

The Finish Line Project

In 2006, the David and Lucile Packard Foundation established the Insuring America's Children grantmaking initiative to pursue the goal of securing health care coverage for all children in the United States.

Through the initiative's Finish Line Project (2008–present), the Foundation supports advocacy organizations that work in states with the potential to significantly advance children's coverage. Finish Line grantees receive financial support and communications- and policy-related technical assistance. Spitfire Strategies and the Center for Children and Families at the Georgetown University Health Policy Institute provide the technical assistance.

Eleven organizations are participating in Finish Line in 2014; most have done so for several years. They work in Arkansas, California, Colorado, Illinois, Ohio, Pennsylvania, Texas, Utah, Washington, and Wisconsin.

Medicaid Expansion

The Affordable Care Act (ACA), signed by President Obama in 2010, required all states to expand their Medicaid programs to previously ineligible low-income adults by January 2014. However, in June 2012 a U.S. Supreme Court decision about the constitutionality of the ACA made Medicaid expansion optional—not mandatory—for states.

As of January 2014, 25 states and Washington, DC, had expanded Medicaid and 25 states had not; Finish Line grantees are working in both groups of states.

By Leslie Foster

This issue brief is the first in a series that describes the experiences of the David and Lucile Packard Foundation's state-based Finish Line grantees in 2014, a critical year for health insurance expansion under the Affordable Care Act (ACA). The brief focuses on the grantees that work in Arkansas, Pennsylvania, and Utah—three states that are pursuing alternative approaches to Medicaid expansion, including the use of Medicaid funds to buy private insurance for eligible adults. The brief highlights lessons for children's advocacy organizations in other states.

Like other state-based Finish Line grantees, the organizations featured in this brief have long worked to increase access to health insurance for low-income children. Lately, extensive debate about Medicaid expansion and alternative approaches has affected health insurance access for previously ineligible adults as well as the grantees' efforts to secure coverage for children and families.

Federally approved alternatives to Medicaid expansion are a compromise approach for states that want to (1) cover more low-income adults, and (2) capture some of the federal matching revenue available through the ACA. As more states move forward with alternative approaches to Medicaid expansion, children's advocacy organizations in those states may learn from the strategies used recently by the Arkansas, Pennsylvania, and Utah Finish Line grantees to advance their cause. The key messages in this brief are:

- Multi-issue children's advocacy organizations can actively promote the expansion of Medicaid to low-income adults without straying from their mission to secure health care coverage for children and families
- When children's advocacy organizations have concerns about specific provisions of a state's Medicaid expansion proposal, they should express them in terms of the provisions' potential implications for child and family welfare
- National and state-based advocacy organizations can implement complementary strategies to communicate with federal and state policymakers and the media
- While they pursue the goal of Medicaid expansion, children's advocacy organizations may have to adjust their strategic priorities

This brief draws information from May 2014 telephone interviews with staff at Arkansas Advocates for Children and Families (AACF), Pennsylvania Partnership for Children (PPC), Voices for Utah Children (Utah Children), and the Georgetown Center for Children and Families (CCF). It also draws on materials available on the websites of these organizations. Text boxes 1 to 3 summarize the features and status of the states' alternative approaches.

I. Advocating for Coverage Expansion

Multi-issue children's advocacy organizations in Arkansas, Pennsylvania, and Utah made Medicaid expansion a top priority following the June 2012 Supreme Court decision. Although Medicaid expansion is explicitly about coverage for adults, the grantees viewed it as strategically important to their missions to secure coverage for children.

1. Arkansas's Alternative Approach: Health Care Independence Act

General Plan. In September 2013, Arkansas Governor Mike Beebe obtained federal approval for his proposal to purchase Marketplace coverage for an estimated 250,000 newly eligible Arkansans with incomes up to 138 percent of the federal poverty level. The act, which took effect January 1, 2014, must be reauthorized and reappropriated annually by the state legislature.

Selected Features. Currently eligible parents and children may be included in Marketplace coverage in future years. Participants do not pay premiums but some have cost sharing. No state funds may be used for outreach or enrollment assistance as of June 30, 2014.

Status as of August 31, 2014. During its 2014 session, the state legislature narrowly reauthorized and reappropriated the law for a second year.

