


Date: March 23, 2018	POLICY ANALYSIS PREPARED FOR THE BOARD OF DIRECTORS	 OF NORTHERN LARIMER COUNTY
Staff: Alyson Williams		

SB18-214 REQUEST SELF-SUFFICIENCY WAIVER MEDICAID PROGRAM:

Concerning a waiver from the federal government to implement self-sufficiency provisions in the Colorado medical assistance program

Details

Bill Sponsors:	Senate – <i>Crowder (R)</i> House – <i>Beckman (R)</i>
Committee:	Senate Committee on Health and Human Services
Bill History:	3/19/2018-Introduced in Senate-Assigned to Health and Human Services
Next Action:	3/29/2018-Hearing in Senate Committee on Health and Human Services

Bill Summary

This bill directs the Colorado Department of Health Care Policy and Financing (HCPF) to develop and submit an application for a Section 1115 Medicaid waiver to implement certain provisions as a part of Colorado’s Medicaid program, Health First Colorado. The waiver application must include the requirement for able-bodied adults, with stipulated exceptions, to work, seek work, attend job training, or volunteer for Medicaid eligibility. Able-bodied adults must verify their income on a monthly basis for eligibility. HCPF may prohibit a person from enrolling in Medicaid if the individual does not report a change in income or makes a false statement regarding compliance with the work requirement. A lifetime limit of five years on Medicaid benefits is enacted, with certain exceptions. Under an approved waiver application, HCPF may impose copayments to deter the use of emergency departments and ambulance services for nonemergent services. Finally, HCPF is required to report to the Colorado General Assembly, as well as relevant committees, regarding the preparation, submission, approval, implementation, and outcome of the waiver.

Background

Section 1115 Waivers

Medicaid was originally enacted under Title XIX of the Social Security Amendments of 1965 as a voluntary program for states to partner with the federal government to provide a defined set of medical benefits.¹ The Affordable Care Act (ACA), established a new category of Medicaid eligibility for those states that opted to expand their program.¹ This new group are childless, nonelderly, and nondisabled individuals, commonly known as able-bodied adults without dependents (ABAWDs).²

Section 1115 of the Social Security Act allows states to apply for demonstration project waivers that further the goals and intentions of Medicaid while providing more flexibility to states. Since the expansion of Medicaid through the ACA, these waivers have become a key tool for states to incorporate their own ideas as they expand their programs. These demonstration projects are aimed to either build upon existing or novel approaches that promote the objectives of Medicaid. The purpose of providing medical assistance through a waiver has historically been interpreted by the Centers for Medicare and Medicaid Services (CMS) as increased access to care, improved efficiency of the delivery of care, or increased coverage.² The

¹ Kaiser Family Foundation (Aug. 2012). *A Historical Review of How States Have Responded to the Availability of Federal Funds for Health Coverage*. Retrieved from <https://kaiserfamilyfoundation.files.wordpress.com/2013/01/8349.pdf>

² Huberfeld, N. (March 2018). Can Work Be Required in the Medicaid Program? *New England Journal of Medicine*; 378(9): 788-91. doi: 10.1056/NEJMp1800549

Date: March 23, 2018	POLICY ANALYSIS SB18-214	Page 2
-----------------------------	------------------------------------	--------

important aspect of these propositions is that they must be budget neutral.³ To be budget neutral in these demonstrations the expectation is that expenditures by the federal government will not exceed it would have spent without the demonstration.³ Section 1115 demonstration waivers are typically granted for an initial five-year period that can be extended for an additional three-to five-year period.³

CMS Guidance

On January 11, 2018, CMS released guidance to the states regarding opportunities to promote work and community engagement among Medicaid beneficiaries.⁴ In the letter addressed to each state’s Medicaid director, CMS committed to “support state demonstrations that require eligible adult beneficiaries to engage in work or community engagement activities [...] in order to determine whether those requirements assist beneficiaries in obtaining sustainable employment or other productive community engagement and whether [...] leads to improved health outcomes.”⁴

The guidance also outlined the populations that should or must be exempt from these requirements. The groups that CMS highlighted that should be exempt from such eligibility requirements are those that are disabled,⁵ medically frail, diagnosed with an acute medical condition, or are attending treatment for a chronic substance use disorder. It is suggested that the state align with any existing work requirements that the state has for the Temporary Assistance for Needy Families (TANF) or the Supplemental Nutrition Assistance Program (SNAP).

