



Medicaid Work & Community Engagement Requirements: Federal Activity and State Considerations

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About the Authors

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Today's Objectives

- Review CMS' position on conditioning Medicaid coverage on work or community engagement
- Review state waiver requests with respect to work and community engagement requirements
- Discuss considerations for states in crafting and implementing work and community engagement requirements

Federal & State Activity on Medicaid Work & Community Engagement Requirements

1115 Demonstration Waiver Parameters

- Federal Medicaid law requires that waivers:
 - “Further the objectives” of the Medicaid program
 - Be authorized for a demonstration purpose, subject to evaluation
 - Affect a section of the federal Medicaid law subject to waiver (e.g., FMAP percentage and bar on asset tests are not waivable)
- By longstanding practice, waivers must be budget neutral to the federal government
- Trump Administration’s revised Medicaid objectives:
 - Improve access to high-quality, person-centered services that produce positive health outcomes for individuals;
 - Promote efficiencies that ensure Medicaid’s sustainability for beneficiaries over the long term;
 - Support coordinated strategies to address certain health determinants that promote upward mobility, greater independence, and improved quality of life among individuals;
 - Strengthen beneficiary engagement in their personal healthcare plan, including incentive structures that promote responsible decision-making;
 - Enhance alignment between Medicaid policies and commercial health insurance products to facilitate smoother beneficiary transition; and
 - Advance innovative delivery system and payment models to strengthen provider network capacity and drive greater value for Medicaid

Departing from Past Federal Policy, CMS Has Indicated Support for Work and Community Engagement Requirements

“One of the things that states have told us time and time again is that they want more flexibility to engage their working-age, able bodied citizens on Medicaid. They want to develop programs that will help them break the chains of poverty and live up to their fullest potential. We support this... We will approve proposals that promote community engagement activities.”



Seema Verma, Administrator of the Centers for Medicare and Medicaid Services, at the National Association of Medicaid Directors (NAMd) Conference, November 7, 2017

Source: <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2017-Fact-Sheet-items/2017-11-07.html>

11 States Have Proposed Work or Community Engagement Requirements

- Arizona
- Arkansas
- Indiana
- Kansas
- Kentucky
- Maine
- Mississippi
- New Hampshire
- North Carolina
- Utah
- Wisconsin

What's Behind States' Interest in Work and Community Engagement Requirements

- Respond to legislative mandate
- Incentivize and create linkages to employment
- Increase rates of employment-based health insurance
- Reduce Medicaid enrollment and related state costs

Goals will inform waiver evaluation requirements

State Considerations

Designing Work and Community Engagement Requirements



Definition and scope of work and community engagement requirement

- Activities that satisfy the requirement (e.g., paid or self-employment, school, job training, job searching, volunteering, taking a class on health insurance, compliance with TANF/SNAP work requirements)
- Hours per week or per month; number of months/year



Populations to which work and community engagement requirements apply (e.g., 19+, 19-49)



Populations exempt from requirements (e.g., caretakers, students, individuals mentally or physically unable to work)



Penalties for non-compliance (e.g., dis-enrollment, re-enrollment/lock-out, grace periods, contingencies for “catastrophic events”)



Alignment with existing SNAP/TANF policies

Operationalizing Work and Community Engagement Requirements



Communicating/educating key stakeholders about requirements:

- Enrollees
- Health plans
- Providers



Timing and process for determining applicability of requirements and monitoring exemptions:

- Application/post-application
- Renewal/change in circumstance
- Mid-year exemptions process

Operationalizing Work and Community Engagement Requirements, cont.



Tracking, validating and enforcing requirements:

- Tracking qualifying activities and hours and evaluating compliance with requirements
- Monitoring changes to work and community engagement exemption status
- Coordinating with workforce development agency and programs
- Coordinating with SNAP and TANF agencies/programs

Operationalizing Work and Community Engagement Requirements, cont.