Sources: The Advisory Board Company, "Where the States Stand on Medicaid Expansion," March 28, 2014. Kaiser Family Foundation, "Medicaid Expansion Through Premium Assistance: Arkansas, Iowa, and Pennsylvania's Proposals Compared," April 2014.

As one grantee noted, "Adults who are insured are more likely to insure their children. We see tremendous opportunity to be able to provide more coverage to children if we can get coverage for their parents." Moreover, while grantees continued to recognize the value of enrollment simplification and other approaches to expanding children's coverage, they saw Medicaid expansion as a more expeditious means to the same end.

All three organizations explained the connection between Medicaid expansion and children's coverage to their boards of directors and gained board approval (and Foundation consent) to advocate for Medicaid expansion. AACF and PPC were initially optimistic that Medicaid expansion would pass in their states, and began advocacy activities immediately. In Utah, neither the governor nor the legislature favored expansion and early prospects for expansion looked poor. Utah Children and its partners in the advocacy community believed sparking an expansion debate would lead to a firm decision to not expand. After a lone legislator introduced an expansion proposal, however, advocates saw no choice but to enter the debate.

Grantees' messaging emphasized the well-being of children as a reason to expand Medicaid. In print materials produced in 2012, AACF and its partners cited the potential of Medicaid expansion to reduce the number of uninsured children in the state by 40 percent. AACF wrote, "When low-income parents have health coverage, eligible children are more likely to enroll as well, stay enrolled, and receive preventive care and other health services. Adults benefit too."

In an April 2013 issue brief, *Why Expanding Medicaid to Low-Income Adults Helps Pennsylvania's Children*, PPC wrote, "Even though Pennsylvania children living in low-income families are eligible for publicly funded health insurance coverage, tens of thousands of these children remain uninsured. Children with uninsured parents are three times more likely to be uninsured than children whose parents are covered by private insurance or Medicaid."

Utah Children and its partner organizations initially debated whether to indicate in their messages that the primary beneficiaries of Medicaid expansion were adults or families and children. Deciding on the family angle, they produced a short video that features an adult male who gets Medicaid coverage and then shows him with his family. A press release explained, "Children benefit when their entire family has coverage. Allowing parents to enroll in Medicaid leads to better health and financial security for everyone." At some press events, Utah Children included a young girl who is enrolled in Medicaid with her sisters, but whose mother lacks coverage. The girl told reporters that she worries about what would happen to her family if her uninsured mother became ill.

2. Pennsylvania's Alternative Approach: Healthy Pennsylvania

General Plan. In September 2013, Pennsylvania Governor Tom Corbett announced his plan to purchase Marketplace coverage for an estimated 465,000 Pennsylvanians with incomes up to 138 percent of the federal poverty level. He submitted a Section 1115 waiver proposal to CMS in the first half of 2014.

Selected Features. The governor's plan proposed cost sharing; premiums; lockouts for missed premiums; and voluntary participation in healthy behaviors, work-search, and job training as a means to reduce premiums.

Status as of August 31, 2014. CMS and Pennsylvania announced they had reached an agreement on August 28. The agreement excludes premiums for those below the federal poverty level and makes work search voluntary, among other compromises from the state.

Sources: Manatt Health Solutions, "To Expand or Not to Expand Medicaid?" December 5, 2013. Amy Worden, "Feds approve Corbett's Pa. Medicaid expansion proposal." Philadelphia Inquirer, August 30, 2014.

II. Addressing Specific Concerns About Alternatives

When alternative approaches gained traction, grantees overtly supported them but also documented concerns about potential effects on children's coverage. For different reasons and at different times in Arkansas, Pennsylvania, and Utah, Medicaid expansion as envisioned in the ACA became untenable. Some policymakers in each state then turned their attention to alternative approaches. Press accounts document the high level of contention that surrounded this stage of public debate. Nonetheless, Finish Line grantees saw more reasons to support the alternative approaches than to oppose them. Overall, grantees believe the alternative approaches will lead to better coverage of children because they will insure more adults than simply not expanding Medicaid.

