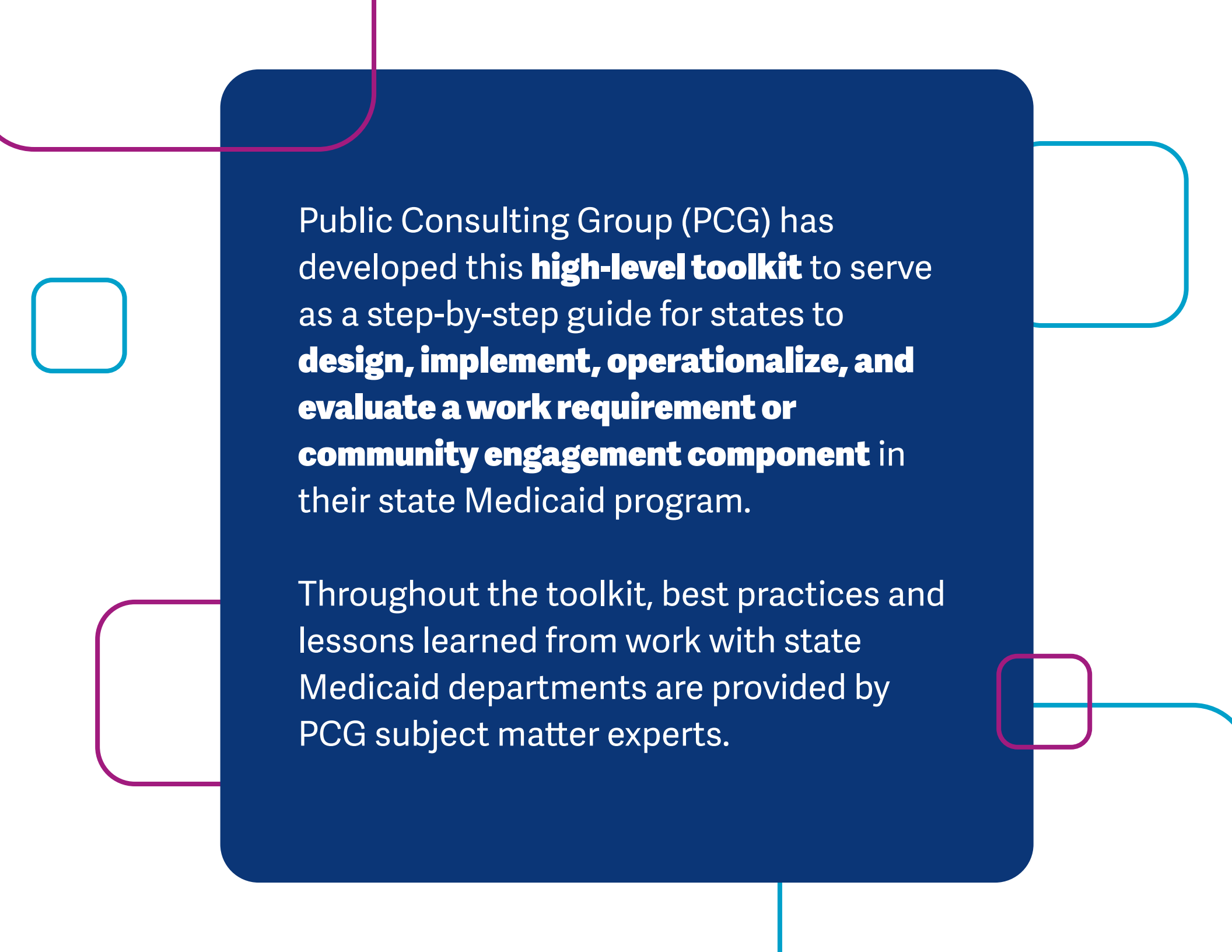




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State Medicaid Work Requirement & Community Engagement Toolkit:

**A Step-by-Step Guide for Design,
Implementation, and Evaluation**



Public Consulting Group (PCG) has developed this **high-level toolkit** to serve as a step-by-step guide for states to **design, implement, operationalize, and evaluate a work requirement or community engagement component** in their state Medicaid program.