Systems development

- Connecting to data sources to automate exemption verification and support tracking
- Modifying application and renewal process and “forms”
- Building systems for enrollees to self-report work and community engagement activity or exemption status
- Ensuring Medicaid systems interface (e.g., MMIS, eligibility system, other)
- Connecting with other state agencies (e.g., SNAP, TANF, Labor/Employment)



Waiver evaluation requirements

- Tracking and monitoring outcomes for people who remain enrolled in Medicaid and those that lose eligibility for coverage during the demonstration

Deep Dive on Kentucky's Proposed Waiver



Work and community engagement requirements apply to adults age 19+



Requires ≥ 20 hours/week of community engagement and employment activities;* enrollees will be deemed to satisfy community engagement requirements if they are:

- Full-time employees (30+ hours per week);
- SNAP and/or TANF enrolled;
- Enrolled in premium assistance; or
- Otherwise engaged in volunteer, employment/job training, or job search activities



Exemptions for:

- Pregnant women
- Medically frail
- Primary caregiver of a dependent minor child or disabled adult dependent (one exemption per household)
- Full-time student
- Permits good cause exemptions, determined on a month-to-month basis, with member documentation (e.g., hospitalization, family death, weather event, family emergency)

* After three months of eligibility for non-exempt individuals.

Source: KY 1115 waiver: <http://chfs.ky.gov/NR/rdonlyres/8803E89E-7197-46AE-AA32-037E9964711D/0/ProposedOperationalModificationstoWaiverApplication.pdf>; KY Operational Protocol: <http://media.mcguirewoods.com/mwc/kentucky-medicaid-expansion-2.pdf>

Deep Dive on Kentucky's Proposed Waiver, cont.



Penalty for non-compliance

- Ability to “cure” the month after non-compliance by making up hours or taking a health literacy class
- Suspension of benefits if no cure
- Member may reactivate benefits after completing one month of work/CE required hours
- Dis-enrollment if suspension remains in place at next renewal



Utilizes new Community Engagement (CE) module

- Requires new system build
- Captures and tracks exemption status and hours compliance
- Issues consumer notices regarding work/CE status and compliance
- Interfaces with MMIS, eligibility system, member portal and provider portal



Members self report work/CE hours through the CE module



MCO communication about members' CE status and required CE hours occurs through 834 on at least a monthly basis

Deep Dive on Arkansas' Proposed Waiver



Work requirements apply to adults age 19-49



Requires ≥80 hours/month of employment activities, including, but not limited to:

- Employment or self-employment
- Enrollment in educational program
- Participation in job training, vocational training, job search/training (up to 40 hours/month)
- Volunteering



Exemptions for populations, including:

- Pregnant women
- Individuals with short-term incapacitation
- Individuals physically/mentally unfit for work
- Individuals caring for a dependent child



Penalty for non-compliance

- Dis-enrolls individuals who fail to comply with work requirements for 3 non-consecutive months within a plan year
- May not re-enroll until start of next plan year



Plans to build website to track compliance at a cost of \$2.5-\$3 M



Members must demonstrate electronically on a monthly basis that they are meeting work requirements

Implications

Impact of Work Requirements: Coverage

In SNAP, work requirements have resulted in substantial declines in enrollment

Arkansas: SNAP work requirements took effect on January 1, 2016. From November 2015 to November 2016, enrollment among individuals subject to the requirement to work fell 43%, from just over 15,000 to 8,700.

- There is no lock-out in SNAP, and thus some individuals enrolled in Nov. 2016 may have re-enrolled after complying with work requirements
- Data does not indicate level of churn on/off of the program due to work requirements

Kansas: SNAP work requirements took effect in January 2014. From July 2013 to April 2015, enrollment among childless adults fell approximately 70% from about 30,000 to 8,337

Maine: SNAP work requirements took effect in January 2015. From December 2014 to March 2015, enrollment among childless adults fell approximately 80%, from about 14,000 to 2,700

Source: Foundation for Government Accountability, Aug. 2015, [https://thefga.org/download/2015_policy_solutions/RestoringWorkRequirements-ResearchPaper-Final\(3\).pdf](https://thefga.org/download/2015_policy_solutions/RestoringWorkRequirements-ResearchPaper-Final(3).pdf). And Manatt discussions with Arkansas SNAP agency.

Impact of Work Requirements: Employment

In TANF, work requirements helped increase employment, at least initially

- Between 1997-1999, percentage of adults who reported no work activity fell (43 to 33 percent), while percentage who reported working grew (22 to 32 percent)
- Among single mothers, employment increased from 58 to 71 percent between 1995 and 2007
- Despite these gains, some studies indicate that TANF work requirements' effects on employment were not sustained over time

To be successfully implemented, communities must be able to support an influx of individuals looking to satisfy work and community engagement requirements