Notwithstanding their overall support for Medicaid expansion, Finish Line grantees have the following concerns about provisions of their states' proposed alternative approaches:

- *Tying Medicaid to work, work search, and job training.* The Pennsylvania governor's proposal included a voluntary pilot program in which some adults (including former foster youths) would have reduced cost sharing for working at least 20 hours per week, registering for work with the state, or completing monthly job training or work-search activities. In Utah, the governor is said to have proposed that some adults spend at least 20 hours a week working or in job training to receive Medicaid benefits, after a grace period.
 - Children's groups object to tying Medicaid to work because they believe any hurdle to adult coverage will lead to fewer insured parents and, by extension, fewer insured children. The Pennsylvania governor's original proposal contemplated making work-related requirements a condition of eligibility for health insurance. The governor later removed that condition and proposed the voluntary pilot program mentioned above.
- *Plans to move Medicaid- and CHIP-eligible children into private insurance.* The Arkansas private option legislation mentions plans to include low-income parents and CHIP children in the private option coverage. The Utah governor's proposal is said to allow low-income parents whose children are in Medicaid to get financial help to move the whole family into private insurance.
 - Finish Line grantees are concerned about moving Medicaid or CHIP children into private health insurance because they believe such transitions could make children more susceptible to coverage changes, reduced benefits, or poor continuity of care.
- *Restricting the use of state funds for outreach.* When the Arkansas legislature re-appropriated funding for a second year of the private option, it prohibited the use of state funds for

3. Utah's Alternative Approach: Healthy Utah

General Plan. Utah Governor Gary Herbert has announced his intent to pursue a Section 1115 waiver to use public Medicaid dollars to buy private coverage for an estimated 111,000 state residents with incomes up to 138 percent of the federal poverty level. The state legislature must approve any expansion proposal.

Selected Features. Participants would have to contribute an average of \$420 a year toward their health care. Some participants would face a work requirement. Low-income parents whose children are on Medicaid could get financial help to move the whole family onto a private health plan.

Status as of August 31, 2014. The governor has had informal discussions with CMS, but has not begun a formal waiver process. He must call a special legislative session to vote on the proposal. It could take effect January 1, 2015.

Source: Kirsten Stewart, "Utah's Medicaid work requirement: details revealed." Salt Lake Tribune, June 4, 2014.

outreach or enrollment activities related to private option coverage, as of June 30, 2014. Because the federal government provides matching funds for state spending on outreach and enrollment assistance, the loss in Arkansas is especially acute.

- Children's groups are concerned that restrictions on outreach and enrollment will reduce participation in the private option and ultimately harm access for adults and their children. Prospective enrollees who have low health literacy or lack computer experience may have difficulty enrolling on their own.
- *Administratively complex program operations.* The Pennsylvania governor's Healthy Pennsylvania proposal included premium payments from participants in year two. It would also have penalized missed payments with coverage lockouts of three, six, and nine months for the first, second, and third missed payments.
 - PPC was concerned not only that adults would lose coverage for failing to pay premiums, but also that some adults might lose coverage simply because of case worker error—which becomes more likely the more rules case workers must apply. (This fear is grounded in the state's recent history: In 2011, almost 90,000 children lost Medicaid coverage when case workers missed a state-imposed deadline to process a backlog of applications.) Again, the Finish Line grantee's underlying concern was that the governor's proposal would result in fewer insured parents and, by extension, fewer insured children.

Grantees collaborated with national and state-based advocacy partners to raise concerns effectively. AACF, PPC, and Utah Children said they benefited from interacting with other advocacy organizations that have considered the potential effects of alternative approach provisions in other states. Although no two states' alternative approaches are exactly alike, some contain common elements and many will require federal approval under Section 1115 of the Medicaid statute. (Section 1115 waiver demonstrations enable states to test coverage and delivery system approaches in Medicaid and CHIP.) By working with Georgetown CCF and other states, the three organizations learned about the opportunity to comment on proposed waivers at state and federal levels before waivers are approved by the Centers for Medicare & Medicaid Services (CMS). During this uncharted phase of Medicaid expansion, the policy changes CMS allows or rejects are critically important, both for the Medicaid program in the state in question and for setting precedent elsewhere. Text box 4 provides more information about the federal policy component of the Finish Line project.

AACF and PPC worked closely with Georgetown CCF to develop and submit comments during state and federal public comment periods. (As of this writing, Utah's governor had

4. The Finish Line Project's Federal Policy Component

As a national Finish Line grantee, Georgetown CCF works with state advocates on multi-level strategies that bridge federal and state policy. Georgetown CCF supplements its technical assistance to state-based grantees by working to affect the federal policy framework in which states operate. "Because Medicaid and CHIP policy comprises a complex network of federal and state decisions," Georgetown CCF's executive director explained, "the children's advocacy community must operate at both levels."

