Arkansas WORKS

Work and Community Engagement Requirement Overview

August 17, 2018

ARKANSAS DEPARTMENT OF HUMAN SERVICES

Agenda

- Medicaid Expansion in Arkansas
- Work Requirement Development and Waiver Negotiations
- Work Requirement Implementation
- Early Results of the Work Requirement

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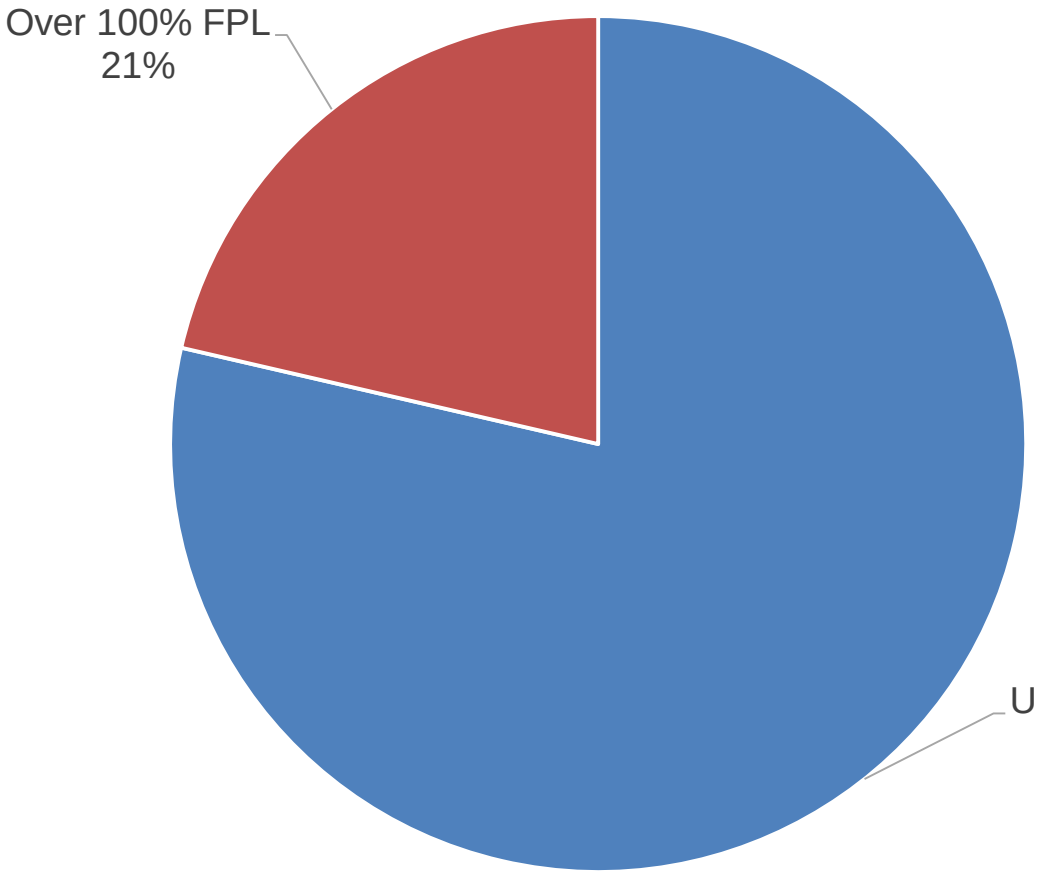
Medicaid Expansion in Arkansas

- Arkansas was the first state to expand Medicaid under the ACA through an 1115 demonstration, named the Health Care Independence Program, and widely known as the “Private Option.”
- Coverage is provided through qualified health plan (QHP) premium assistance, except for medically frail enrollees. Expansion enrollees represent a large majority of Arkansas’ individual market.
- In late 2016, under Governor Asa Hutchinson, the waiver was amended and dubbed “Arkansas Works” to help control rising costs and promote personal responsibility.
- Enrollment exceeded projections, reaching over 330,000 in January 2017, but was reduced to approximately 270,000 by July 2018 through program integrity initiatives, systems improvements, and a stronger state economy.