The guidance specifies that states applying for such as waiver must outline strategies that the state will develop and implement to aid individuals in meeting these requirements and link them to services and supports. However, no federal Medicaid funding can be used for these services, which leaves the state solely responsible for the financial requirements of such services. Finally, the guidance suggests that the application include the plan for reporting, monitoring, and evaluation that will occur to investigate the outcomes of implementing such requirements.

Medicaid

There are approximately 68,045,556 enrollees in the Medicaid program across the country.⁶ A Kaiser Family Foundation analysis detailed the breakdown of employment status for Medicaid beneficiaries that are nondisabled and nonelderly adults, the results are detailed in the figure below.⁷

³ U.S. Centers for Medicare and Medicaid Services (n.d.). *About Section 1115 Demonstrations*. Retrieved from <https://www.medicaid.gov/medicaid/section-1115-demo/about-1115/index.html>.

⁴ U.S. Centers for Medicare and Medicaid Services (Jan. 11, 2018). *SMD: 18-002 Opportunities to promote work and community engagement among Medicaid beneficiaries*. Retrieved from <https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf>

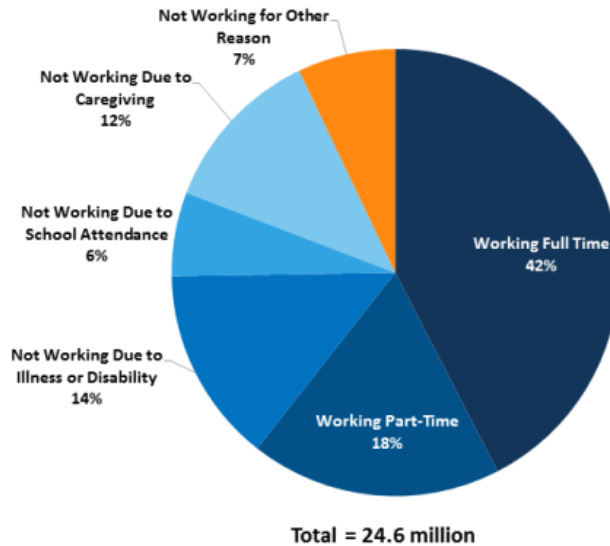
⁵ This includes those that are classified for Medicaid purposes as non-disabled but may have an illness or disability as defined by federal statute that may interfere with their ability to meet the work/community engagement requirements.

⁶ U.S. Centers for Medicare and Medicaid Services (n.d.). *December 2017 Medicaid and CHIP Enrollment Data Highlights*. Retrieved from <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html>

⁷ Kaiser Family Foundation (Jan. 16, 2018). *Medicaid and Work Requirements: New Guidance, State Waiver Details, and Key Issues*. Retrieved from <https://www.kff.org/medicaid/issue-brief/medicaid-and-work-requirements-new-guidance-state-waiver-details-and-key-issues/>

Figure 1

Work Status and Reason for Not Working Among Non-SSI, Nonelderly Medicaid Adults, 2016



Notes: "Not Working for Other Reason" includes retired, could not find work, or other reason. Working Full-Time is based on total number of hours worked per week (at least 35 hours). Full-time workers may be simultaneously working more than one-job.
Source: Kaiser Family Foundation analysis of March 2017 Current Population Survey.



Approximately 23.9 percent, or 1.3 million, of Colorado residents are enrolled in the Medicaid program.^{8,9} About 70 percent of nonelderly nondisabled adults in the Colorado Medicaid program are working themselves.¹⁰ Of these enrollees, 448,600 are adults that were newly eligible for the program due to the ACA expansion of the program.⁹ Additionally, only 35 percent of enrollees are between the ages of 19 and 64.⁹ In Larimer County, 19.3 percent of county residents are enrolled in the Medicaid program.⁸ During a month, an average of 65,806 people that live in Larimer County are enrolled in the program.¹¹ Of these beneficiaries, 24,859 are those that became eligible under the Medicaid expansion of the ACA.¹⁰

Copayments in the Medicaid Program

States are allowed to implement cost-sharing requirements for Medicaid enrollees.¹² Exemptions are instituted on this allowance for certain population groups and services. Some of these groups include children under 18 (and up to 21 based on the state), pregnant women (based on state), and individuals in hospice. The services exempt for out-of-pocket costs are emergency services, family planning, pregnancy-related services, and preventive services for children. CMS may institute maximum allowable copayments for eligible populations by family income for different types of services.