Throughout the toolkit, best practices and lessons learned from work with state Medicaid departments are provided by PCG subject matter experts.

Table of Contents

Program Design.....4

Options and Requirements.....4

Key Considerations & Leading Practices.....10

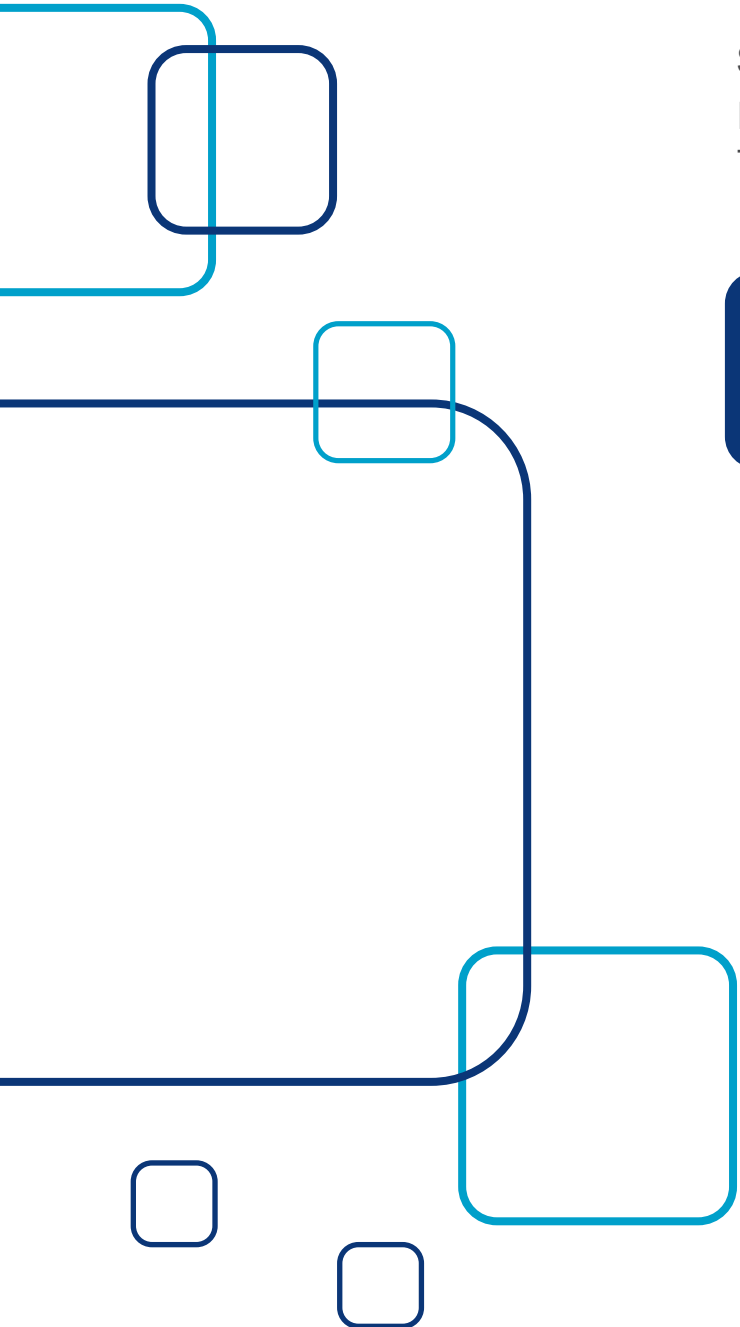
Program Implementation.....12

Options and Requirements.....13

Key Considerations & Leading Practices.....16

Monitoring and Evaluation.....17

Key Considerations and Leading Practices.....20



States seeking to develop a work requirement will first need to design the program and ensure the policy design addresses the particular needs of the Medicaid population and goals of the state.

