Medicaid Work Requirements: Policy and Practical Considerations

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In January 2018, the Centers for Medicare & Medicaid Services (CMS) issued guidance setting forth the standards it will apply in granting state waivers conditioning Medicaid eligibility on compliance with work and community engagement requirements.[1] Thereafter, it approved section 1115 waivers for Kentucky, Indiana, New Hampshire and Arkansas that included such requirements, along with other changes to those states' Medicaid programs. More waiver approvals will follow. This is the first time work requirements have been allowed in the Medicaid program, and at least 12 states have submitted work requirement waivers; others are considering doing so in the near future.[2] To date, CMS has only approved work/community engagement requirements in states that have expanded their Medicaid programs to all adults with incomes below 138 percent of the federal poverty level. A handful of non-expansion states have work requirement waiver requests pending with CMS.

Whether a state chooses to implement a work/community engagement program, and how it constructs that program, is of importance to hospitals and health systems. Eligibility conditions and enrollment complexities that affect access to continuous coverage could result in uncompensated care and challenge hospitals' ability to manage patient care.

This paper lays out key issues hospitals and health systems may want to consider with respect to such initiatives in their states. It does not address other components of waivers that might likewise affect access to coverage and care (e.g., disenrollment or lockouts from coverage for failure to pay premiums, elimination of retroactive coverage, etc.). A comprehensive review of all pending coverage waivers can be found *here*.

At the outset, it is important to emphasize that federal Medicaid law does not permit work/community engagement requirements; states must secure a waiver from CMS in order to establish such requirements. If a state decides to propose a work/community engagement initiative, the state develops the rules consistent with its goals and objectives, subject to the recent CMS guidance. Some states have established voluntary initiatives in which they refer Medicaid enrollees to employment services and supports and participation is encouraged but not required; a waiver is not required for these types of initiatives.

Voluntary Program in Montana Successfully Connects Medicaid Enrollees to Workforce Development Services

- Montana implemented a state-funded voluntary workforce participation program when the state expanded Medicaid in 2015
- As of January 2018, more than 20,000 of the state's 91,500 expansion enrollees had been referred to the state's workforce development program through Medicaid.[3]

This paper addresses the policy implications of conditioning Medicaid coverage on work requirements. It identifies issues hospitals and health systems may want to raise with states when work requirements are first being considered and, if a state opts to move forward, when the state is designing the requirements. Hospitals and health systems, in their role as major stakeholders, could help shape program design if they chose, and may want to discuss the optimal approaches in each of these areas with policymakers in their state:

- The populations to whom the requirement applies;
- The activities that count toward meeting the requirement;

- The support the state will offer to target populations, including education and job training programs, as well as child care and transportation to enable participation;
- The processes for establishing an exemption and demonstrating compliance; and
- The consequences of non-compliance.

In Appendix A, we provide specific examples of how states might address each of these issues by referencing pending and approved state waivers.

This is a developing issue and pending litigation may impact CMS's authority to approve state community engagement waiver proposals moving forward.[4]

I. Do Work/Community Engagement "Requirements" Support the Goals of the Medicaid Program?

A threshold issue for state policymakers who are considering work/community engagement requirements is whether they will support or impede coverage and access to care, the primary purposes of the Medicaid program. The unintended consequences of such requirements for beneficiaries as well as states, hospitals and the health care system can be significant.

The concept of establishing work/community engagement requirements as a condition of Medicaid eligibility has carried over from the welfare setting. Work requirements are required for certain populations (by law, not by waiver) under the Temporary Assistance to Needy Families (TANF) block grant and the Supplemental Nutrition Assistance Program (SNAP). Notably, the objectives of TANF, in particular, focus on work. This is not the case for Medicaid, which is, in fact, why Congress delinked Medicaid from TANF in 1996 when TANF (and its work requirement) was first established.[9]