⁸ Colorado Health Institute (2017). *County Health Profiles*. Retrieved from <https://www.coloradohealthinstitute.org/county-health-profiles>

⁹ Kaiser Family Foundation (n.d.) *State Health Facts*. Retrieved from <https://www.kff.org/statedata/>

¹⁰ Kaiser Family Foundation (Jan 5 2018). *Understanding the Intersection of Medicaid and Work*. Retrieved from <https://www.kff.org/report-section/understanding-the-intersection-of-medicaid-and-work-tables/>

¹¹ Colorado Department of Health Care Policy and Financing (2017). *Larimer County Fact Sheet*. Retrieved from <https://www.colorado.gov/pacific/sites/default/files/Larimer%20County%20Fact%20Sheet.pdf>

¹² U.S. Centers for Medicare and Medicaid Services (n.d.) *Cost Sharing Out of Pocket Costs*. Retrieved from <https://www.medicaid.gov/medicaid/cost-sharing/out-of-pocket-costs/index.html>

Colorado's Medicaid program requires co-pays for a variety of services.¹³ Currently, if a Medicaid-covered individual access services at an emergency room there is not a co-pay if it has been determined that it was an emergency; however, if it was not an emergency there is a \$6 co-pay per emergency room visit. There is no co-pay for using ambulance services but a prior authorization is required if the service is non-emergent such as being transferred to a new hospital.

Lifetime Limits in the Medicaid Program

As of publication, no state has been granted approval by CMS to impose lifetime limits on Medicaid benefits; however, five states (Arizona, Kansas, Maine, Utah and Wisconsin) have applied for such a cap.¹⁴ The Department of Health and Human Services, which oversees CMS, has said it will not comment on the pending waiver applications, so it is unknown if approval will occur.

Approved Section 1115 Waivers with Work Requirements in Other States

Three states (Arkansas, Indiana, and Kentucky) have approved waiver applications that include work requirements as of publication.¹⁵ Of these three, there is litigation pending against Kentucky for the legality of the waiver.⁶ All of the approved waivers have occurred since the beginning of the year. At the end of January 2018, a lawsuit was filed challenging the validity of the waiver based on questioning the authority of CMS to issue a work requirement policy.¹⁶ Appendix A includes a chart of the approved waiver applications of these three states and details the requirements, populations, qualifying activities, and penalties for failing to comply with the requirements.

This Legislation

This bill mandates the Colorado Department of Health Care Policy and Financing (HCPF) to prepare and submit a waiver to the Centers for Medicare and Medicaid Services (CMS) by March 30, 2019. The waiver shall be a demonstration waiver under Section 1115 of the Social Security Act or any other waiver that is deemed applicable. The general purpose of the waiver is to institute work requirements for able-bodied adults and require other self-sufficiency measures to receive medical assistance under the Medicaid program. If the waiver is approved for this purpose, the state appropriates necessary funds, and the federal government participates financially, then HCPF is to implement the components of the waiver.

The bill requires the waiver developed and submitted by HCPF to include certain provisions. First, to be eligible for the Medicaid program, an able-bodied adult must be employed, be actively seeking employment, or volunteering for a nonprofit for at least 20 hours each week. This condition for eligibility is not applicable if the person is over the age of 18 but attending high school full-time, pregnant, the sole caregiver for a family member that is under 5 years old, or is receiving temporary or permanent long-term disability benefits from a public or private source. Second, the waiver must place a requirement on non-exempt able-bodied adults to verify their income on a monthly basis for eligibility redetermination. The third provision that must be included in the waiver is allowing HCPF to prohibit a person from enrolling or continuing in Medicaid if they fail to report a change in their family income or make a false statement regarding their compliance with the work requirements. The waiver application must include a lifetime limit on enrollment in Medicaid unless the recipient is pregnant, the sole caregiver of a family member who is under 5 years old,

¹³ Health First Colorado (2018). *Benefits and Services*. Retrieved from <https://www.healthfirstcolorado.com/benefits-services/>

¹⁴ Weixel, N. (Feb. 13, 2018). *Trump officials face decision on lifetime limits for Medicaid*. Retrieved from <http://thehill.com/policy/healthcare/373544-trump-officials-face-decision-on-lifetime-limits-for-medicare>

