

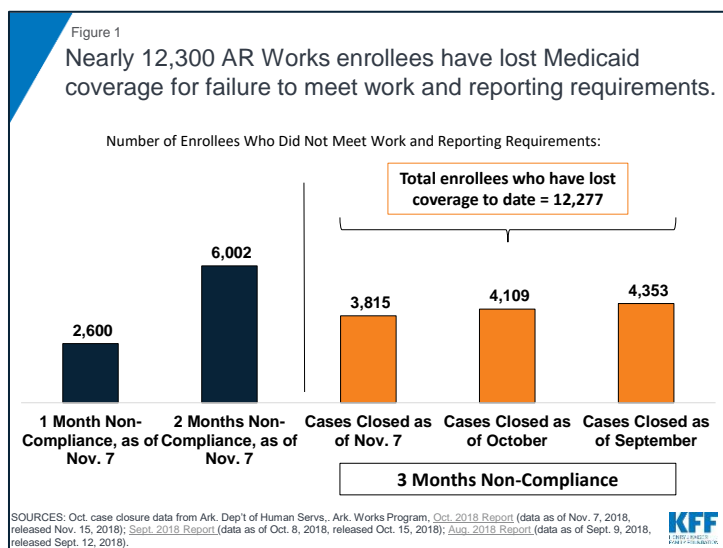
# A Look at October State Data for Medicaid Work Requirements in Arkansas

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Arkansas is one of five states for which CMS has approved a [Section 1115 waiver](#) to condition Medicaid eligibility on meeting [work](#) and [reporting](#) requirements and the first state to implement this type of waiver.<sup>1</sup> CMS approved Arkansas' waiver on March 5, 2018, and the new requirements took effect for the initial group of beneficiaries on June 1, 2018. The requirements were phased in for enrollees ages 30 to 49 from June through September, 2018, and will apply to those ages 19 to 29 beginning in 2019. Unless exempt, enrollees must engage in 80 hours of work or other qualifying activities each month and must report their work or exemption status using an online portal. Individuals need to report work activities or exemptions by the 5<sup>th</sup> of the following month. The Arkansas Department of Human Services has released monthly data related to the new requirements since June. September was the first month that enrollees could lose coverage for failure to meet the new requirements for three months. To date, nearly 12,300 people have been disenrolled due to the new requirements. This brief looks at the data for October 2018, released on November 15, 2018. A separate [case study](#) looks at early implementation of the new requirements.

## How many individuals have lost coverage due to the work and reporting requirements?

**A total of 12,277 individuals have lost coverage since September, 2018 due to non-compliance with the work and reporting requirements.** (Figure 1). The most recent round of closures, for failure to comply for any three months between June and October 2018, totals 3,815 people as of November 7<sup>th</sup>. Under the waiver, enrollees lose coverage for the rest of the calendar year after not meeting the requirements for any three months and are barred from reapplying for coverage until the following January. As of November 7<sup>th</sup>, another 6,002 individuals had two months of non-

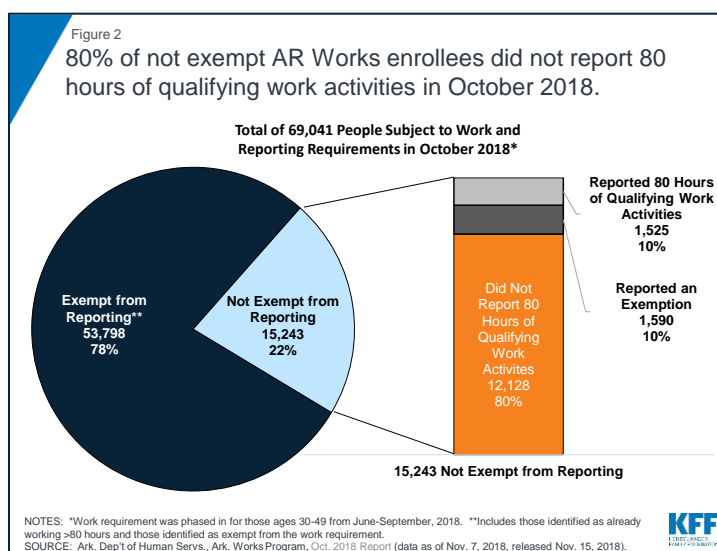


compliance and could be at risk for losing coverage if they fail to report qualifying work activities for another month.<sup>2</sup> The state data show that 2,600 enrollees did not meet the work and reporting requirements for one month as of November 7, 2018.

**Few individuals have been found to have good cause for failing to meet the work and reporting requirements to date.** Individuals who fail to complete 80 hours of qualifying work activities and/or fail to timely report their activities each month can request a good cause exception. The state reviewed 291 good cause requests in October; of these, 182 were granted.<sup>3</sup> In September, the state reviewed 246 good cause requests and granted 140, and in August, the state granted 45 of the 55 good cause requests that it reviewed.