Work Requirements in SNAP Led to Substantial Declines in Enrollment

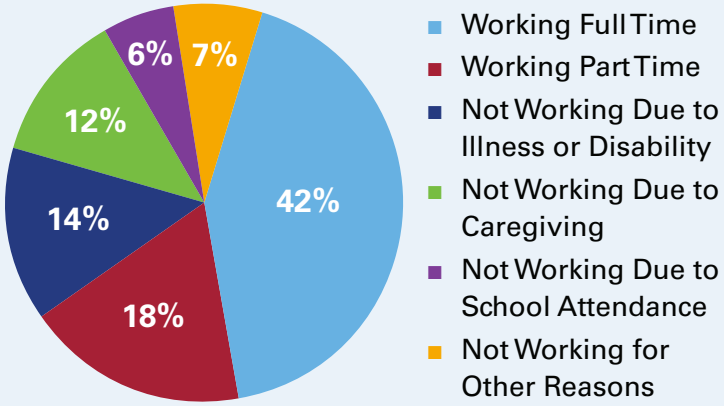
- ***Alabama:*** In the six months after reinstating SNAP work requirements in 13 counties, SNAP enrollment among childless adults in those counties fell 85% (from about 5,538 to 831).[5]
- ***Arkansas:*** SNAP enrollment among childless adults decreased by 24,000 in the first 11 months after work requirements were implemented.[6]
- ***Kansas:*** SNAP enrollment among childless adults fell nearly 70% (from about 30,000 to 8,337) in the 16 months after work requirements were implemented.[7]
- ***Maine:*** SNAP enrollment among childless adults fell nearly 80% (from about 14,000 to 2,700) in the three months after work requirements were implemented.[8]

As states consider whether to condition Medicaid coverage on work/community engagement, hospitals may want to make some of the following points:

- ***Medicaid coverage already supports work.*** Health coverage and access to health care in and of itself help people work and engage productively in their communities. An analysis of Medicaid expansion in Ohio found that 75% of Medicaid expansion enrollees who were unemployed but looking for work reported that having Medicaid coverage made it easier to seek employment. Among employed expansion adults, approximately half reported that having Medicaid coverage made it easier to continue working.[10]
- ***Most Medicaid beneficiaries are working or in school, and most of the rest face significant barriers to work.*** Two-thirds

(66%) of the nonelderly adults in Medicaid who do not qualify for coverage based on disability are either working or attending school.[12] Most of the remaining beneficiaries face barriers to work, including significant health issues or childcare responsibilities.[13] Figure 1 provides more detail on the primary reasons adult Medicaid enrollees may not be working.

Figure 1. Work Status and Primary Reasons for Not Working Among Adult Medicaid Enrollees Who Do Not Receive Supplemental Security Income (SSI), 2016[11]



- ***Work/community engagement requirements are costly to implement.*** Setting up a system to encourage or require a relatively small group of people to engage in a work/community engagement activity as a condition of receiving coverage is costly. For example, Kentucky plans to spend $17.5 million in state funds and $170 million in federal funds in administrative costs for one year.[14]

- ***Even exempt populations could lose coverage as a result of such requirements.*** The consequences of tying health coverage to work/community engagement requirements will not be limited to the relatively small group of people who are not working but able to do so. The people who are facing significant barriers to work include those who are homeless, mentally ill, victims of domestic violence, or undergoing cancer treatments or other intensive care. While the state might intend for people in these situations to be exempt, they will nonetheless be at risk of losing coverage as they are most likely to be unaware of the requirements and exemptions or have difficulty filing the requisite paperwork to secure the exemption.

- ***Gaps in coverage would challenge states' and hospitals' ability to manage care for individuals with complex health and social needs.*** Another unintended consequence is that coverage gaps and losses will make it harder for state Medicaid programs, health plans, and providers to manage care and services, especially for people with complex health and social needs.[15] These efforts depend on continuity of care and coverage, which work/community engagement requirements and the concomitant reporting requirements and exemption processes put at risk.

- ***Hospitals and other providers will experience increases in uncompensated care.*** If people lose coverage, many will seek care in emergency rooms.[16] Uncompensated care will grow,[17] shifting costs to other payers and putting rural and safety-net hospitals without a diverse payer base at risk.