¹⁵ National Academy for State Health Policy (March 5, 2018). *State Proposals for Medicaid Work and Community Engagement Requirements*. Retrieved from <https://nashp.org/state-proposals-for-medicare-work-and-community-engagement-requirements/>

¹⁶ Kaiser Family Foundation (Jan. 29, 2018). *A Guide to the Lawsuit Challenging CMS's Approval of the Kentucky HEALTH Medicaid Waiver*. Retrieved from <https://www.kff.org/medicaid/issue-brief/a-guide-to-the-lawsuit-challenging-cms-approval-of-the-kentucky-health-medicare-waiver/>

receiving temporary or permanent long-term disability benefits from a public or private source, over the age of 18 but attending high school full-time, or employed full-time but continues to meet the income eligibility limits. Finally, the submitted waiver application must include a provision that authorizes HCPF to impose meaningful copayments to deter the nonemergency use of emergency departments and use of ambulance services for nonemergency transportation or when not medically necessary.

Starting in 2018 annually thereafter, indefinitely, HCPF must report to the Senate Committee on Health and Human Services and House Committee on Public Health Care and Human Services (or their successor committees) the status of the waiver. This status report includes the preparation, submission, approval, renewal, state plan amendments, implementation, and outcomes of the waiver.

Reasons to Support

Supporters may point to Colorado's low supply of workers for an increasing number of jobs as a reason to require work for Medicaid beneficiaries that are able-bodied. Work requirements in Medicaid are part of the solution to increase labor force participation. It would benefit employers that do not have to source employees from foreign countries, the expanding economy of Colorado, and the new workers that gain increased financial stability. Others believe work requirements are worth pursuing because they serve as a social contract that the majority of Americans support.¹⁷ A recent Rasmussen Reports survey found that 64 percent of Americans think that childless, able-bodied adults in their state should be required to work as a condition for receiving Medicaid.¹⁸ Supporters claim that a lifetime limit is part of a comprehensive approach to encourage enrollees to work.

Supporters

- Any support has not been made publicly available at this time.

Reasons to Oppose

Data suggests that the true number of adults that receive Medicaid benefits that are able to work but choose not to is small. The administrative burden that the work and income requirements will place on relevant departments at both the state and local level will be great. By adding the layer of confirming income or unemployed adults meet the exemption criteria will require investment in compliance personnel and procedures that will raise the cost of the program itself. Increasing the cost of administration could mean less money in budget for additional services like dental programs.

Many of the provisions of the bill could push people out of coverage. The additional administrative burden, mainly increased paperwork to prove they are meeting the requirements or qualify for an exemption, on the individual could push people out of coverage. This can include those that are working or engaging in approved activities. The CMS guidance requires states to exempt people that are labelled "medically frail." This bill only excludes those getting disability payments, which is a very high burden to achieve, as not all that are considered medically frail by CMS are formally labelled as disabled. Many people can work some, but not enough to meet this bill's requirements, due to illness or conditions that do not rise to "full" disability. These conditions may allow individuals to work for periods, but when a flare up occurs they cannot attend work in order to care for their health. Others may have illnesses that allow them to work for short periods, but cannot meet the 20 hour per week mandate.

¹⁷ Rachidi, A. (March 20, 2018). *The truth about Medicaid work requirements*. Retrieved from <http://www.aei.org/publication/the-truth-about-medicaid-work-requirements/>

¹⁸ Rasmussen Reports (2018). *64% Say 'Yes' to Work Requirements for Medicaid Recipients*. Retrieved from http://www.rasmussenreports.com/public_content/lifestyle/general_lifestyle/january_2018/64_say_yes_to_work_requirements_for_medicaid_recipients

It will leave out many people with mental health conditions and substance use disorders. To prove that they may qualify for an exemption these individuals will need to obtain letters from providers, medical records, and whatever additional documentation the state may deem necessary. Administrative red tape and paperwork has been demonstrated to reduce enrollment in Medicaid.¹⁹ Furthermore, many people with substance use disorders may relapse several times and go in and out of the workforce. The work requirement and lifetime limit could force an individual to forgo health coverage, which would not be helpful in addressing the underlying issue of a substance use disorder through appropriate treatment. Without health insurance people are more likely to delay treatment for both their physical and mental health conditions leading to poor health outcomes, which may cost the system more in the long-run.