Waiver Negotiations

- Significant stakeholder engagement, including legislative working sessions, and systems development around broader reform opportunities began in late 2016.
- The state sought additional changes in a waiver request submitted in June 2017.
- The original target date for implementation was January 2018 to align with the health plan year and allow a phase-in of certain changes over the course of the year.
- Most of these changes, including a work requirement for certain enrollees, were approved in March 2018. A request to reduce the program's income eligibility limit from 138% FPL to 100% FPL is still pending.

Arkansas Works Population Overview



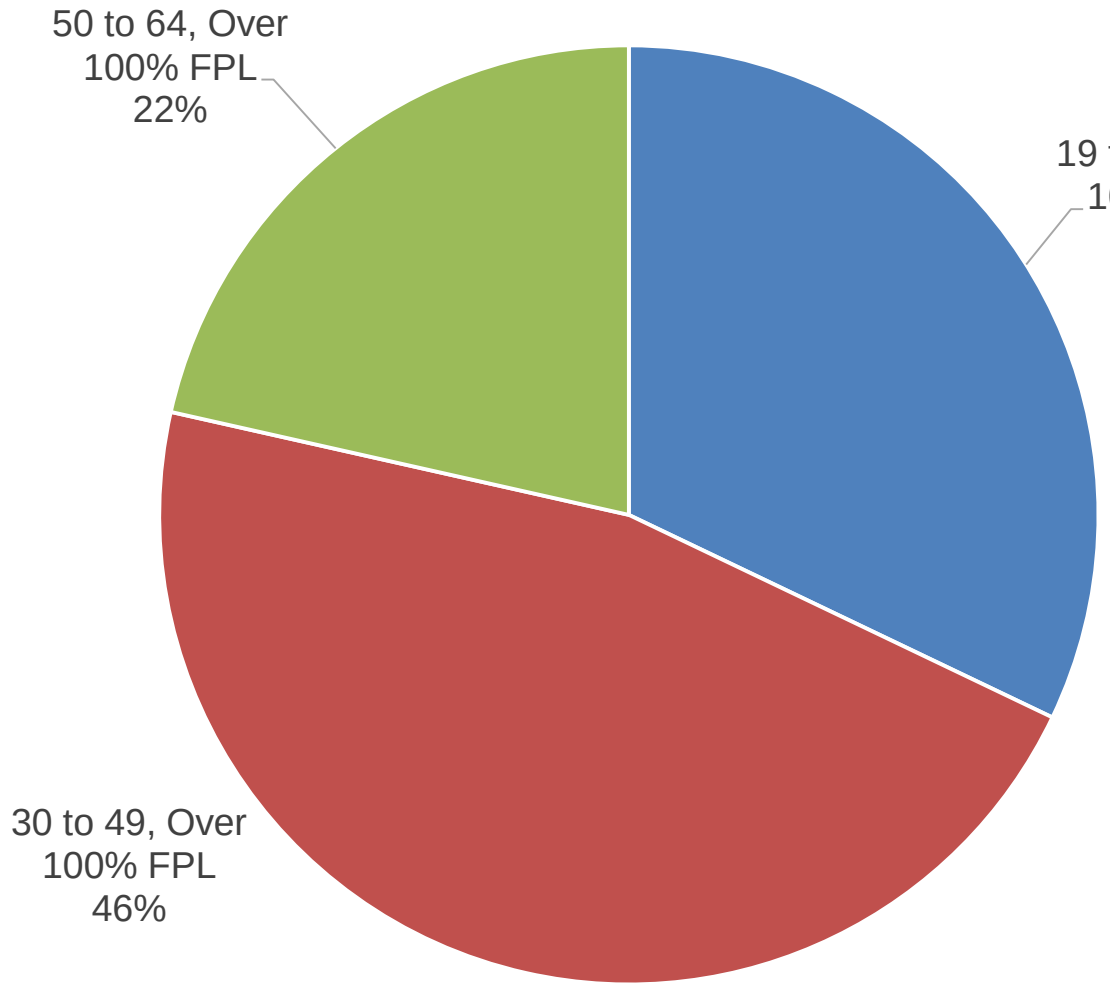
AGE GROUP	RECIPIENTS
19 to 29, Over 100% FPL	17,965
30 to 49, Over 100% FPL	25,981
50 to 64, Over 100% FPL	12,022
Over 100% FPL	55,968