II. Which Populations Will be Subject to or Exempt from the Work/Community Engagement Requirement?

As shown in Figure 1, 60 percent of non-elderly adults enrolled in Medicaid (whose eligibility is not based on disability) work and an additional 6 percent are in school; among those who are not working or in school, the majority either have medical conditions or have family responsibilities that preclude their ability to work. Accordingly, in states moving ahead with this policy, hospitals will want to help determine who will be subject to the work/community engagement requirement and who should be exempt.

✓ ***Who will the requirement affect?*** Some states have proposed that work requirements be imposed on Medicaid expansion adults only, while others have also included the lowest-income parents (CMS requires adults who are eligible by reason of a disability be excluded). Low-income parents, by definition, are caring for children, and including them raises the question of whether the state will be offering assistance with childcare. In non-expansion states, low-income parents will be the only group subject to the requirement, making the availability of childcare a central issue.[18]

Age is another factor to consider. Under the CMS guidance, states may not impose work requirements on those under age 19 or over age 65. Some states have excluded adults who are 50 or older, and a state may target a narrower group – such as age 21 to age 40, the minimum age covered by the federal Age Discrimination Act. Low-income older adults are more likely to be in fair or poor health than those with higher incomes, and the level of reported health problems grows markedly with age.[19]

✓ ***Who will the state exempt?*** CMS requires that states exempt certain populations from any work/community engagement requirement and state proposals generally exempt additional populations. States are required to exempt:

- pregnant women;
- medically frail individuals;
- those with an acute medical condition; and
- beneficiaries who have complied with or are exempt from TANF/SNAP work requirements.

These are the minimum requirements states planning to implement a work requirement must meet. States have extended the exemptions to additional populations, including:

- residents in high unemployment areas;
- victims of domestic violence;
- individuals recently released from jail or prison;
- caregivers; and
- individuals who are homeless.[20]

It is unclear if CMS would approve a state request to exempt American Indians and Alaska Natives. As discussed below, the process for determining exemptions will be particularly important.

III. What Activities Will be Included in the "Work/Community Engagement" Requirement?

States establishing a work/community engagement requirement will need to identify the activities individuals must complete in order to meet the requirements. Hospitals and health systems will want to consider both the list of included activities and the number of hours beneficiaries will be required to devote to such activities.

✓ ***What activities will count toward meeting the requirements?*** The list of activities can be long and inclusive, ranging from employment and job training to education, behavioral health treatment and care giving. A detailed list of qualifying activities included in state waivers is in the appendix. A wider

range of activities better accommodates the diverse characteristics of the affected populations and the communities in which they reside. However, it will be important to know which employment-related activities (e.g., job/vocational training programs) have sufficient numbers of open slots available and whether the state will underwrite the costs of such programs with state funds. CMS will not allow states to use Medicaid funds to pay these costs.[21]

While a long list of possible activities could provide people with the most options, if the available options are limited due to lack of funding, hospitals may want to propose allowing registration with the state agency that is responsible for workforce and job training to satisfy the state's requirement, an activity recognized in SNAP.[22] Registration – which typically can be done online or in-person – will alert those who register to job openings and available supports and training, and can be universally available without additional funding.

✓ ***Will a minimum number of hours be required for an activity to count?*** Many states are looking at requiring 20 hours per week and 80 hours per month for an approved activity to count, but states can require fewer hours, particularly if they are not providing training or support services such as transportation or childcare (see next section on support services). One state is considering deeming any individual with earned income as meeting the requirement, without referencing the number of hours worked. This eases the administrative burden for states in terms of verification since wage data is readily available but hours of work are not.

Medicaid Enrollees in Kentucky Who Work Will Struggle to Meet the 80 Hour Per Month Requirement

A recent analysis on Kentucky found:

- Individuals who are employed and will be subject to the community engagement requirement work an average of 36 hours per week.
- But the work was sporadic for many; only 64% of these individuals worked at least 20 hours per week consistently throughout the year.[23]

The hourly requirement is particularly critical given the fluctuation in hours that is common among low-income jobs, including seasonal work. States could allow any level of employment to qualify (i.e., deem any person who is working to be in compliance), or set a standard that averages hours over a period of time, quarterly or annually. For example, a state could set the standard so that people who work an average of 10 or 20 hours per week over a quarter are deemed to be in compliance. Averaging also can be coupled with approaches that do not require compliance every month of the year. For example, Kentucky permits a one-month grace period prior to coverage suspension, while Indiana permits a four-month grace period.