The bill also does not specify those able-bodied adults that are caregivers, but not for a child under the age of five. Many individuals do not have a choice but to not engage in work but act as the caregiver for a family member that may have a chronic illness, disability, or a disorder associated with age (i.e. Alzheimer's). Requiring work of this group of individuals could be detrimental to their health and that of the family member they are caring for. If an individual complies with the work requirement they may have to pay for care for their family member, which would have the opposite of this bill's desired effect of pulling the individual and their family out of poverty. Also, the person they are caring for may qualify for Medicaid or already be enrolled in the program. In cases where the family member being cared for had to enter long-term care in a skilled nursing facility Medicaid may end up paying for that care. In Colorado this care costs \$91,958 on average.²⁰ The cost for the Medicaid coverage in this facility would likely be far greater than providing health insurance to the healthier family member.

The bill does not specify age as an exemption from the work requirement. This could harm those between the ages of 50-64, an age group that particularly benefitted from the ACA expansion.²¹ Older Medicaid enrollees are more likely to be out of work and are more likely than their younger counterparts to have a serious chronic health condition that may limit the jobs that will accommodate their limitations.

This bill does not specify college or other higher-learning as either an exemption to the work requirement or as community engagement. A study of millennials ages 25-32 have found that those with a two-year degree are less likely to be unemployed or live in poverty and attain higher annual incomes than those that solely have a high school diploma.²² These findings are even more pronounced for those that have a bachelor's degree or higher. This age-group tends to be the population that this bill is targeting, nonelderly and nondisabled. Allowing these individuals to attend school and receive Medicaid coverage appears to be a more beneficial path out of poverty or unemployment than a requirement to work or volunteer.

This bill does not acknowledge the challenges for those enrolled in Medicaid that have been involved with the criminal justice system. The majority of those that have been released from jail or prison feel that their

¹⁹ Sanger-Katz, M. (Jan. 18, 2018). *Hate Paperwork? Medicaid Recipients will be Drowning in it*. Retrieved from https://www.nytimes.com/2018/01/18/upshot/medicaid-enrollment-obstacles-kentucky-work-requirement.html?rref=collection%2Fbyline%2Fmargot-sanger-katz&action=click&contentCollection=undefined®ion=stream&module=stream_unit&version=latest&contentPlacement=1&pgtype=collection

²⁰ Genworth Financial (2018). *Compare Long Term Care Costs Across the United States*. Retrieved from <https://www.genworth.com/about-us/industry-expertise/cost-of-care.html>

²¹ Center on Budget and Policy Priorities (Feb. 20, 2018). *How Medicaid Work Requirements will Harm Older Americans*. Retrieved from <https://www.cbpp.org/sites/default/files/atoms/files/2-20-18health.pdf>

²² Pew Research Center (Feb 11, 2014). *The Rising Cost of Not Going to College*. Retrieved from <http://www.pewsocialtrends.org/2014/02/11/the-rising-cost-of-not-going-to-college/>

criminal record has negatively affected their job search.²³ If an individual has to continually be reporting their job search activities to Medicaid and conduct a job search, it could demotivate the individual, decrease the likelihood of finding a job with sufficient wages and increase the likelihood of recidivism.

Time-limiting Medicaid coverage has the risk of increasing the rate of uninsured individuals in the state. Furthermore, it could push sick and uninsured individuals into emergency rooms, where they can end up costing the state. As people drop out but remain uninsured, then the health care costs are borne by the insured, which drives up costs for the whole system. This proposal would also place a large administrative burden on the state, as it has to create a tracking system for each beneficiary to know when they have “timed-out” of the program. This would cost the department not only man-hours but additional taxpayer dollars. A study of Medicaid expansion enrollees in Ohio found that among those individuals who were unemployed when they gained covered, 75 percent said that having health insurance made the task of securing a job easier.²⁴

Opponents

- Any opposition has not been made publicly available at this time.

About this Analysis

This analysis was prepared by Health District of Northern Larimer County staff to assist the Health District Board of Directors in determining whether to take an official stand on various health-related issues. The Health District is a special district of the northern two-thirds of Larimer County, Colorado, supported by local property tax dollars and governed by a publicly elected five-member board. The Health District provides medical, mental health, dental, preventive and health planning services to the communities it serves. For more information about this summary or the Health District, please contact Alyson Williams, Policy Coordinator, at (970) 224-5209, or e-mail at awilliams@healthdistrict.org.

