

How to Make the New Medicaid Work Requirements Work for Everyone

In March 2019, CMS issued its second major announcement on Medicaid “work requirements” (also referred to as “Community Engagement.”) In its initial announcement in January 2018ⁱ, CMS used a “Dear State Medicaid Director Letter” to invite states to request Section 1115 (“1115”) waiver authority to make employment a condition of Medicaid eligibility. Demonstration projects under Section 1115 of the Social Security Act allow CMS to waive certain federal Medicaid rules in order to give states more freedom to test and evaluate approaches to improving quality, accessibility, and health outcomes in the most cost-effective manner. States submit 1115 waiver proposals to CMS for review, negotiation, and approval.

CMS followed up this year with guidance on evaluations for 1115 waiversⁱⁱ that provide detailed instructions on how to evaluate the new work requirements with metrics and reporting standards related to employment. This latest guidance provides states with a framework for measuring how a demonstration project may lead to increased or sustained employment, improve beneficiaries’ socio-economic status, promote beneficiary independence, and improve health outcomes. The results of the evaluations will demonstrate the extent to which states are successful in promoting employment.

States planning to implement this initiative have many details to consider. This paper highlights several aspects of executing a “work requirement/community engagement” program that should be considered prior to putting it into effect.

This new federal guidance raises the stakes for states.

The success of the 1115 waiver demonstration project will depend in part on evaluations that show how many beneficiaries become established in the workforce. States will need to rise to this challenge with effective strategies to help beneficiaries understand program requirements, find employment, and report on their work activity. Ironically, this means more work for state agencies, as well as higher administrative costs. Additional state responsibilities may include activities such as informational campaigns, multi-media outreach strategies, and creating user-friendly reporting processes.

There are many positive aspects to these new federal requirements.

First, many states are well positioned to help beneficiaries with the work requirements; after all, states have been engaged in employment related initiatives for decades due to work related components of TANF, WOIA, SNAP, and other programs. Leveraging those experiences will enable states to successfully pivot to a new focus on Medicaid beneficiaries.

In addition, Medicaid agencies have many partners that can help with the tasks at hand. Other state agencies – such as those administering TANF, SNAP, and WOIA - can lend their experiences for Medicaid to use as a foundation. Yet some aspects of Medicaid 1115 demonstration projects may be unique. To navigate these challenges, Medicaid agencies can get assistance from experienced vendors that can provide resources and expertise during the challenging start-up phase as well as during ongoing operations over the course of the 1115 waiver period.

A key to success will be connecting with beneficiaries.

State agencies can benefit from using vendors that are experienced in successfully engaging with beneficiaries. Making connections with Medicaid beneficiaries is not new, but connecting the beneficiaries with employment opportunities and reporting processes will be a new experience. Each stage of the beneficiary engagement process requires skills in communicating requirements and providing process assistance, including documenting activities for state reporting purposes.

The new work requirements will result in additional responsibilities and increased administrative costs for states. At the same time, the administrative costs may be eligible for federal matching funds ranging from 50% to 90%. State agencies will need to utilize the financial expertise of their staffs and expert vendors can provide assistance in appropriately identifying and allocating funds.

Will the new state workload and costs be “worth it?”

If state 1115 evaluations demonstrate that waivers have enabled more people to join the workforce, then the answer will be a resounding “yes”: beneficiaries will be more productive, Medicaid agencies will be more effective, and state economies will be more robust.

Need Help?

Solix can help in the design, execution, and management of your new Medicaid 1115 waiver campaign.

As a uniquely experienced provider of outsourced services for government programs, Solix possesses the in-depth expertise and the experience needed to support complex program management.

Our program expertise spans from managing large federal public initiatives for technology and healthcare to state and regional projects including Superstorm Sandy disaster relief. Solix has designed and implemented eligibility and case management processes for government clients nationwide with a focus on customer outreach, process efficiency, automation balanced with our specialist staff, and the design of comprehensive controls to minimize waste, fraud and abuse.

For more information or to arrange a free consultation, please contact Eric Seguin at 800.200.0818 or email us at info@solixinc.com.

ⁱ <https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf>

ⁱ <https://www.medicaid.gov/medicaid/section-1115-demo/evaluation-reports/evaluation-designs-and-reports/index.html>