IV. What Supports Will be Available to Beneficiaries to Enable Compliance?

The data show that many non-elderly, unemployed adults face significant barriers that prevent them from working. An Urban Institute analysis of the characteristics of the Kentucky Medicaid beneficiaries who would be subject to work/community engagement requirements found that more than three-quarters (75 percent) either did not have access to a car or the Internet, or have not completed high school, or have a serious health limitation or lives with someone who does.[24]

As noted above, CMS will not allow states to use federal Medicaid funds to pay the costs of job training or support services, such as childcare or transportation. Accordingly, it will take time and state funds to develop a community-based system to address barriers to work and to put in place meaningful work/training/education opportunities. To the extent opportunities and supports are limited in the state or portions of the

state, hospitals and health systems may want to press for more flexible work/community engagement rules, narrower target population, targeted exemptions and alternatives to loss of coverage for nonparticipation.

- ***What support services will people need to look for work or participate in a job training activity?*** The barriers to participation in work/community engagement will differ from community to community and, more to the point, will be very specific to the individual. They could range from unstable housing to lack of internet access and limited transportation options and child care if parents are included as part of the target population. Ohio is proposing to establish a personalized engagement plan for each participant to identify and address barriers. Examples of employment/community engagement supports are included in the appendix.

- ***If support services are not available, what mitigations may be needed?*** A state can adopt a number of different types of mitigations if support services are limited or unavailable. One approach is to limit the target population, for example, by not including parents caring for children. States also can specifically exempt from the work requirements people who need supports when those supports are not available or they can decide not to impose penalties on such individuals. The Ohio plan requires some adjustment in the requirements for people without needed support services. In addition, as discussed above, a state might include some activities that may not require significant support services, such as registration with the state's work agency, in its list of activities that satisfy its work/community engagement requirement. States also can exclude certain communities from the requirements if supports are not available. In rural areas, lack of transportation may preclude a work/community engagement requirement.

V. What Will be the Consequences of Non-Compliance?

In considering the consequences, hospitals and health systems could discuss proposals that avoid coverage losses and a corresponding rise in uncompensated care.

- ***What consequences have states proposed or adopted?*** To date, most states have tied non-compliance with work requirements to loss of Medicaid coverage. For example, Kentucky disenrolls individuals who fail to comply with work requirements after a one-month grace period; individuals may re-enroll by meeting the requirements for one-month or by participating in a health or financial literacy course. Arkansas disenrolls individuals who fail to comply with the work requirements after a three-month grace period. While Arkansas offers a longer grace period than Kentucky, Arkansas locks individuals who fail to comply with the work requirements out of coverage for the balance of the calendar year, with only narrow exceptions (e.g., turning age 50, qualifying for another Medicaid eligibility category).

- ***Must a state impose penalties?*** States need not adopt penalties if they decide to implement a work/community engagement program; as noted, Montana has a voluntary program. A state also can adopt a "carrot" rather than a "stick" approach; for example, it could offer additional benefits for adherence to the work/community engagement requirements. Such benefits might include access to optional benefits (e.g., vision or dental) or gym memberships or gift cards.

- ***Could a state impose a penalty other than loss of coverage?*** States could impose penalties short of complete loss of coverage, such as loss of optional benefits. If a state's goal is to assist people in finding work, hospitals may propose that maintaining health insurance coverage is foundational to good health and that linking the requirement to loss of specified benefits better advances the state's objective.