Q&A



Thank You

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Appendix

Details of States' Proposed Work and Community Engagement Requirements

	Scope of work/community engagement	Populations subject to requirements	Exempted populations	Penalties for non-compliance
AZ	≥20 hours/week of employment activities	Adults ages 19+	Dual eligibles, FT high school students, sole caregivers of dependent < age 6, and those who: receive disability benefits, are physically/mentally unfit for employment, or have institutional level of need	1 year dis-enrollment for individuals who “knowingly” misreport adherence to work requirements
AR	≥80 hours/month of community engagement and employment activities	Adults ages 19-49	Pregnant women, individuals with short-term incapacitation, individuals physically/mentally unfit for work, and individuals caring for a dependent child, among others	Dis-enrolls individuals who fail to comply with work requirements for 3 non-consecutive months within a plan year; may not re-enroll until start of next plan year
IN	Employed avg. of 20 hours/week over 8 months of eligibility period, attending school, or participating in Gateway to Work program	Adults ages 19-59	Pregnant women, medically frail individuals, primary caregivers of a dependent, individuals with short-term incapacitation, among others	Dis-enrolls individuals who fail to comply with work requirements; may re-enroll upon meeting work requirements for 1 month or meeting an exemption
KS	20-30 hours/week of community engagement and employment activities for 1-income households; 35-55 hours/week for 2-income households	Non-disabled adults ages 19+	Pregnant women, caretakers for dependent < age 6 or adult with disabilities, those who receive: LTSS, HCBS, disability benefits, among others	Dis-enrolls individuals who fail to comply with work requirements for 3 months within 36-month time; may re-enroll upon compliance with work requirements

Details of States' Proposed Work and Community Engagement Requirements, cont.

	Definition of work/community engagement	Populations subject to requirements	Exempted populations	Penalties for non-compliance
KY	≥80 hours/month of community engagement and employment activities	Adults ages 19+	Pregnant women, medically frail individuals, primary caregivers of a dependent, full-time students, and disabled adult dependents	Suspends benefits for individuals who fail to comply; re-activated upon meeting requirements for 1 month. Proposes 6-month dis-enrollment for individuals who “intentionally” fail to report a change in circumstance with opportunity for early re-enrollment
ME	≥20 hours/week of community engagement and employment activities	Adults age 19+	Pregnant women, individuals receiving disability benefits, or individuals physically/mentally unable to meet work requirements, among others	Dis-enrolls individuals who fail to comply with work requirements for 3 months within 36-month time period; may re-enroll upon meeting work requirements
MS	≥20 hours/week employment or participation in approved job training, volunteering or other specific activities	Adults ages 19-64	Native Americans, pregnant women, children under the age of 19, disabled individuals, individuals enrolled in 1915(c) waivers, individuals over 65 years of age, or individuals residing in an institution	Dis-enrolls individuals who fail to comply but may be reinstated upon future compliance. May be required to submit new application for benefits depending on length of time between termination and compliance.
NH	Must participate in graduated thresholds of employment activities based on years enrolled in Medicaid ranging from 20 to 30 hours/week	Adults ages 19-64	19-year old full time students, individuals who are: temporarily incapacitated, participating in a state-certified drug court program, caring for dependent < age 6, or acting as a caretaker for a dependent with medical needs	Dis-enrolls individuals who fail to comply

Details of States' Proposed Work and Community Engagement Requirements, cont.

	Definition of work/community engagement	Populations subject to requirements	Exempted populations	Penalties for non-compliance
NC	Must participate in employment activities (Hours/month not specified in waiver)	Expansion adults with incomes from 0-138% FPL	Individuals caring for a dependent (dependent child, adult disabled child or disabled parent), individuals receiving SUD treatment, and medically frail	Not specified
UT	Must participate in online job search and training program within first 3 months of Medicaid enrollment; must participate 1 time/year to maintain eligibility	Adults ages 19-59 with incomes from 0-100% FPL receiving the limited benefit package	Individuals determined mentally/physically unable to work, primary caregivers of a child < age 6 or incapacitated person, individuals in active SUD treatment, half-time students, individuals who meet SNAP work requirements, and individuals working >30 hours per week	Dis-enrolls individuals who fail to comply; may re-enroll upon completing online job search or training program
WI	≥80 hours/month employment or job training activities	Adults ages 19-49	Individuals diagnosed with a mental illness, who receive SSDI, who are physically or mentally unable to work, or are taking part in an alcohol or drug abuse treatment program, among others	Given month when an individual participates in ≥80 hours/month employment or job training activities will not count towards the 48-month Medicaid eligibility time limit; not participating in ≥80 hours/month employment or job training activities in a given month will count towards 48-month Medicaid eligibility time limit