AGE GROUP	RECIPIENTS
19 to 29, Under 100% FPL	70,051
30 to 49, Under 100% FPL	87,088
50 to 64, Under 100% FPL	48,593
Under 100% FPL	205,732

Data Date: 8/1/2018

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Arkansas Works Population over 100% FPL

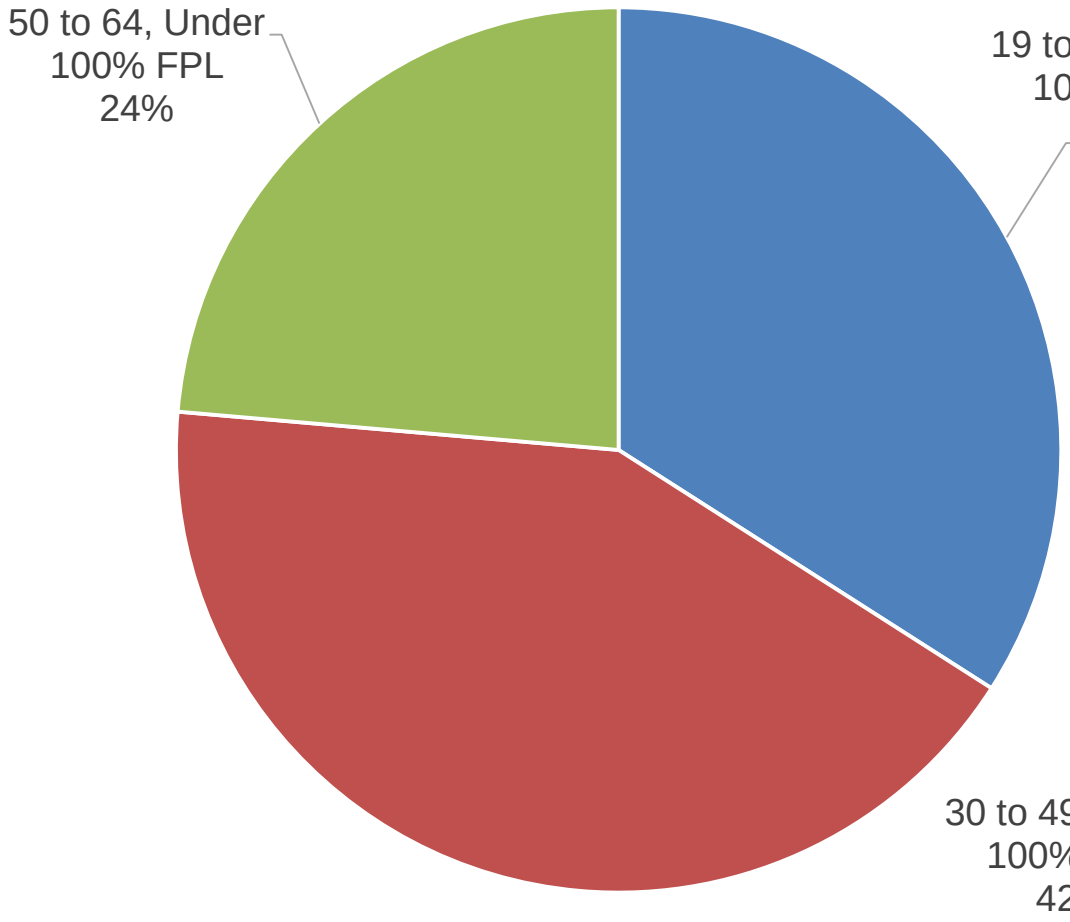


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Arkansas Works Work Requirement Implementation

- The Arkansas Department of Human Services (DHS) began implementing the work requirement on June 1, 2018.
- Beneficiaries subject to the requirement are required to report 80 hours of activities a month to keep their healthcare benefits. Those activities can be work, education, or volunteer activities.
- The requirement is being phased in over a four-month period in 2018 for the approximately 93,471 enrollees between the ages of 30 and 49. Beneficiaries ages 19 to 29 will become subject to the requirement over a six-month period in 2019.
- Some beneficiaries will not be required to report activities, if they qualify for a DHS-recognized exemption.
  - Beneficiaries Exempt in 2018: 51,010 (55 percent)
  - Beneficiaries Required to Report Activities in 2018: 42,461 (45 percent)

