

Issues to Watch Summer 2019 Update

Believe it or not, we're more than halfway through 2019. Now is a good time to check in on many of the "hot topics" we reviewed in our January 10 *Issues to Watch in 2019* publication and consider how these issues may influence your organizational priorities for the rest of the year. As always, please let us know if you would like to have further conversation about any of these matters.

1. Social Determinants of Health

The social determinants of health (SDOH)—[the conditions in the places where people live, learn, work, and play](#)—continue to demand attention in many circles because of their influence on health outcomes (and therefore, health care costs). Thus far in 2019 we've seen significant discussion and public investment in the topic area by health insurance companies, managed care organizations, state government, and the federal government. The most impactful may be the Centers for Medicare & Medicaid Services (CMS) [decision](#) to allow [Medicare Advantage](#) plans—which [20 million](#) U.S. adults use—to offer supplemental benefits that are not covered under Medicare Parts A or B, such as meal delivery, access to a nutritionist, or transportation to and from medical appointments.

In the private sector, CVS Health [announced](#) its \$100 million, five-year Building Healthier Communities initiative, which among other efforts, will expand support to local organizations pushing for safe outdoor spaces, affordable transportation, and access to fresh fruits and vegetables. UnitedHealthcare also [reported](#) a cumulative \$400 million in investments in affordable housing since 2011, including creating 80 affordable-housing communities with more than 4,500 new homes. This is important because housing stability and quality is [closely tied](#) to individual and community health outcomes.

Interesting cross-sector partnerships are also making the news: In April, the American Medical Association and UnitedHealthcare [announced](#) they are partnering to create 24 new billing codes for SDOH. Clinicians who use the codes will trigger a referral for the patient to social and community services. This will help connect patients who are struggling to fulfill critical needs like food, housing, and transportation—all relevant to achieving and maintaining health—with these services.

Philanthropic organizations also continue to play a key role in this work, both financially and strategically. For example, the Nonprofit Finance Fund, the Robert Wood Johnson Foundation, and Kaiser Permanente Community Benefit funded The Center for Health Care Strategies to examine successful partnerships between health care organizations and community-based organizations around the country and to develop [tools and case studies](#) for others to use.

It is exciting to see how SDOH efforts are uniting industries and sectors—private and public insurers, hospital systems, nonprofits, philanthropy, and government – to devise innovative strategies. It speaks to a growing understanding that old ways of thinking about health and health care are increasingly unsustainable.

We're curious to see if these efforts move the dial on both traditional health outcomes and measures of SDOH, and if and how they can be scaled over time.

2. Criminal Justice Reform

At the federal level, an important U.S. Supreme Court decision came down in January. The unanimous *Timbs v. Indiana* decision [prohibits](#) all 50 states from imposing “excessive” fines, including the seizure of property, on people accused or convicted of a crime. This “[asset forfeiture](#)” occurs when law enforcement takes the property (car, house, business) of someone accused of a crime, even if they are not found guilty, and keeps the profits. [Research supports](#) that this practice disproportionately occurs in low-income and minority communities, so this case has important implications for criminal justice reform efforts that look to address the deep racial inequities in the system.

In addition, the bipartisan FIRST STEP Act was signed into law by President Trump in December. There have since been more than 500 sentence reductions, and more than 700 non-violent prisoners have been released. These numbers represent movement in the right direction for advocates of sentencing reform, which include policies to lower the mandatory minimum sentences for people with prior nonviolent drug convictions. The FIRST STEP Act includes [important](#) provisions, such as expanded rehabilitative programs, sentencing changes like the shortening of mandatory minimum sentences for nonviolent drug offenses, updated rules to keep inmates closer to their families, and a ban on the shackling of pregnant inmates. It also provides \$500 million for re-entry programs, education grants, job training, and recidivism reduction. The bill also increased the cap on “good time credit” (sentence reductions based on good behavior) from 47 to 54 days per year, which will benefit up to [85%](#) of federal prisoners. There are some implementation [challenges](#), including a lack of funding in the federal budget.

The bipartisan support behind the FIRST STEP Act mirrors a growing [appetite](#) among conservatives for criminal justice reform policies that have traditionally been pushed by progressives, such as the Koch Brothers-funded [Safe Streets and Second Chances](#) initiative. This shift is seen at the state level in Georgia, Mississippi, North Carolina, South Carolina, and Texas. These moves are motivated in part by the need to reduce costs. We'll be watching to see how other state lawmakers—in both blue and red states—tackle these issues in upcoming months. For additional information on criminal justice reform, check out the [Brennan Center for Justice](#) and [The Sentencing Project](#).

