

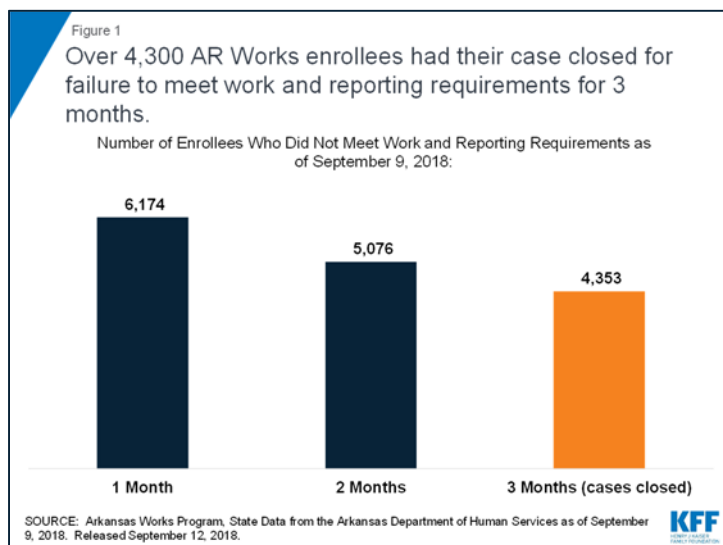
An Early Look at State Data for Medicaid Work Requirements in Arkansas

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Arkansas is one of four 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. 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 are being phased in for enrollees ages 30 to 49 from June through September, 2018, and for those ages 19 to 29 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 5th of the following month. The Arkansas Department of Human Services released data related to the new requirements in June, July and August. This brief looks at the data for August 2018 released on September 12, 2018.

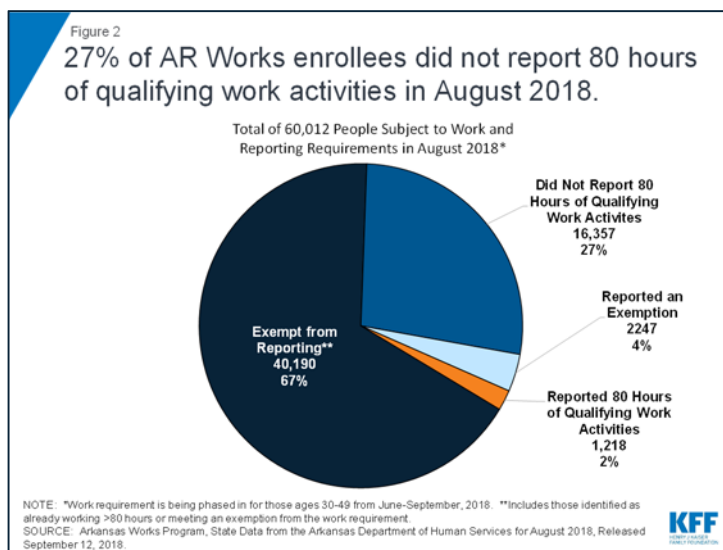
How many cases were closed due to new requirements?

As of September 9, 2018, 4,353 cases were closed due to non-compliance with the new work and reporting requirements. (Figure 1). Under the waiver, enrollees lose coverage for the rest of the calendar year after not meeting the requirements for any three months. September marked the first time that enrollees could have their case closed for three months of non-compliance.¹ Under the terms of the waiver, these individuals would be barred from reapplying for coverage until January 2019. Another 5,076 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.² The state data show that a total 15,603 enrollees did not meet the work and reporting requirements one, two or three months as of September 9, 2018.



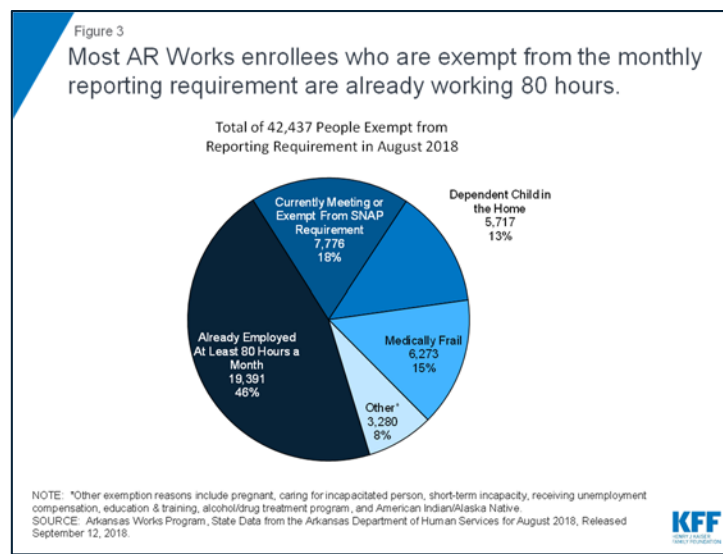
How many did not report work activities in August?

Of the 60,012 people who were subject to the new requirements in August 2018, 27% (or 16,357 people) did not report 80 hours of qualifying work activities (Figure 2). Nearly all of those 16,357 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 (225 out of the 16,357) did report some work activities but not 80 hours of qualifying activities for August. Of those 225 enrollees, 29 reported 80 or more hours of job search or job search training; 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. Seventy-eight (78) enrollees out of the 225 reported work that fell short of the 80 hour requirement in August, including 16 with at least 61 but less than 80 hours of work.