## How many did not report work activities for September?

The large majority (78%, or 53,798 people) were exempt from the reporting requirement for October 2018, while 80% of those not exempt (12,128 out of 15,243) did not report 80 hours of qualifying work activities (Figure 2). Nearly all of those 12,128 enrollees did not report any work activities. This could mean that they did not create and link the online accounts required to enable them to report or experienced difficulty accessing or navigating the online portal.

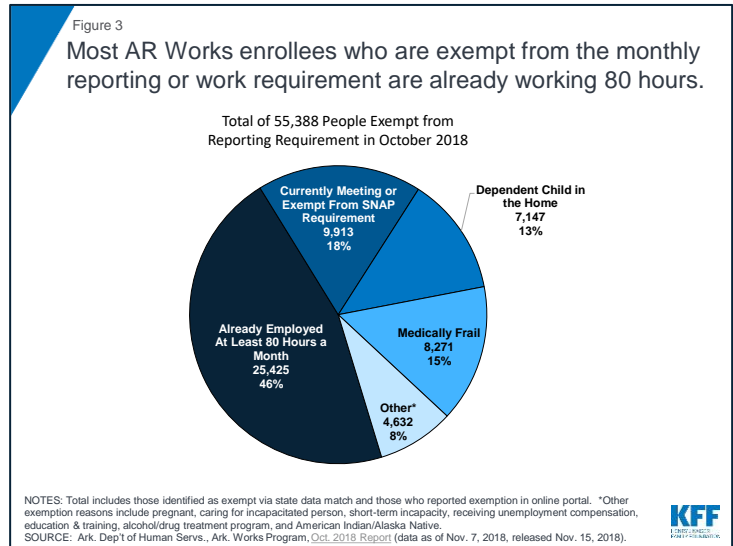


**A small number of enrollees (162 out of the 12,128) did report some work activities but not 80 hours of qualifying activities for October.** Of those 162 enrollees, 22 reported 80 or more hours of job search; however, in each month, enrollees are only able to count 39 hours of job search or job search training toward the required 80 hours of qualifying work activities, which means that those engaged in job search or job search training also must complete 41 hours of another qualifying activity or activities to meet the monthly requirement. Forty-six (46) enrollees out of the 162 reported work that fell short of the 80-hour requirement in October, including 12 with at least 61 but fewer than 80 hours of work.

## How many enrollees were exempt from the new requirements and why?

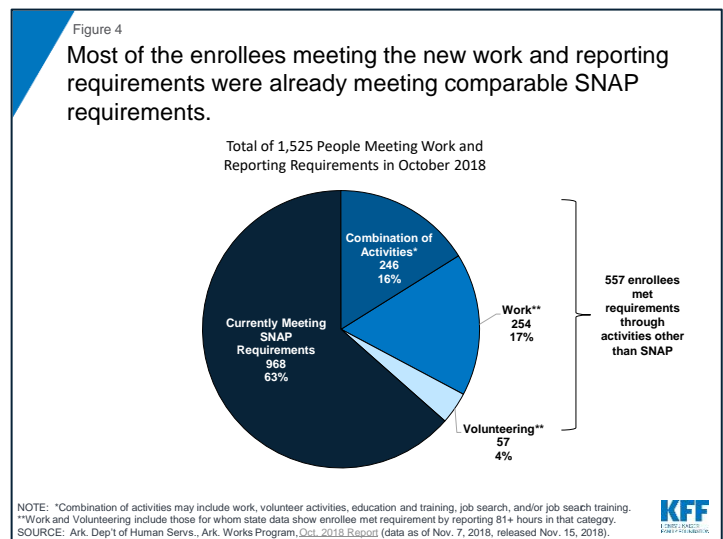
**Most of the 55,388 enrollees exempt from the reporting or work requirement in October were already working at least 80 hours per month.** The 55,388 includes 53,798 (97%) who were identified through a data match conducted by the state and therefore do not have to report their monthly work hours or exemption status using the online portal. They should have received a notice indicating that they were

subject to the work requirement, but exempt from the reporting requirement. Another 3% (1,590) of the exempt enrollees were not identified through data matching but instead reported an exemption since receiving a notice. Overall, most exempt enrollees fell into four categories: those who were already working at least 80 hours per month (46%), followed by those currently meeting or exempt from SNAP employment and training requirements (18%), those with a dependent child in the household (13%), and those who have been identified as medically frail (15%)<sup>4</sup> (Figure 3). The shares in each of these groups were stable from June through October.