3. Medicaid Work Requirements

As we discussed in the January *Issues to Watch* issue, state waivers to add work requirements to the Medicaid program [continue to move](#) through the federal Centers for Medicare & Medicaid Services (CMS) approval process. Arizona, Ohio, and Utah obtained approval in 2019, and Michigan's waiver was approved at the end of 2018 (Utah's approved waiver includes not only work requirements, but also unique enrollment limits, and the state is now seeking another waiver related to federal Medicaid funds; read more [here](#)).

Waivers are still pending for Alabama, Mississippi, Oklahoma, South Dakota, Tennessee, and Virginia. (For more on why work requirements are problematic when it comes to maintaining coverage and cutting costs, check out [this 2019 study](#) by The Commonwealth Fund.)

There have been legal challenges to work requirements provisions in Arkansas, Kentucky, and New Hampshire. In Arkansas and Kentucky, implementation has been [blocked](#) by a federal judge, and the federal government is appealing the decision. Two legal issues are on the table: the legality of the requirements within Medicaid itself, and the question of whether allowing states to test new ways of operating the program falls within the purview of the federal government. Neither the [governors](#) of Arkansas and Kentucky nor [CMS head Seema Verma](#) have expressed concern about the ruling, and they continue to support work requirements in Medicaid. The court cases have [not discouraged](#) other states with approved waivers either, including Arizona and Indiana.

Often missing from public dialogue on work requirements are the implementation challenges, especially for cash-strapped state agencies. For example, [Indiana](#) estimated in 2018 that providing work assistance to that state's estimated 130,000 Medicaid enrollees who would be subject to a work requirement that would cost to \$140 million—a hefty price tag, especially after CMS rejected the state's request to use Medicaid funds for this purpose. [Arkansas](#), the first state to implement Medicaid work requirements, struggled with costly implementation challenges, particularly around outreach and awareness. In Ohio, current computer systems for the two relevant state agencies—the Department of Medicaid and Department of Job and Family Services—are unable to manage the demands of this policy change because they are not set up to “talk” to each other across systems in this way. At this point, it is unlikely the state will make the level of investment required to overcome the hurdles faced with previous information technology initiatives. In addition, as seen in [Arkansas](#), even when the technology is successfully implemented, state agencies must effectively communicate to key stakeholders the relevant changes to the system, application and eligibility requirements, and roll-out plans, which is time-consuming and expensive. With all this in mind, it is likely not worth it for states to take on the anticipated administrative and cost burden, especially given expected coverage losses (a recent [study](#) of Arkansas suggests lower Medicaid enrollment and rising uninsured rates are the result of the work requirement).

4. Housing

At the federal level, the government shutdown at the start of 2019 is having long-lasting effects on trust in the housing voucher program, for both recipients and providers. Because housing providers rely on the federal government (via housing authorities) for part of their rent payments, the extended shutdown [undermined](#) trust in the program among housing providers who are or were considering accepting vouchers. Ultimately, this instability and distrust harms low-income renters in need of affordable housing.

As calls grow to address increasingly unaffordable and inequitable housing, cities (and some states) are exploring previously untenable policy options. One trend, called “[upzoning](#),” allows cities to become denser, for example by removing requirements for single-family housing or restrictions on multifamily units. Minneapolis is looking to revamp zoning laws to address long-standing racial and economic housing inequities, as are Seattle and Austin. Upzoning isn't without critics on both sides of the political aisle, and it [remains to be seen](#) if it will have the long-term impact cities are seeking, but it's an interesting policy approach that we'll be watching.

5. K–12 Education

K–2 education remains a hot-button issue as many states wrap up legislative sessions and pass operating budgets. There are multiple trending issues in this space; we've chosen three to highlight here.