Program Design

Options and Requirements

Structure of Requirements

The design of the work requirement elements can vary significantly, and the state has the ability to structure requirements specific to its needs and population. PCG is experienced in guiding states through a facilitated decision-making process informed by policy analysis and state goals. For example, states should consider which populations will be required to satisfy work requirements.

Eligibility

Applicable eligibility groups could include:



Full adult population



Adults limited to the Medicaid expansion population or specific eligibility groups



The state can exempt groups, such as beneficiaries who are pregnant or 60 days post-partum, who have a disability, or who are dually eligible and over age 64

The state should also consider whether to structure the expectations to engage in work in the community as a requirement or an option to access additional benefits. For example, states can allow beneficiaries to comply with and verify such requirements to gain related benefits, such as supported employment, unrelated enhanced benefits, such as adult dental or vision services, or to minimize financial obligations, like copayments or premiums.

An additional consideration should be the frequency of verification of continued work or community engagement. States can choose to verify on a point-in-time basis annually, bi-annually, on an ongoing basis, or based on eligibility. Verifying on a point-in-time basis will likely be less administratively onerous than on an ongoing basis but may also capture less timely and accurate data. States should also consider whether to leverage a data hub or other online reporting tool, an attestation process, or other tracking tool through which beneficiaries may report their hours worked. Using an online reporting system may improve administrative efficiency for the state, although some beneficiaries may experience barriers to accessing and using computers. Providing beneficiaries with options may improve adherence to reporting requirements.

States should also be intentional when building out hours requirements and consider the following:



Timeframe for measuring hours



The timeframe for monitoring hours



The number of hours required to satisfy waiver requirements

States can choose the cadence by which reporting and monitoring occur, which can range from weekly, monthly, or on an annual basis. Requiring beneficiaries to report weekly will likely produce the most accurate reporting data, while allowing beneficiaries to report an annualized number of hours, instead of 80 hours per month, can accommodate month-to-month fluctuations in hours worked, such as seasonal work or academic calendar-based educational opportunities. Utilization of technology to put the reporting burden on enrollees will reduce the administrative burden on the state.

PCG has options for states interested in reducing the onerous requirements on both state staff and enrollees to confirm continued eligibility and verification of work requirement compliance. Timeframe monitoring should align with the frequency of verification (discussed above) and can be assessed at the time of eligibility determination, on an annual basis, or bi-annually. Hours required can be a set amount (e.g., 20 hours/week, 35 hours/week, 80 hours/month), vary by population, and be phased in over time.

Qualifying Events

States should decide which qualifying events and activities will satisfy work requirements and community engagement activities. States can include more traditional work-related activities, including employment, self-employment, and unpaid internships, job search and job skills training, volunteer work, and education at many levels. PCG is familiar with less traditional work-related activities that states may want to consider, including caregiving for family members, participation in substance use disorder treatment and education, compliance with SNAP or Transitional Employment Assistance employment programs, and accredited homeschooling. Beneficiaries who are subject to community engagement and reporting requirements and do not meet the required community engagement hours or fail to report in a timely fashion will be disenrolled for non-compliance. PCG can help states develop a process to grant good cause exemptions and for re-enrollment following non-compliance.