- ***Can a state establish a "multi-step" approach to compliance consequences?*** If the state is determined to condition full coverage on compliance with a work/community engagement requirement, hospitals could propose a multi-step approach. For example, the work requirement would not be applicable for the first six months after coverage begins, during which time the state would educate beneficiaries on the work/community engagement obligation, establish exemptions and potentially explore barriers to employment. Thereafter, for the first instance of noncompliance, the beneficiary would receive a warning to ensure they understand the requirements and are not otherwise exempt. For the second infraction, the beneficiary might lose optional benefits. The third instance might trigger loss of coverage, assuming support services have been made available. Individuals could regain coverage by agreeing to comply or demonstrating one month of compliance or showing that they are subject to an exemption. A multi-step approach, with support services, is consistent with the goal of encouraging compliance.

VI. How Will Beneficiaries Demonstrate Compliance?

In crafting reporting requirements, states should ensure that individuals who either meet the work/community engagement requirements or qualify for an exemption retain coverage and do not suffer any penalties. In other words, states should ensure that people do not lose coverage or benefits as a result of paperwork obstacles or administrative error. This is especially important as the vast majority of adults enrolled in Medicaid either work or are eligible for an exemption, and many of those eligible for exemptions face significant physical and behavioral health conditions.[25]

- ***To what extent will the state rely on self-attestation or automated procedures?*** To ensure that a documentation requirement does not itself become a barrier to coverage, states should be encouraged to use automated procedures, such as those in place for managing Medicaid applications, ongoing eligibility and renewals. Hospitals will want to encourage the use of self-attestation or electronic data sources to establish exemptions and demonstrate compliance with the work/community engagement requirement. For situations where self-attestation is not accepted and verification cannot be accomplished solely through electronic data systems, states should deploy multiple pathways for an individual to provide verification, including in-person, by phone, by mail and electronically. Many people also will need help gathering the appropriate documents.

- ***What processes can the state establish to ensure people with health conditions are automatically exempt?*** For individuals who are exempt because they are homeless or mentally ill or suffer from a substance use disorder or a significant physical condition, it will be especially important to establish exemption processes that require little, if any, action by the applicant or beneficiary. The simplest way for a state to establish this is through self-attestation and/or through claims or encounter data, at least for individuals who have been covered by the program before the requirement begins. For example, individuals with hospital admissions in the prior six months and people undergoing cancer treatment could be automatically exempt based on claims data. For new applicants, the requirement could begin sometime after initial enrollment (e.g., six months later), both to allow time to inform individuals about the requirements and to have data on utilization of services that can trigger appropriate exemptions.

- ***How can states reduce the burden for people to show they have complied?*** If a state is not able to rely on systems-driven verification (e.g., the Medicaid agency verifying employment through wage and hours data), less frequent compliance reporting and self-attestation should be considered to help reduce instances where the reporting itself does not become an impediment to coverage. Notably, Kentucky requires monthly verification while Indiana requires annual verification of compliance.

Monthly verification raises the likelihood that individuals who do comply with the work requirements will lose coverage or benefits for failing to meet the reporting requirements. Annual verification reduces this risk, but proving compliance on a yearly basis would need to be coupled with self-attestation or other simplified methods for showing compliance.

✓ ***Who might help beneficiaries navigate these processes?*** Community health workers, health plans, hospitals and other providers, and enrollment brokers should be involved in assisting beneficiaries in understanding, complying with as well as documenting their compliance with or exemption from work requirements.

Appendix A: Summary of State Options for Work/Community Engagement Requirements

The following state options are, for the most part, drawn from approved or pending state waiver proposals from: Alabama, Arkansas, Arizona, Indiana, Kansas, Kentucky, Maine, Mississippi, North Carolina, New Hampshire, Ohio, Utah and Wisconsin.[26]

