Tracey Hutchings-Goetz Testimony

Thank you Chairman Barrett and members of the committee. I am Hoosier Action's Policy Director & Healthcare Organizer. Hoosier Action is a grassroots community organization dedicated to improving the lives of everyday Hoosiers and rooted in small-town Southern Indiana. We are headquartered in New Albany.

Since 2017, we have had thousands of conversations with Medicaid members from across the state. Most recently, we have collected more than 500 stories from Medicaid members, their loved ones, and healthcare providers who expressed deep fears about the changes to Medicaid in the current version of SB 2 which I'm happy to share with members of the committee. Unlike Mr. Ingram, I am an in-state Medicaid expert who has had hundreds of conversations with medicaid members, providers, and FSSA about the program. During the Medicaid unwinding I personally met with FSSA every other week.

We applaud the amendment passed today to eliminate the arbitrary 500,000 person cap, we still have serious concerns about wasted public dollars and unnecessary healthcare coverage loss due to the increased eligibility checks and work reporting requirements. HIP 2.0 program was always designed to be more than 500,000 people, Governor Pence's enrollment target when HIP 2.0 was 590,000 people.

As noted in the bill's fiscal analysis, the slew of new administrative requirements proposed in SB 2 will not save money. In fact, the bill's fiscal analysis will actually make all of Indiana's Medicaid programs more expensive to run, wasting public dollars to create costly new bureaucracy. Money that could be used to improve Hoosier health will instead go toward managing a complex system of repetitious eligibility checks and exemptions. A 2022 independent summative evaluation of HIP conducted by the Lewin Group highlights that the biggest cost-driver in HIP, for instance, is actually administrative cost NOT increased enrollment. During the pandemic, when the program was more streamlined, enrollment increased by 25.6%, but the cost of the program remained flat.

It is also worth noting the example of Georgia, the only state which has previously implemented Medicaid work reporting requirements, has now stopped doing so due to cost. According to KFF research Georgia's "Pathways" program cost the state and federal government more than $40 million (through June 2024), with nearly 80% of costs spent on program administration and consulting fees (vs. paying for health care). The most recent version of Georgia's waiver excludes work requirements. We urge you to study the failures and pitfalls of the reporting before you go down the path of arbitrary coverage loss. And this will increase costs for admin, taking dollars away from services.

According to the KFF, 78% of HIP members already work–they're just at jobs that don't offer them insurance or they aren't able to work full-time. It's likely that the overwhelming majority of people already qualify for exemptions, therefore it's up to a call center worker to decide if they

qualify, and that is an arbitrary process. Fundamentally, the problem with so-called work requirements is the reporting process itself.

Unfortunately, Indiana doesn't have a great track record with administering Medicaid bureaucracy. Hoosier Action participated in a 2022 state and federal survey of Medicaid members which we shared with FSSA at the time. According to that survey, 50% of Hoosiers reported problems applying to Medicaid, as opposed to 33% national average. 42.5% reported issues with redetermination, as opposed to 25% nationally.

SB 2 will disproportionately harm Indiana's rural and small-town communities, where Hoosiers are poorer, where there are fewer job opportunities, and fewer healthcare providers. A greater percentage of people in rural counties rely on HIP–as much as 17% in some places. Losing the federal dollars for HIP will lead to more and more rural hospitals and clinics closing.

Finally, to be absolutely clear, the current version of HIP without POWER Accounts or reporting requirements does not violate state law. The FSSA Secretary is empowered by existing state statute to make changes to HIP to comply with Federal law and administrative rulings.

Hoosier Action would welcome the opportunity to collaborate on legislation to reduce the cost of the program over time through better design that improves both individual and population health and moves as many people as possible off Medicaid as they use HIP 2.0 as a springboard not only to better health, more stable employment, less dependence on all government programs.

Emily Munson Testimony

Good morning, Chairman Barrett and Members of the Public Health Committee. I apologize for not being physically present. I have spinal muscular atrophy, type two, which is a degenerative neuromuscular disorder. I never thought I would live to my current age of 40 years old. While I do need assistance with every activity of daily living, use a power wheelchair to get around, and sleep on a ventilator at night, the long-term attendant care services that I receive through Medicaid have provided me with a high-quality life. Nonetheless, the two hours it takes me to get up in the morning, and the fact that I have assistance to pee only twice a day, prevent me from being with you by the Committee's 8:30 AM start time.

It was important for me to come today because multiple parts of SB 2 concern me. First, I am concerned about my caregivers, many of whom rely on HIP for medical insurance. However, many of the other folks who are here today to share their testimony can speak to those issues more directly than myself. Suffice it to say I don't want my caregivers to come to work sick, nor do I want them to seek care in an emergency room, further inflating healthcare costs. I don't want them suffering through injuries and have to give up working with me when their untreated injuries develop into full-blown chronic disabilities.