AR Works Recipients Fit into One of Three Groups:

Not Subject to Work & Community Engagement Requirement

1

- ✓ Enrollees age 50 or older
  - Work requirement does not apply beginning the month in which the enrollee turns 50
- ✓ Will receive a work referral
- ✓ Not at risk for losing Medicaid coverage

Subject to Work & Community Engagement Requirement

2 Exempt

- ✓ Enrollees age 19-49*
- ✓ Meet an exemption – not required to report work activities but will receive a work referral
- ✓ Not at risk for losing Medicaid coverage

3 Required to Report Work Activities

- ✓ Enrollees age 19-49*
- ✓ Do not meet an exemption
- ✓ Will lose Medicaid coverage at the end of the 3rd month of non-compliance

**Work Requirement will not apply to enrollees ages 19-29 in 2018, but will apply in future years. Enrollees ages 30-49 will be phased in to the work requirement between June and September.*

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Exemptions

Subject to Work & Community Engagement Requirement

2 **Exempt**

- ✓ Enrollees age 19-49
- ✓ Meet an exemption – not required to report work activities
- ✓ Not at risk for losing Medicaid coverage

Information collection for catastrophic events to be handled on a case-by-case basis

Criteria	Validation Approach	Identify at Application or using State data?
State Verifies Information		
Currently receiving a SNAP exemption	Validated against state data every 30 days	Y
Receiving TEA Cash Assistance	Validated against state data every 30 days	Y
Arkansas Works Application, Portal, or Change in Circumstance Submission		
Employed > 80 hours/month	Demonstration (income > AR min wage x 80/month) valid until renewal or change in circumstance	Y
Medically frail	Demonstration valid until change in circumstance	Y
Living in home with dependent minor	Demonstration valid until change in circumstance	Y
Pregnancy	Demonstration valid until end of post-partum care	Y
Caring for incapacitated person	Demonstration required every 2 months or at renewal, whichever is sooner	N (report on portal only)
Short-term incapacitation	Demonstration required every 2 months or at renewal, whichever is sooner	N (report on portal only)
Participation in alcohol or drug treatment program	Demonstration required every 2 months or at renewal, whichever is sooner	N (report on portal only)
Full-time Education, Job Training, or Vocational Training	Demonstration required every 6 months or at renewal, whichever is sooner	N (report on portal only)
Receiving unemployment benefits	Demonstration required every 6 months or at renewal, whichever is sooner	Y
State to verify demonstrations for a sample of enrollees		

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Work & Community Engagement Activities

Subject to Work & Community Engagement Requirement

3 **Required to Report Work Activities**

- ✓ Enrollees age 19-49
- ✓ Do not meet an exemption
- ✓ Will lose Medicaid coverage at the end of the 3rd month of non-compliance

Information collection for catastrophic events to be handled on a case-by-case basis

Criteria	Validation Approach
Arkansas Works Application, Portal, or Change in Circumstance Submission	
Work < 80 hours/month	Demonstrate monthly
Education (less than full time)	Demonstrate monthly
Job Training (WIOA, refugee, etc.) (less than full time)	Demonstrate monthly
Vocational Training (less than full time)	Demonstrate monthly
Volunteer	Demonstrate monthly
Job Search / Job Search Training	Demonstrate monthly; must be less than 50% of reported hours each month
Health Education Class	Demonstrate monthly; cannot count for more than 20 hours per year
Currently meeting SNAP work requirement	Validated against state data every 30 days
State to verify demonstrations for a sample of enrollees	

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Arkansas Works Work Requirement Implementation

- Beneficiaries report their activities online through the AR Works portal
  - Failure to report for any three months in a calendar year will result in loss of coverage for the remainder of that year.
  - Activities must be reported for a given month by the 5th day of the following month.
- Those who need assistance creating online accounts or reporting hours online can get help from friends or family, a “Registered Reporter” from their health insurer or another trusted organization, or in-person at a DHS county office.