²³ Visher, C., Debus, S., & Yahner, J. (Oct. 2008). Employment after Prison: A Longitudinal Study of Releasees in Three States. *Urban Institute Justice Policy Center*. Retrieved from <https://www.urban.org/sites/default/files/publication/32106/411778-Employment-after-Prison-A-Longitudinal-Study-of-Releasees-in-Three-States.PDF>

²⁴ Ohio Department of Medicaid (2016). *Ohio Medicaid Group VIII Assessment: A Report to the Ohio General Assembly*. Retrieved from <http://medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Assessment.pdf>

APPENDIX A:

State	Waiver Status	Medicaid Expansion Status	Work Requirement Hours	Qualifying Activities	Population Group	Exempted Groups	Penalties for Non-Compliance
AR	Approved Mar. 5, 2018	Implemented ACA Medicaid expansion through waiver	80 hours/month	<ul style="list-style-type: none"> -Employment or self-employment, or those whose income is consistent with being employed/self-employed at least 80 hours/month -Enrollment in educational program (high school, higher education, or GED classes) -On-the-job or vocational training -Job search or job search training (up to 40 hours/month) -Community service -Participation in classes on health insurance, using health care, or healthy living (up to 20 hours/year) -Participating in programs through state Department of Workforce Services -Compliance with either SNAP or Transitional Employment Assistance (TEA) employment programs 	Non-medically frail individuals ages 19-49 in ACA Medicaid expansion group <i>(in the waiver, the state also requested limiting the ACA Medicaid expansion eligibility group to those earning 100 percent of the federal poverty level (FPL) or less; this aspect of the waiver was not approved)</i>	<ul style="list-style-type: none"> -Individuals 50 and older -Full-time students (attending high school, an institution of higher education, vocational training, or job training) -Those exempt from SNAP work requirements -Those receiving Transitional Employment Assistance (TEA) cash assistance or who are exempt from TEA work requirements -Individuals incapacitated in the short term or medically certified as physically or mentally unfit for employment, or has an acute medical condition validated by a medical professional that would prevent compliance with requirements -Caregivers of an incapacitated individual -Those who live with a minor dependent child age 17 or younger -Those receiving unemployment benefits -Those participating in alcohol or drug addiction treatment program -Pregnant women, through the end of post-partum care 	<p>Individuals must demonstrate compliance on a monthly basis.</p> <p>Loss of eligibility if enrollee fails to meet work requirements for any three months during the coverage year (either consecutive or non-consecutive months), with coverage termination occurring at the end of the third month of noncompliance. Unless a good cause exemption is met, individual would be locked out of coverage until start of next coverage year and would need to file a new application at that time.</p> <p>Good cause exemptions include:</p> <ul style="list-style-type: none"> -Disability of individual or if individual has an immediate family member in the home with a disability and is unable to meet requirements for due to this; -Hospitalization/serious illness of the individual or an immediate family member in the home; -Birth or death of a family member in the home; -Severe inclement weather or natural disaster causing inability to meet requirement; or -Individual has family emergency or other life changing event (e.g., divorce or domestic violence). <p>If state determines that an individual's failure to comply or report compliance was the result of a catastrophic event or circumstances beyond an individual's control, the individual will receive retroactive coverage to the date coverage ended without the need for a new application.</p>