Key Design Feature	State Options	State Examples
Which Populations are Covered by or Exempt from the Work/Community Engagement Requirement?		
Covered Populations	Expansion adults	AR, AZ, IN, KY, NC, NH, OH
	Low-income, non-expansion adults who are not eligible based on disability	AL, ME, MS, UT, WI
	Both expansion adults and other low-income adults who are not eligible based on disability	IN, KY
Age Range	Any range between 19-64	Required by CMS
	Pending waivers range from 19-49 to 19-64	19-49: AR, OH, WI 19-54: AZ 19-59: AL, IN, UT 19-64: KS, KY, ME, MS, NH Not specified: NC
Exempt Populations	Medically frail	Required by CMS
	Pregnant women	Required by CMS
	Individuals with acute medical conditions	Required by CMS
	Individuals considered disabled under the Americans with Disabilities Act or other federal statutes who cannot comply with work/community engagement requirements because of disability without reasonable modifications/supports	Required by CMS
	Individuals in substance use disorder (SUD) treatment[27]	AL, AR, IN, ME, MS, NC, NH, OH, UT, WI
	Individuals with serious mental illness	AZ, MS, OH, WI
	Individuals physically or mentally unable to work	AR, ME, MS, OH, UT, WI
	Individuals with temporary incapacitation	AR, IN, NH
	Individuals with a family member with a disability whose disability prevents individual from compliance with work/community engagement requirement	IN, NH
	Individuals receiving private disability benefits	AZ, ME
	Individuals who experience a hospitalization or whose household member experiences a hospitalization	IN, NH
	Individuals who experience a serious illness or whose household member experiences a serious illness	IN, NH
	Individual residing in an institutional residential facility, receiving long-term care, or enrolled in/on waiting list for a home and community-based service waiver	KS, ME, MS
	Individuals receiving cancer treatment	MS

Appendix A: Summary of State Options for Work/Community Engagement Requirements (Continued)

Key Design Feature	State Options	State Examples
Exempt Populations (Continued)	Individuals with HIV	KS
	Parents or caregivers of a dependent child (age varies), dependent adult, or other adult with disabilities (some states only exempt caregivers of dependent children or one parent or caregiver per household)	AL, AZ, AR, IN, KS, KY, ME, MS, NC, NH, OH, UT, WI
	Full or half-time students	AZ, AR, IN, KS, KY, MS, OH, UT, WI
	Individuals who applied for or are receiving unemployment insurance	AR, MS, OH, UT, WI
	Homeless individuals	AZ, IN
	Victims of domestic violence	AZ, IN
	Individuals residing in counties with high unemployment rate or few jobs available	OH
	Individuals who are already working with incomes consistent with meeting or exceeding the work requirement	UT
	Individuals who were recently incarcerated	IN
	Individuals impacted by a catastrophic event	AZ
"Good Cause" or Hardship Exemptions	Serious illness (individual or household member)	AR, IN, KY, NH, OH, UT*
	Hospitalization (individual or household member)	AR, IN, KY, NH, UT*
	Disability (individual or household member)	AR, IN, KY, NH, UT*
	Family emergency	AR, KY, NH, OH, UT*
	Domestic violence	AR, IN, KY, NH, OH, UT*
	Birth or death of a household member	AR, KY, NH, UT*
	Severe inclement weather	AR, KS, KY, NH, UT*
	Lack of transportation	OH, UT*
	Lack of childcare	UT*
	Other circumstances beyond an individual's control or exceptional circumstances	AR, KS, ME, OH
	Homelessness or eviction	Potential state option (note: AZ and IN exempt individuals who are homeless)
What Activities Will be Included in the "Work/Community Engagement" Requirement?		
Covered Activities	Compliance with or exemption from work requirements in SNAP/TANF	Required by CMS
	Paid or unpaid employment	Encouraged by CMS: AL, AR, AZ, IN, KS, KY, ME, MS, NC, NH, OH, WI
	Job search or career planning	Encouraged by CMS: AL, AR, AZ, IN, KS, KY, ME, MS, NH, OH, UT
	Job skills or vocational training	Encouraged by CMS: AL, AR, IN, KS, KY, NH, OH, WI
	Community service or volunteering	Encouraged by CMS: AL, AR, AZ, IN, KS, KY, ME, MS, NH

Appendix A: Summary of State Options for Work/Community Engagement Requirements (Continued)