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Arkansas Works Work Requirement Implementation

- **Beneficiaries who do not have Internet access at home are provided information on places that are making Internet available for reporting.**
  - Locations include community colleges, DHS county offices, Local Health Units, Department of Workforce Services offices, and public libraries
  - Address analysis indicates that more than 90 percent of AR Works participants live within 20 miles of an Internet public access point.
- **DHS has been actively engaged in conducting outreach to stakeholders and individual beneficiaries.**
  - Tactics include mailed notices, phone calls, emails, social media reminders, instructional videos on the AR Works website, and webinars.
  - Partners include the Arkansas Foundation for Medical Care, the AR Works insurance carriers, the Department of Workforce Services, community organizations, advocacy groups, education associations, libraries, and other stakeholders.

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Work Requirement Administrative and Implementation Costs

- Most costs related to implementation are one-time costs adding functionality to the Medicaid eligibility system to automate much of the upfront case work.
- This approach eliminated the need for hiring additional staff to handle work requirement-specific casework.
- Cost of System Changes: $6.8M (Approximately $6.1M federal, and $700K State General Revenue)
- No contract change or increase in maintenance and operations costs was required to make these changes. DHS managed the additional expense by deferring other planned functionality.

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Work Requirement Administrative and Implementation Costs

- DHS is making a significant investment in outreach and education to ensure that those subject to the work requirement know what is expected of them and have access to a call center with specifically-trained staff.
- Cost of Work Requirement Outreach and Education: $800K in SFY 2018 ($400K federal, $400K State General Revenue).
- This includes upfront costs and education for existing Arkansas Works recipients ages 30 – 49 beginning work requirements in 2018. Costs for SFY 2019, when recipients ages 19 – 29 will be rolled in, has not yet been finalized. Subsequent to 2019, this expense is expected to decrease.

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Workforce Services Strategies

- The Arkansas Department of Workforce Services (DWS) received approval from the U.S. Department of Health & Human Services for a waiver to utilize Temporary Assistance for Needy Families (TANF) staff to provide screening, assessment, and referral services to non-exempt Arkansas Works clients.
- TANF and DWS Employment Services staff have been re-organized to provide program agnostic workforce delivery services.
- DWS leverages the Arkansas Departments of Career Education and Higher Education and Workforce Innovation Opportunity Act (WIOA) local boards as referral sources for clients requiring services.
- The TANF program is also conducting outreach to exempt Arkansas Works clients with dependent children to help them obtain employment or training through TANF, the Career Pathways Initiative, or WIOA.
- In June 2018, 369 Arkansas Works clients visited a DWS office and met with a workforce specialist. In July 2018, DWS received 338 Arkansas Works client visits.

Work Requirement Compliance

As of August 7,2018

Arkansas Works Clients Subject to the Work Requirement

Reporting Period	Exempt from Reporting	Reported at Least 80 Hours	Failed to Report 80 Hours	Total
June 2018	17,906	445	7,464	25,815
July 2018	31,799	844	12,722	45,365

Arkansas Works Clients – Months of Non-Compliance

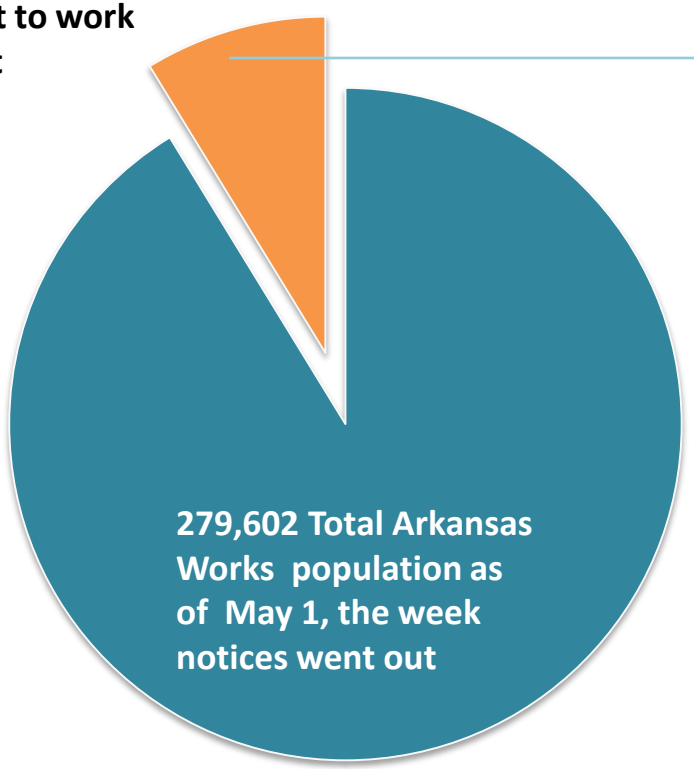
One Month Non-Compliance	Two Months Non-Compliance
6,531	5,426

