

**Congress of the United States**  
Washington, D.C. 20515

April 1, 2021

The Honorable Xavier Becerra  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, DC 20201

The Honorable Elizabeth Richter  
Acting Administrator  
Centers for Medicare and Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244

Dear Secretary Becerra and Acting Administrator Richter,

We write to request that you fully rescind Georgia’s Section 1115 “Pathways to Coverage” Medicaid demonstration. Withdrawing approval for this demonstration is essential to ending the far-reaching efforts your predecessors made to block hundreds of thousands of low-income Georgians from accessing health insurance. Most importantly, this misguided waiver approach does not in any way respond to the critical need for health insurance of low- and middle-income Georgians, a need only exacerbated by the pandemic and the related recession. Georgia has some of the nation’s highest uninsured rates in the country with 18.9 percent of adults and 7.4 percent of children without health insurance.<sup>1</sup> The inappropriately named “Pathways to Coverage” Section 1115 waiver does virtually nothing to address this, but rather seeks to impose punitive and harmful policies such as work requirements, which would create obstacles to coverage.

Created in 1965, Medicaid is meant to expand health care access to low-income children, families, people with disabilities, seniors, and other adults.<sup>2</sup> The Affordable Care Act created an opportunity for states to access generous federal funding at a 90 percent matching rate to expand Medicaid coverage to parents and other low-income adults under 138 percent of the federal poverty level, or individuals who make under \$18,000 a year. The recently enacted American Rescue Plan (ARP) Act included additional federal funding for states such as Georgia to incentivize them to do the right thing and expand Medicaid. According to estimates “Georgia could see a net increase to its Medicaid budget of \$710 million over two years if the state accepted federal expansion funding, and the new funds available under the ARP, while providing coverage to 462,600 Georgians.”<sup>3</sup>

Section 1115 of the Social Security Act allows states to create demonstration projects that further the objectives of the Medicaid program.<sup>4</sup> States across the country have used this authority to

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<sup>1</sup> <https://www.kff.org/uninsured/state-indicator/nonelderly-uninsured-rate-by-age/?currentTimeframe=0&sortModel=%7B%22collId%22:%22Adults%2019-64%22,%22sort%22:%22desc%22%7D>; [https://ccf.georgetown.edu/wp-content/uploads/2020/10/ACS-Uninsured-Kids-2020\\_10-06-edit-3.pdf](https://ccf.georgetown.edu/wp-content/uploads/2020/10/ACS-Uninsured-Kids-2020_10-06-edit-3.pdf)

<sup>2</sup> <https://aspe.hhs.gov/report/using-medicaid-support-working-age-adults-serious-mental-illnesses-community-handbook/brief-history-medicaid>

<sup>3</sup> <https://www.kff.org/coronavirus-covid-19/issue-brief/new-incentive-for-states-to-adopt-the-aca-medicaid-expansion-implications-for-state-spending/>; <http://files.kff.org/attachment/fact-sheet-medicaid-expansion-GA>

<sup>4</sup> <https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/index.html>

enhance and expand health benefits to their residents. However, the previous administration limited access to the poor and underserved and approved numerous Section 1115 demonstrations that established policies creating barriers to health coverage. One of these waivers was Georgia's, which former Centers for Medicare and Medicaid Services (CMS) Administrator Seema Verma approved on October 15, 2020.<sup>5</sup> In reality, Georgia's Section 1115 "Pathways to Coverage" would offer very few pathways to coverage, but rather create new and unacceptable barriers to Medicaid, such as work requirements and unaffordable premiums.

As was clear from the experience of the state of Arkansas, work requirements result in coverage loss, directly contradicting Congressional intent when establishing Medicaid. In just seven months, more than 18,000 people in Arkansas lost their health coverage.<sup>6</sup> Many of these people were eligible for exemptions but lost coverage due to red tape, and those most at risk were people with disabilities. In fact, work requirements do the opposite of what they claim, and studies have shown that work requirements lead to loss of health insurance coverage without increasing employment rates.<sup>7</sup>

Thankfully, the Biden Administration understands that work requirements undermine the integrity of the program and acknowledged CMS's ability to withdraw any waivers that are "not likely to achieve the statutory purposes."<sup>8</sup> Georgia's Section 1115 was preliminarily disapproved on February 12<sup>th</sup>, 2020. We respectfully ask that you finalize your decision to disapprove this proposal in its entirety as soon as possible.

In the midst of a global pandemic when unemployment rates are already at historic highs, and as families are struggling to provide for their families, the state of Georgia should respond to the new federal fiscal incentives and expand Medicaid. The state's misguided and inhumane demonstration is no substitute for health insurance that Georgians desperately need. We urge you to immediately correct the wrongs of the past Administration and rescind Georgia's Section 1115 waiver, while restoring the integrity of Medicaid, one of this country's most critical and vital health care programs.

Sincerely,



Reverend Raphael Warnock  
United States Senator



Jon Ossoff  
United States Senator

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<sup>5</sup> <https://www.cms.gov/newsroom/press-releases/trump-administration-approves-innovative-state-led-health-reform-expand-and-strengthen-coverage>

<sup>6</sup> Id.

<sup>7</sup> <https://www.nejm.org/doi/full/10.1056/nejmsr1901772>

<sup>8</sup> <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ga-pathways-to-coverage-cms-ltr-state-demo-02122021.pdf>



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Sanford D. Bishop, Jr.  
Member of Congress



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David Scott  
Member of Congress



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Henry C. "Hank" Johnson, Jr.  
Member of Congress



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Lucy McBath  
Member of Congress



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Carolyn Bourdeaux  
Member of Congress



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Nikema Williams  
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