How many enrollees were exempt from new requirements and why?

The large majority (67%) were exempt from the reporting requirement. Most of these 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%)³ (Figure 3). The shares in each of these groups were stable from June through August. The vast majority of these enrollees (95%) 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

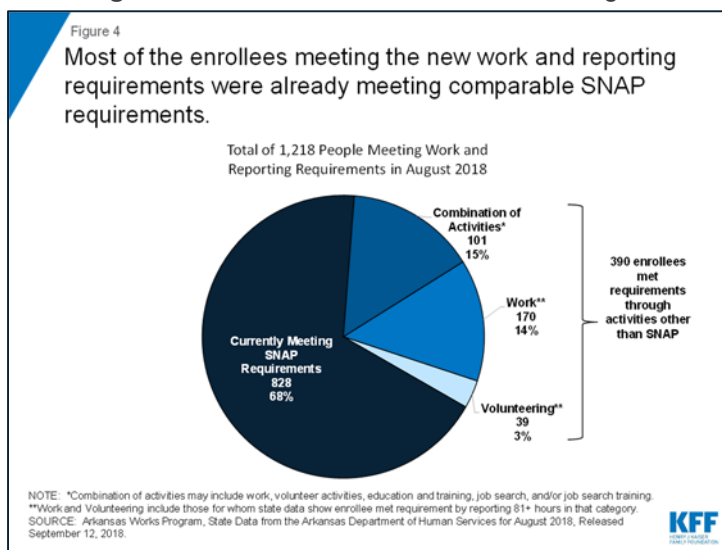


a notice indicating that they were subject to the work requirement, but exempt from the reporting requirement. Another 5% (2,247) of the exempt enrollees were not identified through data matching but instead reported an exemption since receiving notice.

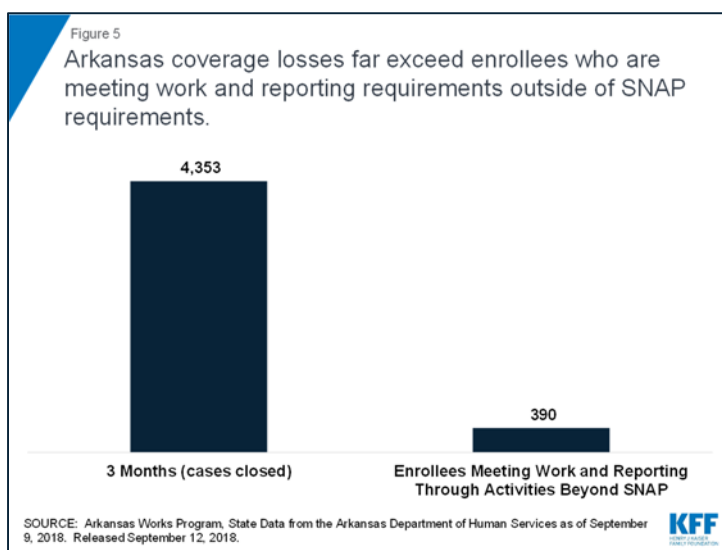
How many enrollees met the work and reporting requirements and through what activities?

Only 1,218 (2%) met the work and reporting requirements, and compliance was largely attributable to meeting comparable SNAP requirements in August 2018. Of the 1,218 enrollees meeting the work

and reporting requirements, more than two out of three (68%) 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. Fourteen percent were meeting the requirements through work, and three percent through volunteer activities. The remaining 15 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 (390 enrollees) of those who met the work and reporting requirements in August reported doing so by working, volunteering, or another activity, other than meeting SNAP requirements. 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 4,353 who lost Medicaid coverage due to failure to comply with



work or reporting requirements. (Figure 5)

What will future data reporting and research show?

Looking ahead, it would be helpful to understand more about the group of enrollees who lost coverage. Follow-up with these enrollees will provide information about whether enrollees 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 enrollees are newly working, and in what types of jobs; how many enrollees might have been eligible for an exemption but did not apply; and whether some enrollees subject to disenrollment will be found to have good cause for not meeting the requirements. The August state data show that 55 enrollees requested a good cause exemption, and 45 were granted. More broadly, additional research can examine what coverage losses and lock-outs mean for enrollees, providers, and health plans.

Endnotes

¹ Due to issues with the online portal in early September, the reporting window for August may be extended until October 5. See, e.g., Andy Davis, “Health coverage dropped for 4,574 Arkansas Works enrollees,” *Ark. Democrat-Gazette* (Sept. 6 2018) (noting “the Human Services Department announced late Wednesday [Sept. 5th] that it would extend that [Sept. 5th] deadline by one month for enrollees whose access to the website, access.arkansas.gov, was hampered by a computer problem that it said affected several state agencies.”); see also Benjamin Hardy, “Work requirement bars over 4,000 from receiving Medicaid coverage,” *Ark. Times*, Sept. 13, 2018 (noting “the DHS reporting portal has experienced problems recently”).

² According to state notices, coverage is terminated after the last day of the month (e.g., August) if enrollees were not compliant in 2 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., September) 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 October 1st, would go out in September for those already non-compliant for two earlier months, but could be reinstated for individuals who report 80 qualifying hours for September by October 5th.

³ 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.