Work Requirement Compliance

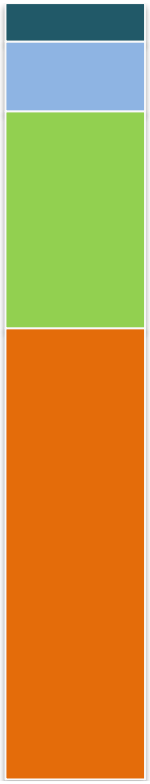
June 2018 Report

Just over 27,000 Arkansas Works enrollees were notified in May they were subject to the new work requirement in June. Most are already meeting the requirement through work, school, or other life situations that made them exempt from reporting. Numbers below are a point-in-time snapshot of the requirement and some fluctuate daily.

27, 140* Notified in May they were subject to work requirement



Between the notices going out and June 30, 1,325 fewer people became subject to the requirement due to case closures unrelated to compliance or a change in circumstances. That left 25,815 subject to requirement in June.



445 Satisfied reporting requirement

2,395 Reported an exemption since receiving notice

7,464 Did not satisfy reporting requirement

15,511 Meeting requirement due to work, training, or other activity. Notice explained these enrollees are exempt from reporting their activities.

One month non-compliance	Two months non-compliance	Three months non-compliance
7,041**	0	0

** due to closures unrelated to compliance & as of July 8, 2018

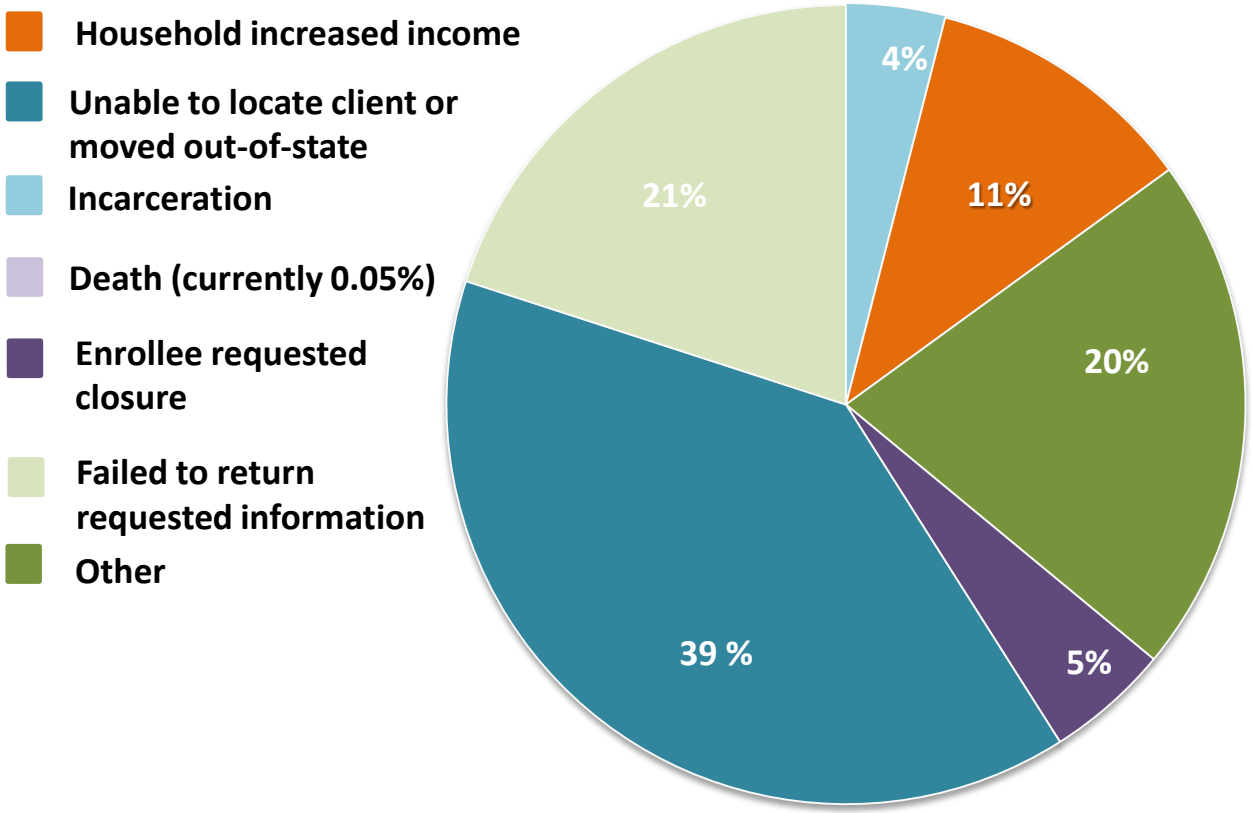
*Enrollees ages 30-49 are being phased in from June through September 2018. Those 19-29 will roll in starting January 2019.