Key Design Feature	State Options	State Examples
Covered Activities (Continued)	Education	Encouraged by CMS: AL, AR, AZ, IN, KS, KY, ME, NH, OH
	SUD education, treatment, or recovery	Encouraged by CMS: KY, NH, MS[28]
	Caregiving	IN, KY, NH
	Participation in classes on health system or healthy living	AR, AZ
	Receiving unemployment benefits	ME
	Tribal employment programs	IN
	Mental health treatment or counseling	Potential state option
	Prison/jail transition programs	Potential state option
	Housing search activities	Potential state option
	Registration for work with state workforce agency	Potential state option
Number of Required Hours per Month	Most pending waivers propose 20 hours/week or 80 hours/month	20 hours/week: AZ, IN, ME, MS 80 hours/month: AR, KY, OH, WI 100 hours/month: NH 20-35 hours/week (20 hours/week for individuals with dependent children under age 6): AL 20-30 hours/week (one-adult household) or 35-55 hours per household/week (two-adult household): KS (hours vary based on whether there is a child under age 6 in the household)
	States could condition the hours required on available supports, such as child care	OH
	States could require fewer hours or could allow individuals to average hours over a specified time period (e.g., quarterly) to account for fluctuating hours/seasonal work	Potential state option
Number of Required Months per 12-Month Eligibility Period	Approved and pending waivers have grace periods ranging from 1-6 months	6 months: AZ 4 months: IN 3 months: AR, KS (within 36 month period), ME (within 36 month period) 1 month: AL, KY, NH
	State could permit longer grace periods	Potential state option
What Supports will be Available to Beneficiaries to Enable Compliance?		
Beneficiary Supports	Childcare	Encouraged by CMS: AL, AR, IN, KY, NH
	Transportation	Encouraged by CMS: AL, AR, IN, KY, NH, OH
	Language services	AR, IN, KY, NH
	Interviews/targeted assistance to connect enrollees to beneficiary supports	OH
	Employment supports	OH
	Housing assistance	Potential state option
	Skills training	Potential state option

Appendix A: Summary of State Options for Work/Community Engagement Requirements (Continued)

Key Design Feature	State Options	State Examples
Beneficiary Supports (Continued)	Household needs/clothing	Potential state option
	Food	Potential state option
	Internet/computer access	Potential state option
What will be the Consequences of Non-compliance?		
Incentives	Additional benefits	Potential state option
	Reduced premiums or cost-sharing (if applicable)	Potential state option
Penalties	Dis-enrollment/suspension of coverage	AL, AR, AZ, IN, KS, KY, ME, MS, NC, NH, OH, UT
	Coverage lock-out	AR
	Months of compliance do not count toward proposed lifetime Medicaid coverage enrollment limit[29]	AZ, UT, WI
	Penalties conditioned on availability of necessary supports	OH
	States could propose loss of options benefits or additional copayments, instead of loss of coverage	Potential state option
Options to Reinstate Benefits	Meet requirement or complete missed hours	AZ, IN, KS, KY, ME, MS, NH, UT
	Participate in health or financial literacy course	KY
How will Compliance be Established?		
Frequency State Will Assess Compliance	Annually	IN, UT
	Monthly	AR, KS, KY, ME, MS, NH, OH
Process to Demonstrate Compliance	Self-attestation provided electronically, by telephone, by mail, or in-person[30]	AR (electronic attestation only), IN, KY, NH
	Electronic or paper submission of documentation	Potential state option
Process to Demonstrate Exemption	Self-attestation provided electronically, by telephone, by mail, or in-person[31]	AR (electronic attestation only), IN, KY, NH, OH
	State identifies exemptions through claims data	AZ, MS, OH
	State identifies exemptions based on managed care organization data	KY
	Electronic or paper submission of documentation	Potential state option