- ▶ **States are expanding wraparound services for the highest-need students.** As we discussed in the January Issues to Watch issue, schools are increasingly aware of the effects that trauma, poverty, racism, and other complex social issues have on students' ability to learn. To that end, state and local decision-makers are [implementing](#) programs to connect kids to services—either on-site or via referral—that help with non-academic challenges like housing, food, and physical and behavioral health care. Often following the “[community schools](#)” model, many districts use existing funding sources like Medicaid, along with robust community partnerships, to pay for these services. Others rely on state or [grant](#) support. In Ohio, the 2020–2021 state operating budget includes \$675 million for wraparound services. We still have work to do to understand at a deeper level how providing wraparound services affects academic outcomes (check out [this](#) article for background on the evidence base), but this is an important and promising model when it comes to improving students' health and well-being.
- ▶ **States are revamping school funding formulas.** It's no surprise to those who follow education policy that school funding formulas receive criticism for furthering racial inequities, and [research](#) backs up these concerns. (For more information on this topic, read *Education Week's* recent report on school finance and equity [here](#).) Facing increasing urgency and in some cases, a political window, a few [states](#) set out to overhaul their funding formulas this year, with varying degrees of success. Major overhauls passed in [Nevada](#) and [Texas](#), while those in [Idaho](#), [Maryland](#), and [Massachusetts](#) did not make it through the process before the end of the states' legislative session. [Ohio's](#) General Assembly is still working on the issue after an initial bipartisan proposal wasn't included in the state's operating budget. States' proposals often look to give schools significantly more money and to allocate it differently; both Nevada and Texas included teacher pay raises in their overhauls.
- ▶ **States are revisiting—and often removing—testing requirements.** The battle over the scope and role of testing requirements is not new—policymakers have long struggled to balance the ability to compare apples to apples with the need to be flexible when it comes to evaluating student learning and growth measurements and effectiveness of teachers and staff. This year, some states are reforming how and when many standardized tests are used, with an eye toward measurement that ensures schools are meeting the needs of students, families, and teachers. Here's an update on the issue in four states:
 - [New Mexico's](#) new Democratic Governor Michelle Lujan Grisham signed an executive order ending the state's use of the Partnership for Assessment of Readiness for College and Careers (PARCC). Supporters of her order argued PARCC's more challenging tests were hurting certain schools. Governor Lujan Grisham earmarked money in her proposed budget to create a new state-specific test, aligned with New Mexico's Common Core.
 - [North Carolina's](#) state superintendent announced in January changes including shortening exams, allowing students to leave the room as soon as they complete the test, and easing

rules requiring exam proctors.

- [Ohio's](#) HB 239 would eliminate four end-of-high-school tests, bringing the required number of tests down to the federal minimum. The bill in its current form is being considered in the Ohio Senate; we'll see if the two chambers can arrive at a compromise to adjust testing. In addition, the state operating budget reduces the number of tests necessary to graduate to just math and English language arts to provide more flexibility for students to demonstrate competency.
- In [Texas](#), the state legislature passed HB 3906, which will move the state away from its current State of Texas Assessments of Academic Readiness test in favor shorter, less burdensome tests, administered electronically and adapted for the on-the-ground needs of school districts.

6. Census 2020

As we explained in the January *Issues to Watch* edition, there has been significant attention on President Trump's administration's 2018 proposal to add a citizenship question to the 2020 Census, the constitutionally mandated national "head count." The case made it to the U.S. Supreme Court, which in its June [decision](#) "remanded," or sent the decision back, to the Department of Commerce. In the complicated and unexpected [decision](#), the 5–4 majority (including Chief Justice John Roberts) included as rationale for its decision their doubt about the Trump Administration's justification for adding the question. In the wake of the decision, President Trump threatened to continue fighting to add the question, but finally relented in mid-July, instead [vowing](#) to issue an executive order mandating that all U.S. agencies provide to the Department of Commerce available data about the U.S. citizenship and non-citizenship status of all residents.

In its initial proposal, the Trump Administration [argued](#) adding this question would help the government enforce the Voting Rights Act by providing additional detail. Evidence [came to light](#) in recent months, however, suggesting an underlying interest by the officials within the administration to affect congressional maps. Experts in the U.S. Census Bureau itself argued that the question would result in undercounting—of an estimated [6 million](#) Hispanic people—with severe consequences for political representation. States with high immigrant populations, like Arizona, California, Florida, and Texas, could have [lost](#) seats in the House of Representatives. Ultimately, the question could have opened the door for the federal government to redraw congressional maps based on the number of *citizens*, rather than *residents*, which experts say would have [hurt](#) Democrats and helped Republicans.

(Note that the Census historically [undercounts](#) children under 5 for various reasons, and this is still true in 2020 predictions, with a worst-case undercount up to 6.31 percent, or roughly 1.3 million children, according to the [Urban Institute](#).)

It's likely that [damage](#) already has been done when it comes to trust in the Census and willingness for individuals to complete the survey, given the level of anxiety generated by the Trump Administration's harsh immigration policies and rhetoric. As a result, some [states](#) are committing to large investments in outreach to help achieve accurate counts. We'll be monitoring reports from immigrant rights groups and other advocates in advance of the 2020 Census to better understand the effect on the response rate.