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Work Requirement Compliance

June 2018 Report

Every Medicaid program has what is known as “churn,” cases that close for various reasons. It is not uncommon for those individuals to take action and come back on a program after receiving a closure notice. The total number of Arkansas Works cases closed in June was 14,140. Below the closures are broken down by type.



Top four reasons people were exempt from reporting in June

Employed at least 80 hours a month	**8,375**
Already meeting SNAP requirement through work or exemption	**3,480**
At least one dependent child in the home	**2,731**
Medically frail/disabled	**2,208**

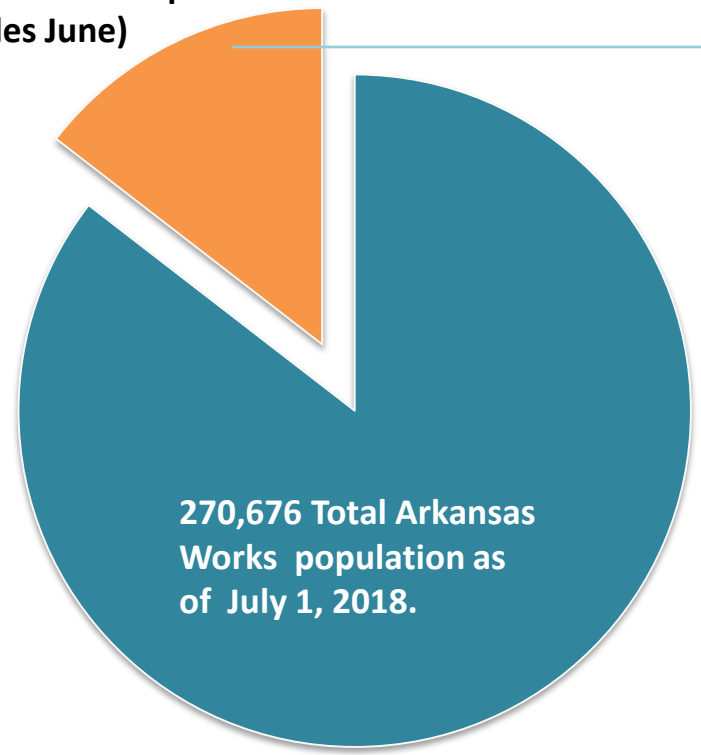
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Work Requirement Compliance

July 2018 Report

As of June 8, DHS data showed just over 46,000 Arkansas Works enrollees were subject to the work requirement in July. Most are already meeting the requirement through work, school, or other life situations that made them exempt from reporting. Numbers below are a point-in-time snapshot of the requirement and some fluctuate daily.

46,025* Originally estimated to be subject to work requirement in July (includes June)



Between June 8 and August 7, 2018, 2,231 fewer people became subject to the requirement due to case closures unrelated to compliance or a change in circumstances. That left 43,794 subject to the requirement in July.



844 Satisfied reporting requirement

1,571 Reported an exemption since receiving notice

12,722 Did not satisfy reporting requirement

30,228 Meeting requirement due to work, training, or other activity. Notice explained these enrollees are exempt from reporting their activities.