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13. Ibid.
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15. Change in insurance status over time, or "churn," is associated with disruptions to continuity of care, decreased medication adherence, increased use of the emergency department, and lower self-reported health status. According to: B. Sommers et al., "Insurance Churning Rates For Low-Income Adults Under Health Reform: Lower Than Expected But Still Harmful For Many," Health Affairs, October 2016. Available at: *https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2016.0455*.
16. Ibid.
17. D. Dranove, C. Garthwaite, and C. Ody, "The Impact of the ACA's Medicaid Expansion on Hospitals' Uncompensated Care Burden and the Potential Effects of Repeal," The Commonwealth Fund, May 2017. Available at: *http://www.commonwealthfund.org/publications/issue-briefs/2017/may/aca-medicaid-expansion-hospital-uncompensated-care*.
18. The Alabama Hospital Association, in its comments opposing a proposed work requirement in that State, noted the limited availability of childcare and the absence of new State or federal funding to expand childcare services in the State.
19. R. Rosenbaum, S. Gunsalus, S. Schmucker et al, "Medicaid Work Demonstrations: What Is at Stake for Older Working-Age Adults?" To the Point, The Commonwealth Fund, March 2018. Available at: *http://www.commonwealthfund.org/publications/blog/2018/mar/medicaid-work-demonstrations*.
20. CMS also directs states to comply with federal civil rights laws and, citing the Americans with Disabilities Act (ADA) and other laws, notes that state should ensure that reasonable modifications are available to individuals with disabilities who are eligible for Medicaid on a basis other than disabilities. Reasonable modifications could include exemptions from participation, modification in the number of hours required, or support services. While ADA compliance is an important consideration for states implementing work requirements, the ADA definition of "disability" overlaps with the federal definition of medically frail and thus individuals with disabilities appear to be exempt on the basis of medical frailty. Therefore, states' ADA obligations under the CMS guidance are unclear and this will be important area to watch.
21. Centers for Medicare and Medicaid Services State Medicaid Director Letter, "Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries," January 11, 2018. Available at: *https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf*.
22. USDA, "Supplemental Nutrition Assistance Program: Am I Eligible for SNAP?" January 16, 2018. Available at: *https://www.fns.usda.gov/snap/eligibility*.

23. Only 64% of these individuals worked at least 20 hours per week for at least 50 weeks in the previous year. According to: A. Gangopadhyaya and G. Kenney, "Who Could be Affected by Kentucky's Medicaid Work Requirements, and What Do We Know About Them?" Urban Institute, February 16, 2018. Available at: *https://www.urban.org/research/publication/who-could-be-affected-kentuckys-medicaid-work-requirements-and-what-do-we-know-about-them*.

24. Ibid.

25. Kaiser Family Foundation analysis of March 2017 Current Population Survey as published in: R. Garfield, R. Rudowitz, and A. Damico, "Understanding the Intersection of Medicaid and Work," Kaiser Family Foundation, January 2018. Available at: *http://files.kff.org/attachment/Issue-Brief-Understanding-the-Intersection-of-Medicaid-and-Work*.

26. Alabama had not submitted its waiver proposal to CMS as of May 10, 2018. Utah submitted a waiver proposal to CMS in August 2017 to require work/community engagement requirements for low-income, non-expansion adults who receive a limited benefit package under its Primary Care Network demonstration. In May 2018, Utah posted for public comment a separate waiver proposal to implement a partial expansion of Medicaid eligibility to 100% of the federal poverty level and to subject this population to work/community engagement requirements. Utah entries marked with a carrot (^) refer only to the August 2017 proposal, while Utah entries marked with an asterisk (*) refer only to the May 2018 proposal. Utah entries with no symbol are the same across both proposals.

27. If a state does not exempt individuals with SUDs, CMS requires the state to provide the individual with reasonable modifications to assist them in meeting the requirement.

28. CMS encourages states that do not exempt individuals in SUD treatment from work/community engagement requirement to include SUD treatment as a permitted activity.

29. In a May 7, 2018 *letter* to Kansas, CMS indicated that it would not approve Kansas's request to impose a lifetime Medicaid coverage enrollment limit in its current "formulation." CMS has not yet formally weighed in on other states' proposals to impose lifetime Medicaid coverage enrollment limits, but on May 15, 2018, CMS Administrator Seema Verma publicly *stated*, "We've indicated we would not approve lifetime limits, and we've made that pretty clear to states."

30. Required by CMS regulations unless specifically waived.

31. Required by CMS regulations unless specifically waived.