

A Twist to Get Medicaid In Kentucky: Pass a Course

By AUSTIN FRAKT

If you're on Medicaid in Kentucky and are kicked off the rolls for failing to meet the state's new work requirements, Kentucky will be offering a novel way to reactivate your medical coverage: a health or financial literacy course you must pass.

The precise content of the courses is not yet worked out but may include instruction on household budgeting, opening a checking account, weight management and chronic disease management, said Kristi Putnam, a manager with Kentucky Health, the new state Medicaid program that includes work requirements. She said quizzes would be included that people must pass to complete the course.

Kentucky says the courses, along with the bigger elements of the recently approved waiver it received from federal Medicaid rules, will help to "empower individuals to improve their health."

The courses are just one way people subject to and failing to meet work requirements could regain coverage. But some health policy experts express dismay with the approach. For one thing, many Americans, not just those who seek Medicaid, struggle with health and financial literacy. And to some, literacy quizzes — however well intentioned — evoke the tests used to impede voting registration of black Americans in the Jim Crow South.

"Requiring people to pass a health literacy course to get care — care for conditions that might prevent them from passing — is just expensive, punitive and cruel," said Atul Gawande, a surgeon and a health care researcher with the Harvard T.H. Chan School of Public Health. "It serves no health benefit whatsoever. You have to be concerned about requirements like literacy tests, which states have a bad history of applying selectively and arbitrarily."

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Ms. Putnam said the courses were "intended to be a tool/support for people to improve both health and finances, and not a barrier in any way." Her agency, she said, is looking into ways to provide help to people who might struggle with understanding the courses.

There is no standard definition for health literacy. Ms. Putnam said Kentucky's "pertains to learning about healthy habits, how to manage chronic conditions, effectively utilizing health care benefits and understanding commercial market insurance concepts."

However defined, health literacy is related to literacy and numeracy more generally. To understand and use health-related information, you need some fluency with written or spoken language, and usually with numbers and basic math as well. People with low skills in other forms of literacy or numeracy also have lower health literacy.

Apart from instruction aimed at specific populations with certain conditions — such as training to self-manage chronic diseases like diabetes and hypertension, or even birth training classes for pregnant women and their partners — health literacy courses are uncommon. (Say Ah! is one source for health literacy resources.)

Financial literacy courses are more widely available but still not a routine part of general education.

"If these topics are taught at all in primary education, they certainly aren't addressed consistently or in an evidence-based way," said Harold Pollack, a professor at the University of Chicago who was a co-author of a book on basic financial education. "But singling out the Medicaid population for classes as a condition for access to insurance suggests that shrinking and stigmatizing the program, not



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Gov. Matt Bevin of Kentucky with President Trump. The state is the first to win approval to impose a Medicaid work requirement.

literacy, is the goal."

Numerous studies document the widespread need for greater health and financial literacy. By one estimate, one-third of adults have health literacy deficits. For example, most people make errors in selecting health plans and don't know basic features of the plans they choose.

The last large national survey of adult literacy (including health literacy) in the United States was conducted in 2003. One study found that 60 percent of Medicaid enrollees had only "basic" or "below basic" health literacy, meaning, for example, they could not recognize a medical appointment form (below basic) or would have trouble understanding why a specific test was recommended for someone with certain symptoms, even when given a clearly written and accurate explanation (basic).

But Medicaid enrollees are not the only ones. Nearly the same proportion of Medicare enrollees also had basic or below basic health literacy. Privately insured

people scored better. They are typically younger than Medicare enrollees, and they typically have higher education levels and are less likely to have cognitive impairments than those with public coverage. However, only a small minority even of the privately insured had a "proficient" level of health literacy — meaning, for example, that they could deduce the employee share of health insurance costs from a table that listed that cost as a function of income and family size.

Another study, based on data collected in 2013, showed adults' blood test results alongside the normal range (typical of reports many of us receive from our doctors after blood tests). Only about half of the subjects could recognize if the blood glucose level indicated on the test was outside the normal range. Of those with diabetes — to whom blood glucose measurement and levels should be familiar given the importance to their condition — only 56 percent could identify out-of-range values.

Poor health literacy is associated with worse health care outcomes and higher health care spending. But causality could run both ways. It is likely that people in greater need of health care are also less likely to have high literacy skills in general. It's also possible that poor health literacy contributes to worse self-management of health and lifestyle issues that could result in worsening health and increased health care use.

Likewise, low financial literacy can contribute to insufficient or inefficient saving. One national survey found that only 14 percent of respondents got all the answers right on a five-question quiz about financial topics like interest rates, inflation, bond prices and mortgages. Only 37 percent got four out of five. (As an example of its difficulty, the true/false mortgage question was: "A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less.")

Other research documents high rates of errors in financial decision making even among highly educated people, including mistakes made in 401(k) investing, selection of mutual funds, use of credit, receipt of payday loans and others.

Addressing these issues through financial literacy education improves financial outcomes. A recent review of financial literacy research found that providing financial literacy education in school settings is effective. So is the approach of targeting education during teachable moments, as when individuals are making financial decisions: taking out a loan, establishing a saving plan, and the like. The Kentucky program would do neither.

Though policy experts are divided on the merits of Kentucky's health and financial literacy program, they may at least be in agreement that education in both needs improvement. That's true not just for would-be Medicaid enrollees, but for many of the rest of us, too.