill-defined "work-search requirement" for Medicaid recipients. DPW's application states that telling poor people that they will never get health coverage unless they comply with onerous new paperwork requirements will promote "reduced depression and anxiety" (pg. 16). It makes this claim even though DPW's application doesn't explain precisely how this work-search requirement will function. We do have a preview, however. In August, the Corbett Administration imposed convoluted new work-search requirements for unemployment compensation. If the Healthy PA program imposes similar requirements, they can be expected to severely aggravate depression and anxiety, not reduce it. For example, if the unemployment rules are used, DPW would force Medicaid recipients to complete twelve "work search activities" per month (pg. 33). So if a Medicaid enrollee found thirty job openings and applied for all of them right away, she would get credit only for Month 1, and couldn't count the surplus applications toward Months 2 and 3. Rather, the Healthy PA program would incentivize her to apply to only some of the openings in Month 1, and to save the rest for later months. Moreover, it would take a small army of bureaucrats to check to see that all twelve activities were actually undertaken. Such a requirement would be inconsistent with the "simplicity of administration" required by the federal Medicaid statute, 42 U.S.C. § 1396a(a)(19); 42 C.F.R. § 435.902. This is a program only a bureaucrat could love, and its needless red tape will do nothing to improve the health of Pennsylvania families.