Corresponding Benefits

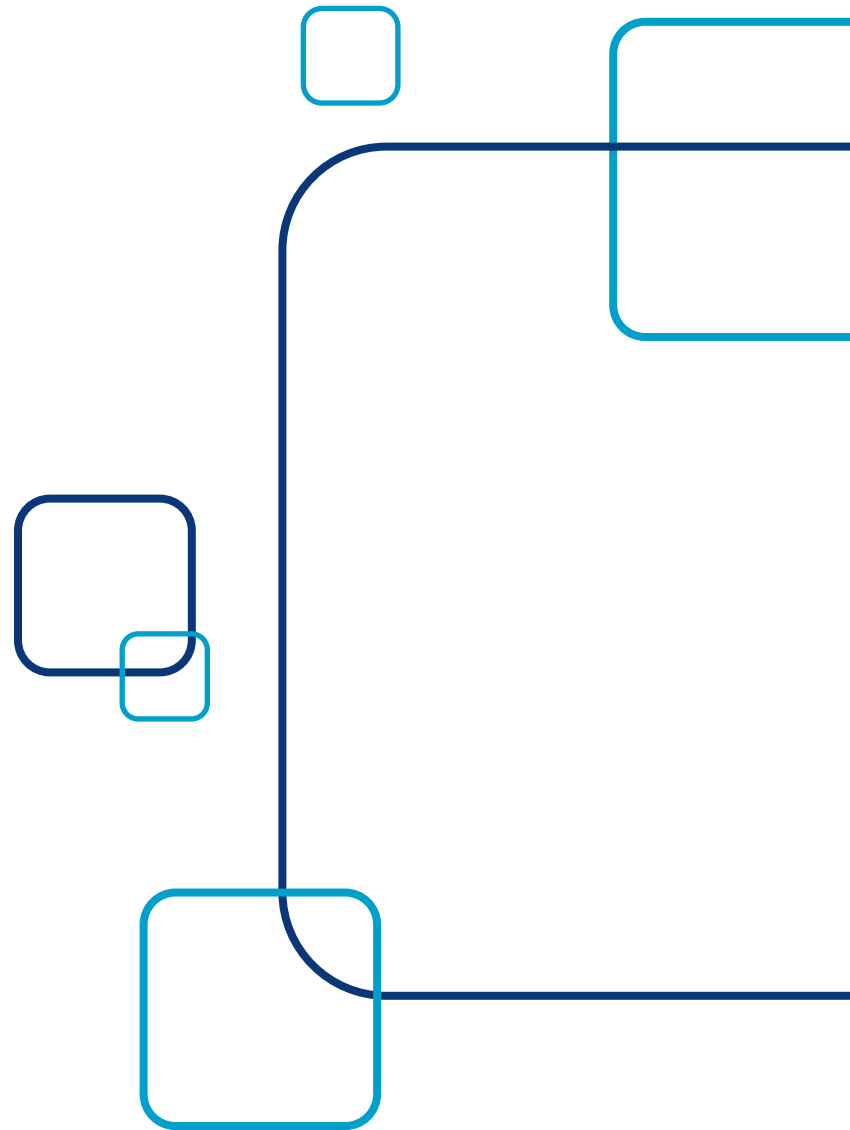
Regardless of whether it is structured as an optional work requirement (as outlined above), a work requirement could be structured to align with corresponding services. The state could provide linkages to ensure enrollees are aware of and able to access prevocational and vocational services that already exist through the state to help individuals prepare for and secure jobs, such as job training, counseling, and job placement. The state might also seek authority for coverage of supported employment services that promote community inclusion and integrated employment for targeted populations. Supported employment services can be tailored to the individual's needs and might include employment customization or job coaching.

Authorization and CMS Engagement

PCG is adept at helping states navigate required authorizations at the state and federal levels. The state should first consider what state authority is required and whether it would be helpful to advance a work requirement. The Medicaid agency will also likely need to issue regulations and/or sub-regulatory guidance to implement the requirement. To institute a work requirement, the state will need to obtain federal authority, with a federal mandate potentially eliminating the request. As of the publishing of this toolkit, this can be authorized by the Federal Department of Health and Human Services via a Section 1115 Medicaid Demonstration Waiver. A change to federal law could provide broad authority (or a broad requirement) for states to implement a work requirement via a Medicaid State Plan Amendment.

Throughout the waiver design process, PCG will facilitate collaboration with the Centers for Medicare and Medicaid Services (CMS) to keep them informed on the direction and approach the state is taking in advance of its formal waiver submission. Maintaining an open line of communication with and requesting technical assistance from CMS ensures that the state obtains the necessary federal perspective and feedback as state policy decisions are made. This informal consultation might expedite CMS review of the formal submission.