Second, I am concerned about language in the bill concerning work requirements. One of the exemptions from HIP's work requirements is for individuals who are prevented from working due to a disability. As someone with a pretty significant disability, myself, I work three jobs: I am a full-time attorney, an adjunct faculty member at the IU McKinney School of Law, and I contract work for law firms and disability rights groups around the country. Suggesting, as SB 2 does, that people with disabilities should be exempt from the workforce, not only perpetuates stereotypes, but also contravenes the General Assembly's Employment First law, enacted less than a decade ago. I ask you to please not penalize folks with disabilities with what one great Republican might have agreed constitutes "the soft bigotry of low expectations." Do not effectively write off HIP participants with disabilities.

Third, and finally, I am eager to tell you how this bill would adversely affect me, my web developer little sister with the same disability, and many of our friends who rely on Medicaid waivers to receive critical home and community based services. We wish we didn't have to be "drains" on our fellow citizens, relying on public benefits. (Indeed, my sister is such an ardent libertarian that she refused to take the Supplemental Security Income to which she was federally entitled during her college years, and donated her COVID stimulus checks to charity.) Yet, Medicaid participation is the only means by which those of us with significant congenital disabilities can obtain needed attendant care. Without someone to help me get out of bed in the morning, wipe my butt, or even put a straw in my mouth so I can quench my thirst, I am lost. Literally, I would not survive without Medicaid benefits.

Imagine my dismay, then, when FSSA erroneously terminated my Medicaid coverage on four different occasions over the previous 14 months. The first two times, I was told the DFR

representative conducting my eligibility redeterminations made made mistakes calculating my income. (indiana Medicaid has more than 40 subprograms, each with unique eligibility criteria, and Medicaid waivers and MED Works are two of them more unusual ones, apparently.) The third time, even though I timely submitted redetermination paperwork FSSA representatives did not process it in time, and then could not figure out how to correct the autotermination there computer system imposed. I never did get a plausible excuse as to the most recent termination, which occurred last month. Fortunately, my father, who is in his 70s, was willing to help me. Some nights we fell on the floor. But we survived. Fortunately, I was also able to pay some caregivers out-of-pocket. Not everyone in that situation is so fortunate.

One of my friends, who is also on the Health & Wellness Waiver, uses a home health agency to hire caregivers, rather than self-directing like I do. When his benefits were terminated last spring, he arranged a deal through which one of his caregivers would continue working for him in exchange for free room and board in his home. more than three months later, when his benefits were reinstated, the agency revealed that the caregiver had a significant criminal record.

I am terrified that SB 2, which is aimed to target fraud and abuse by people who do not really need Medicaid, is poised to hurt those of us who needed the most. Many Medicaid waiver, participants are incredibly diligent to maintain their eligibility, knowing the consequences of benefit termination. Not only will the potential for monthly redeterminations sap time and resources that could be devoted to other activities, but it also increases the likelihood that FSSA representatives will terminate the vital benefits of a Hoosier who does not have resources like my friend and I to muddle through.

As such, I implore you to please exempt (at the very least) participants of the Health & Wellness Waiver from having to submit to eligibility redeterminations more than annually, as is currently the case. We have already suffered from FSSA representatives' mistakes. Please don't allow this misguided bill to institutionalize us or take one of our lives.

[Please note that I am happy to give more information to, or brainstorm with, any Committee Member. I also need to clarify that I am speaking as a private citizen.]

Jean Scrementi Testimony

My name is Jean, I'm a Hoosier, a small business owner, and I'm on Medicaid. And thanks to Medicaid, I'm now cancer free.

Two years ago, my doctor "had a pretty good hunch" something was wrong with my thyroid. Unfortunately, she was right. But, because of Medicaid, we were able to follow up with the unusual symptoms she noticed. I was able to get the tests I needed to determine a diagnosis: thyroid cancer. And then, again thanks to Medicaid, I was able to access care. Had I not caught the cancer until later, I would've had to have my entire thyroid removed.

With the help of my doctor I found an excellent surgeon who accepted Medicaid. My surgery was scheduled, and before I knew it they preformed a partial thyroidectomy, a fairly invasive surgery where they removed the half of my thyroid - the side that contained the cancer. I spent about three weeks recovering, and my doctor and surgeon were pleased with the results. I was too - I felt like I was given excellent care and tests indicated my cancer was gone. But the truth of the matter is, I'm still terrified. There's still a 1 out of 10 chance that cancer will come back. I'm terrified that these cuts go Medicaid will mean that I can no longer get the tests I need to make sure my cancer doesn't return. And if it does return, that I will not get the care I need.

I will also need to make sure that my thyroid is functioning the way it needs to for my body to be healthy, so I can still work, be there for my family, and do the things I love. I've spent the past month worried sick that all this will be taken away from me, and I'll have to find new ways to monitor my health and that might mean delaying, or even not receiving, care.

I'm not alone. And I also know there are folks out there in much more dire situations than me. Folks that aren't yet cancer free. So please, I ask you today to not make any cuts to Medicaid. People on Medicaid, people like me, deserve care and we deserve to be alive.