State	Waiver Status	Medicaid Expansion Status	Work Requirement Hours	Qualifying Activities	Population Group	Exempted Groups	Penalties for Non-Compliance
IN	Approved Feb. 2, 2018	Implemented ACA Medicaid expansion through waiver	<p>Requirements will increase over the course of the individual's first year of participation, beginning at five hours/week at the seventh month of enrollment and increasing to 20 hours/week at 18 months and beyond</p> <p>Enrollees must meet the community engagement requirements for eight months per calendar year</p>	<ul style="list-style-type: none"> -Subsidized or unsubsidized employment -Participating in state's Gateway to Work program -Managed care entities employment initiatives -Job skills training -Job search activities -Education related to employment; general education (e.g. GED or community college) -Accredited ESL education or homeschooling -Vocational education/training -Community work experience -Community service/public service -Volunteer work -Caregiving services for a non-dependent relative or other individual with a chronic, disabling health condition -Compliance with SNAP work requirements <p>Certain tribal members will be considered as meeting the Gateway to Work requirement due to tribe's Pathways employment program.</p> <p>Gateway to Work will also encourage enrollees with a substance use disorder to seek treatment by considering participation in treatment program as criteria for exemption.</p>	Able-bodied individuals enrolled in Healthy Indiana Plan (HIP), up to age 60	<ul style="list-style-type: none"> -Full- and part-time students -Pregnant women -Primary caregivers of a dependent (either minor child or disabled adult) -Medically frail individuals -Certification of temporary illness or incapacity -In active substance use disorder treatment -Individuals over age 59 -Former foster children under age 26 -Chronically homeless individuals -TANF recipients -Recent incarceration -Some other exemptions possible based on individual review 	<p>Requirements will be phased in during the second year, with an enrollee grace period of six months.</p> <p>Each December, state will evaluate if enrollees have met work requirement hours for the prior 12-month calendar year.</p> <p>If requirements are not met, eligibility will be suspended beginning on the first day of the new calendar year.</p> <p>Individuals with suspended benefits can reactivate eligibility by meeting one of the following criteria: 1) becoming eligible under another eligibility group; 2) qualifying for an exemption; 3) completing one calendar month of the work requirement hours and submitting documentation information to the state.</p> <p>Unless an individual reactivates eligibility, eligibility will remain suspended until redetermination date; if at that time the individual does not qualify for an exemption, enrollment will be terminated and individual will need to reapply to regain coverage.</p>

State	Waiver Status	Medicaid Expansion Status	Work Requirement Hours	Qualifying Activities	Population Group	Exempted Groups	Penalties for Non-Compliance
KY	<p>Approved Jan. 12, 2018. <i>(Three organizations, including the National Health Law Program, the Kentucky Equal Justice Center, and the Southern Poverty Law Center, filed a lawsuit challenging the waiver on Jan. 24, 2018.)</i></p>	<p>Implemented ACA Medicaid expansion through waiver (originally implemented traditional expansion; state sought waiver in 2016)</p>	<p>80 hours/month; requirements will be phased in by region</p>	<ul style="list-style-type: none"> -Subsidized or unsubsidized employment -Self-employment -Job skills training -Job search activities -Enrollment in educational program related to employment (e.g., management training) -General education (e.g., high school, GED, college or graduate education, ESL classes) -Vocational education and training -Community work experience -Community service/public service -Caregiving services for a non-dependent relative or other individual with a chronic, disabling health condition -Participation in substance use disorder treatment 	<p>Able-bodied adults ages 19 to 64</p> <p>Kentucky HEALTH beneficiaries who have not been subject to the requirements in the past five years will be provided a three-month grace period prior to being subject to the requirements</p>	<ul style="list-style-type: none"> -Children under age of 19 -Pregnant women -Primary caregivers of a dependent (either minor child or disabled adult; limited to only one exemption per household) -Medically frail individuals -Full-time students 	<p>After a one-month opportunity to become compliant, individuals who fail to meet requirements for a month will have their benefits suspended unless a good-cause exemption is issued.</p> <p>Good cause exemptions include:</p> <ul style="list-style-type: none"> -Disability of the individual or if individual has an immediate family member in the home with a disability and is unable to meet requirements for due to this; -Hospitalization/serious illness of the individual or an immediate family member in the home; -Birth or death of a family member in the home; -Severe inclement weather or natural disaster causing inability to meet requirement; or -Individual has family emergency or other life changing event (e.g., divorce or domestic violence). <p>Individuals can reactivate eligibility on the first day of the month after the individual complies with the requirements during a 30-day period or completes a state-approved health literacy or financial literacy course (the option to take a course is only available once in a 12-month benefit period).</p> <p>Individuals who, during a suspension period, become pregnant, are determined to be medically frail, become a primary caregiver of a dependent (either minor child or disabled adult — limited to only one exemption per household), are diagnosed with an acute medical condition that would prevent them from compliance with requirements (validated by a medical professional), or become a full-time student, or become eligible for Medicaid under an eligibility group not subject to the work and community engagement requirements can reactivate benefits, with an effective date aligned with their new eligibility category or status.</p> <p>Individuals with suspended benefits at the time of their redetermination date who do not qualify for an exemption will have their enrollment terminated and will have to submit a new application to regain coverage</p>