After the formal waiver submission, PCG can assist the state as it negotiates with CMS related to waiver details and, if the waiver is approved, Special Terms and Conditions (STCs). Historically, work requirements and community engagement waivers have included STCs regarding program description, program requirements, eligibility, benefits, premiums and cost sharing, work/community engagement requirements, delivery systems, reporting and financial requirements, budget neutrality, and evaluation requirements, among others.



Timeline Considerations

The state should be mindful of the timeline when planning the waiver – both the time it will take to design the waiver and secure approval, and the time it will take to implement the waiver. When planning, and if relevant to timelines outlined in state legislation, it is important to consider the time these processes will take. Additionally, state legislation may take more than one session to pass. Similarly, CMS does not have a timeline on its review of waiver requests – the agency often has a backlog of waivers to review, and negotiation of details and STCs can take time. Additionally, implementation is often not a straight line, and adequate time should be provided. These timeline considerations may impact what timeline the state feels comfortable enacting through legislation and/or when to start the process based on when it would like a work requirement in place.



Key Considerations & Leading Practices

States have many options when it comes to the design of work requirements. States also must be mindful of the steps needed to effectively authorize such a policy change. The following are key considerations and recommendations:

Take advantage of the opportunity to design work requirements to reflect your state's circumstances and work requirement goals. Even if a federal work requirement mandate is instituted, states will have the opportunity to tailor the requirement to state circumstances and should take advantage of the opportunity to do so. Policy design can determine the impact of the requirement on Medicaid enrollment/uninsured rates and churn, as well as how much effort the implementation will take from the state and compliance will take from beneficiaries. For example, decisions regarding what will count as qualifying events, how often beneficiaries must report, and the hours required for compliance, and reporting mechanisms will be particularly impactful, as will decisions of the state of whether to leverage existing data or provide outreach.

Consider policy leading practices: Findings from other state programs demonstrate the following quality and activities (QHA) leading practices.:



Designing QHA requirements for target populations to ensure meaningful opportunities for compliance.



Ensuring QHA reporting requirements do not impose a significant administrative burden, perpetuating gaps in coverage.



Incorporating outreach and engagement efforts increases compliance.

There are pros and cons to developing a unique approach or modeling after another state:

States have the choice of modeling strictly after an existing/ approved state waiver or taking a more innovative approach. Modeling after an approved waiver may lead to expedited CMS review and ultimately quicker approval, but may not be a good fit for all states. States should consider whether to coordinate waiver design with neighboring states, given that the Medicaid population tends to be more transient.

The state should consider the following actions to build structure and efficiency around its engagement with CMS:



Establish a regular cadence of standing calls with CMS (monthly during active decision-making, quarterly during planning phases).



Identify key state leaders who should be in attendance.



Determine roles and responsibilities. e.g., who is the primary point of contact? Who is responsible for meeting facilitation, agenda items, time keeping, scribing, etc.?



Maintain an Issue and Decision Log (IDL) to memorialize decisions and flag outstanding items.