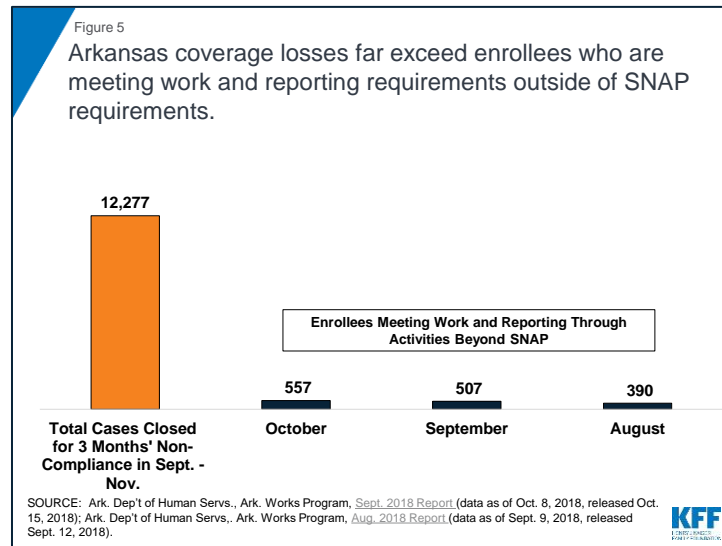
## How many enrollees met the work and reporting requirements and through what activities?

Only 1,525 (10% of those not exempt) met the work and reporting requirements, and compliance was largely attributable to meeting comparable SNAP requirements, in October 2018. This pattern also has been consistent since June. Of the 1,525 enrollees meeting the work and reporting requirements in October, nearly two out of three (63%) were doing so by meeting SNAP requirements (Figure 4). It is not clear why these individuals are not part of the larger group identified by the state data match (described above) and exempt from reporting. Seventeen percent were meeting the requirements through work, and four percent through volunteer activities. The remaining 16 percent were meeting the requirements through a combination of activities that include work, volunteer activities, education and training, job search, and/or job search training.



**A small number (557 enrollees) of those who met the work and reporting requirements in October reported doing so by working, volunteering, or another activity, other than meeting SNAP requirements.** In August and September, there were slightly fewer enrollees that met the work and reporting requirements through an activity other than SNAP compliance compared to October. The data do not indicate whether these enrollees started working as a result of the new requirements. They already could have been engaged in work or another activity, but the state did not have this information. This is a

small share of enrollees compared to the 12,277 people who have lost Medicaid coverage to date due to failure to comply with work or reporting requirements. (Figure 5)



## What will future data reporting and research show?

Looking ahead, it will be important to understand more about the group of enrollees who lost coverage. [A November 8<sup>th</sup> letter to Secretary Azar](#) from the Medicaid and CHIP Payment and Access Commission (MACPAC) (prior to the release of the October data on November 15<sup>th</sup>) raised concerns about disenrollment saying that “the low-level of reporting is a strong warning signal that the current processes may not be structured in a way that provides individuals an opportunity to succeed, with high stakes for beneficiaries who fail...as a result the Commission calls for a pause in disenrollments.” The letter also cites concerns that that there was not an approved evaluation design in place at the time of implementation.

An [early look at implementation](#) found that many enrollees have not been successfully contacted about the new requirements, despite substantial outreach and education efforts, and concern that many who remain eligible could lose coverage for failure to navigate the process to verify work status or qualify for an exemption. Follow-up with individuals subject to the new requirements will provide additional information about whether individuals understand the new requirements and how to use the online portal and whether there are computer or internet access issues; how many have other health insurance coverage and how many are uninsured; how many are newly working, and in what types of jobs; how many might have been eligible for an exemption but did not apply; and whether some subject to disenrollment will be found to have good cause for not meeting the requirements. [Early implementation findings](#) also cite the potential that coverage losses will result in gaps in care and increased uncompensated care costs. Additional research can examine the longer-term effects of coverage losses and lock-outs for enrollees, providers, and health plans.

## Endnotes

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<sup>1</sup> CMS also has approved work requirement waivers in Kentucky, Indiana, New Hampshire, and Wisconsin. After being [invalidated by a federal district court before implementation](#), the Kentucky waiver was reopened for additional public comment and is now awaiting a new decision from CMS. Indiana, New Hampshire, and Wisconsin do not plan to implement their waivers before 2019.

<sup>2</sup> According to state notices, coverage is terminated after the last day of the month (e.g., October) if enrollees were not compliant in two earlier months and did not report 80 hours of qualifying activities by the last day of the month. However, individuals have until the 5th of the following month (e.g., November) to report activities and could have coverage reinstated if they do so. For the next group of enrollees facing coverage loss for failure to comply with the new requirements, notices terminating coverage as of December 1st would go out in November for those already non-compliant for two earlier months, but could be reinstated for individuals who report 80 qualifying hours for November by December 5th.

<sup>3</sup> Of the remaining October good cause requests, the state denied 16 and determined that 93 were “not a good cause issue.” No detail is provided about the substance of those requests or whether any good cause decisions have been appealed.

<sup>4</sup> Other exemptions, accounting for about 8% of total exemptions, include pregnancy, caring for someone who is incapacitated, short-term incapacity, receiving unemployment benefits, receiving education and training, participating in an alcohol or drug treatment program and American Indian / Alaska Natives. American Indian / Alaska Natives are subject to the requirements but will be phased in at a later date.