For Arkansas, Pennsylvania, Utah, and other states that are pursuing alternative approaches to Medicaid expansion, Georgetown CCF has aimed to:

- Encourage other national organizations to comment on states' 1115 waiver proposals during federal comment periods and to coordinate all comments.
- Shape state media coverage. For example, the organization encourages reporters to refrain from describing federal rules that are meant to protect children and families as "Washington mandates"—a phrase that makes some audiences bristle because it connotes an imposition on state flexibility.
- Be the bearer of criticism about specific provisions of 1115 waivers, thus sparing state-based advocacy organizations from this role and helping them maintain productive relationships with governors and state legislators.

not put forth a waiver proposal for public comment.) Their comment letters each raised five to seven concerns and offered recommendations that proposals be dropped or modified by the state, or rejected by CMS. For each recommendation, they provided an analysis that focused on a proposed provision's potential effect on children and families. PPC's federal comments included this excerpt, for example:

"Charging premiums at these [proposed] levels will present a major hardship for families, most of which will be working and will have employment and household related expenses. We are particularly concerned about households that contain children, where paying a premium of any amount at these income levels will take limited resources away from providing for the basic needs of children such as housing, heat and food."

III. Reprioritizing Strategies to Achieve the Key Policy Win

Seeing capacity constraints, Finish Line grantees have reassessed achievable policy wins. All three organizations want to work on issues in addition to Medicaid expansion and alternative approaches. Issues they hoped to address in 2014 include streamlining eligibility, enrollment, and renewal processes for Medicaid and CHIP (all three states); connecting data from state departments of health and education (Arkansas); extending coverage to immigrant children (Arkansas and Utah); and increasing funding for outreach (Arkansas and Pennsylvania).

Of the three organizations interviewed, only PPC said its Medicaid expansion work had not seriously disrupted work on these other issues. AACF and Utah Children, however, have largely put on hold the other issues they had hoped to address in 2014. They not only lack internal capacity to do all they want, but also perceive external capacity constraints. Coalition partners, state agencies, and staff in the executive and legislative offices all are challenged or completely unable to work on health care issues other than Medicaid expansion.

To adjust their strategic priorities, grantees look to their organizational leadership. For example, the AACF's board of directors has explicitly said that, particularly during the state's legislative sessions, the organization should focus on supporting the Medicaid expansion option and not press issues that would compete for lawmakers' attention. The organization's executive director has advised health policy staff to identify their 10 most important

requests for the state Department of Health Services, prioritize the requests, and then attempt to pursue only the top 3.

Utah Children prioritizes advocacy issues in part by estimating the number of state residents who might be affected. Against this criterion, Medicaid expansion clearly rises to the top. The health policy director summarized this decision: “I wish Medicaid expansion weren’t an issue and the Supreme Court hadn’t messed with it. Given the situation that was presented to us, I think we have the right priorities in place.”

IV. Conclusion

Medicaid expansion as envisioned by the ACA might have led to children’s coverage gains by expanding coverage to parents and future parents in every state. A 2012 Supreme Court decision, however, made expansion a state option. Deciding whether and how to expand has been contentious for many governors, legislators, and other state leaders.

Along with their leaders, funders, and technical assistance partners, Finish Line grantees in Arkansas, Pennsylvania, and Utah have decided that Medicaid expansion, in one form or another, is worth fighting for. Moreover, they have prioritized Medicaid expansion over other policy goals. The prioritization is both strategic and practical. On one hand, the grantees view Medicaid expansion as a potentially expeditious route to covering more children (compared to enrollment simplification methods, for example). On the other, they realize it would be difficult or impossible to attract attention to any health policy issues other than Medicaid expansion.

Other states that have been reluctant to pursue Medicaid expansion may eventually move forward, likely with their own alternative approaches. Children’s advocacy organizations in those states can look to their counterparts in Arkansas, Pennsylvania, and Utah for lessons about approaching Medicaid expansion from a child- and family-friendly perspective.

More information about the organizations featured in this brief is available at their websites:

www.ccf.georgetown.edu

www.aradvocates.org

www.papartnerships.org

www.utahchildren.org