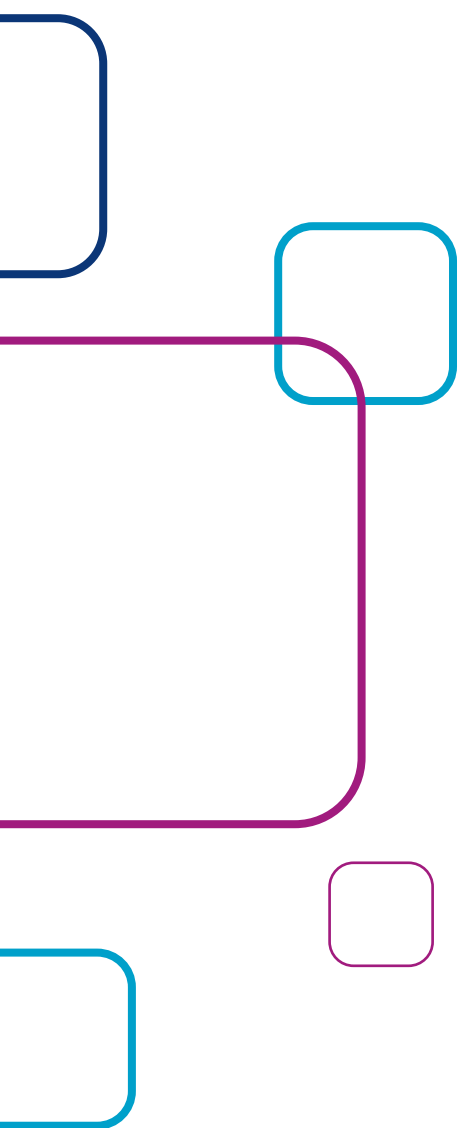


Compile a frequently asked questions (FAQ) document as decisions are made.



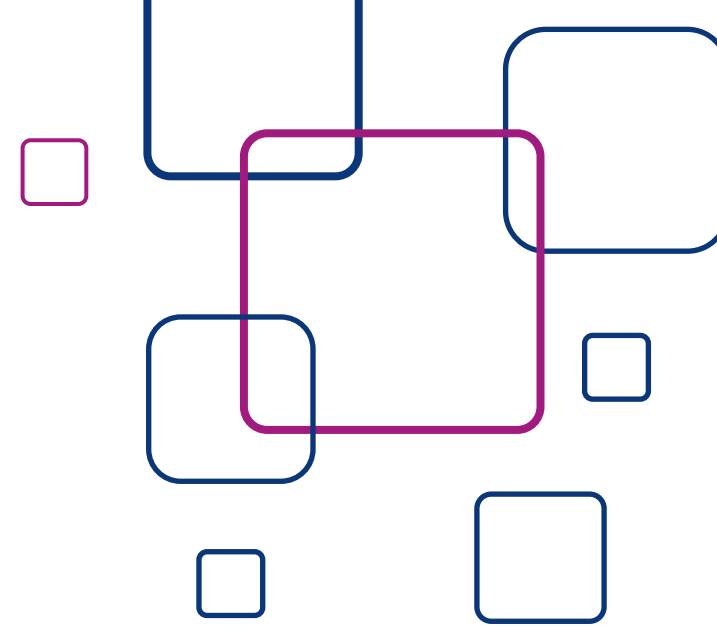
Agreement to the STCs is typically requested within 30 days of the approval letter. The state should have a firm understanding of its non-negotiables upfront during this period.

Program Implementation



After the waiver or authorizing authorities are in place, the state will need to implement the program in accordance with the eligibility and terms and conditions approved at both the state and federal levels. States will be required to set forth the assurances they will commit to satisfying prior to implementing work and community engagement requirements as a condition of eligibility. Such state assurances should include: maintaining system capabilities to operationalize the suspension of eligibility, denial of eligibility, and lifting of suspensions; ensuring that there are processes and procedures in place to efficiently report community engagement hours or obtain an exemption; and conducting outreach and education about work and community engagement requirements to ensure successful compliance.

PCG has a stand-alone data hub that connects state systems and users to a growing menu of more than 200 third-party data sources via a single PCG interface, making us uniquely suited to serve each state and provide these services.



Options and Requirements

Project Management

Implementing Medicaid work requirements demands meticulous planning, seamless coordination, and thorough oversight. PCG will develop a comprehensive project plan that outlines clear goals, critical milestones, key objectives, and the necessary resources to achieve the established timelines efficiently. Effective communication and robust stakeholder engagement

will be prioritized throughout the implementation process to ensure alignment and maintain proactive planning practices. To ensure transparency and reduce disruptions for Medicaid enrollees, PCG will continuously monitor the program's progress, evaluate its outcomes, and make timely adjustments as needed.

Communications Support

This includes providing accurate and digestible information to a variety of stakeholders both before and after implementation to ensure there is a clear understanding of the program. It should include one-time as well as ongoing strategies to maintain consistent messaging and reinforcement of correct program guidelines.