One month non-compliance	Two months non-compliance	Three months non-compliance
6,531**	5,426**	0

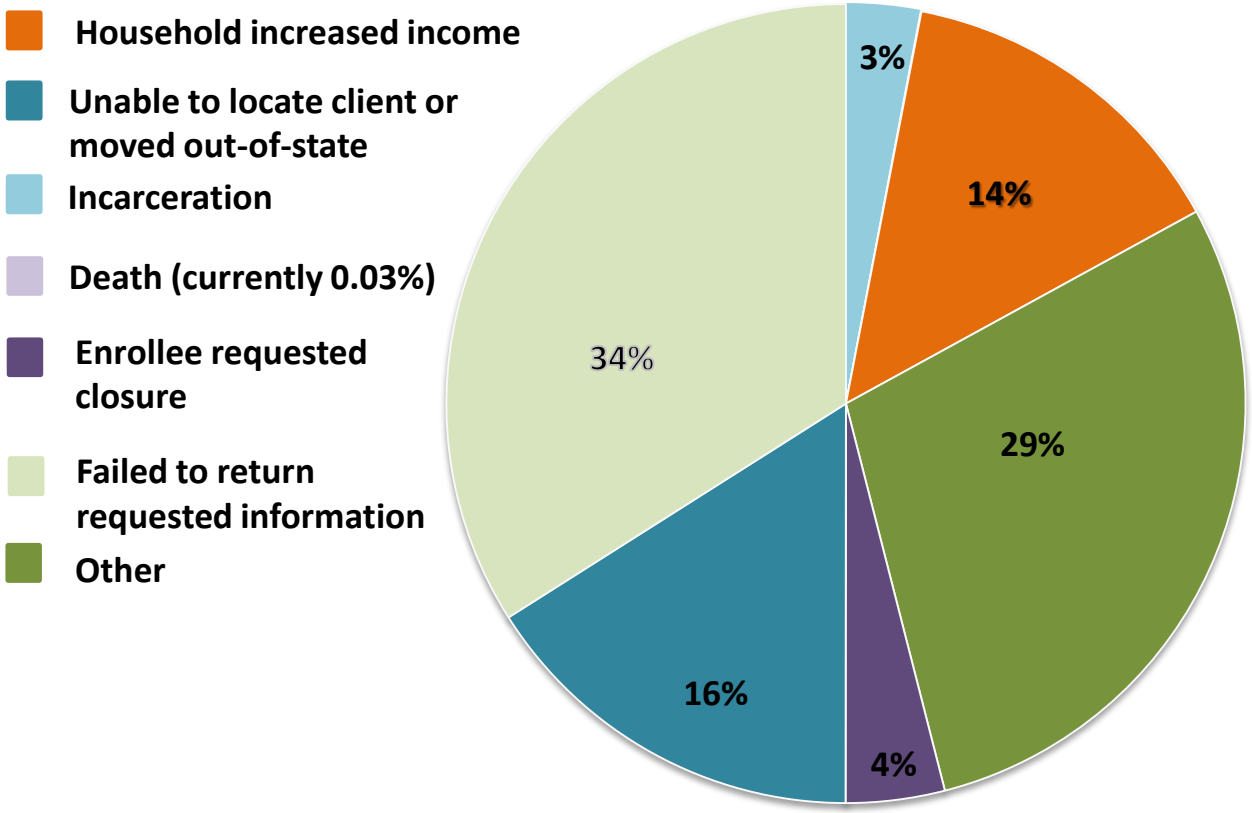
** due to closures unrelated to compliance & as of Aug. 7, 2018

*Enrollees ages 30-49 are being phased into the requirement from June through September 2018. Those 19-29 will roll in starting January 2019.

Work Requirement Compliance

July 2018 Report

Every Medicaid program has what is known as “churn,” cases that close for various reasons. It is not uncommon for those individuals to take action and come back on a program after receiving a closure notice. The total number of Arkansas Works cases closed in July was 14,441. Below the closures are broken down by type.



Top four reasons people were exempt from reporting in July

Employed at least 80 hours a month	**13,951**
Already meeting SNAP requirement through work or exemption	**5,780**
Medically frail/disabled	**4,282**
At least one dependent child in the home	**4,192**

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