1. Member-facing:

- a. Available quick-read printed and website program information (preferably available in additional languages)
- b. Development and design of mailed notices
- c. Design member portal messaging
- d. Community member outreach events

2. Health plan, provider, and community organization-facing

- a. Policy guidance documents/tip sheets
- b. Determine the health plan's role in member and provider communications
- c. Conduct online information webinars with stakeholders

3. Inter-agency

- a. Staff information sessions
- b. Inter-agency memos

4. Frequently Asked Questions (FAQs)

- a. For members
- b. For providers
- c. For stakeholders

5. Technical Assistance Marketplace

- a. Connecting to Substance Use Disorder (SUD) programs/supported employment
- b. Interactive chat box
- c. Interactive Voice Response (IVR)
- d. Phone line staffing

Enrollee Population Support

In addition to a strong communication strategy, the state will need to offer additional support to Medicaid enrollees to answer questions about enrollment, processes, and more. PCG has extensive experience providing programmatic technical assistance to ensure that Medicaid enrollees have multiple pathways to have their questions answered. For example, PCG can offer interactive chat boxes and program inboxes to answer questions online as well as Interactive Voice Response and Phone Lines to answer questions live with Medicaid enrollees. Additionally, through our stakeholder engagement efforts, we can work with other key organizations and state programs to ensure they are able to direct questions to the team. Lastly, PCG staff can support state staff on how to answer questions about the program.

Reporting and Compliance Monitoring

Ensuring accurate and timely reports is essential to the successful implementation of Medicaid work requirements. PCG will work with states to identify and create reports that capture data that is important to the program, such as employment type, duration of employment, health status of Medicaid members, etc. PCG will use these reports to monitor compliance and routinely share insights with the state that may inform policy changes and best practices. Through effective reporting and compliance monitoring, PCG will ensure that the program is successful for the state and its Medicaid members



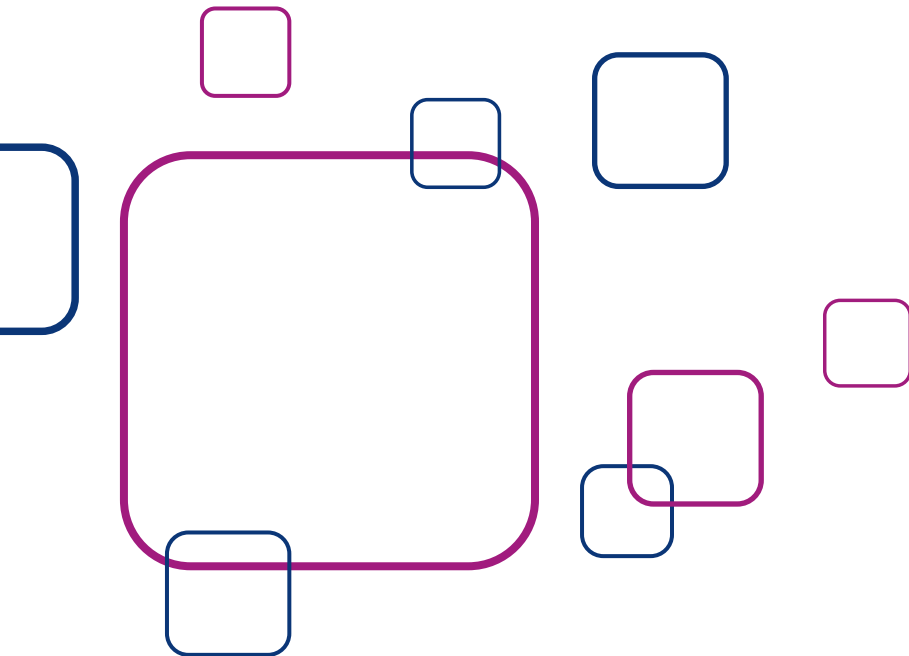
Capacity Planning & Staffing

Strategic capacity planning and staffing is crucial for the successful implementation of work requirements programs. PCG's approach involves a comprehensive assessment of the required staffing levels, taking into account factors such as monthly completed assessments, scheduling time, cancellation rates, interview times, and quality assurance (QA) times. Our team will work with the state to ensure that eligibility staff time is optimized and that the state is prepared to spin up or reduce staffing based on our projections.

Key Considerations & Leading Practices

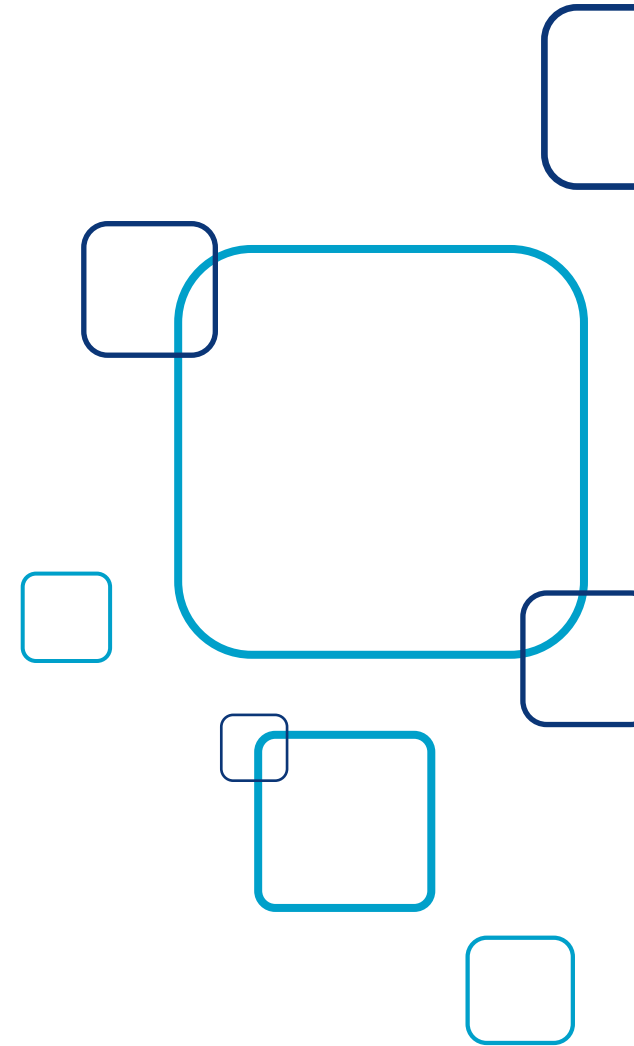
The PCG team has set forth key considerations that seek to ensure a structured, effective approach that benefits both state agencies and beneficiaries. Below are essential factors to consider when developing and implementing work requirements in public assistance programs:

- 1. Clear Definition of Work Activities:** Some states have established specific guidelines detailing what constitutes acceptable work activities. These include unsubsidized employment, job training, job search assistance, and community service. Such clarity ensures that beneficiaries understand expectations and can engage in activities that qualify toward their work requirements.
- 2. Support Services to Facilitate Employment:** Effective programs provide support services that address barriers to employment. For instance, offering childcare assistance, transportation subsidies, and job training programs can enhance beneficiaries' ability to meet work requirements.
- 3. Gradual Implementation and Flexibility:** Phasing in work requirements allows beneficiaries time to adjust. Additionally, incorporating flexibility for individuals facing significant challenges, such as health issues or caregiving responsibilities, can lead to more equitable outcomes.
- 4. Robust Evaluation and Adjustment Mechanisms:** Continuous monitoring and evaluation enable states to assess the effectiveness of work requirements. Programs that incorporate feedback loops can adjust policies to better serve beneficiaries and achieve desired employment outcomes.



Monitoring and Evaluation

Oversight, monitoring, and evaluation are crucial components of a program lifecycle because they ensure that the program remains on track, meets its objectives, and remains in compliance with relevant standards and regulations. By continuously evaluating the program's progress and performance, stakeholders can identify potential issues early and implement corrective actions to mitigate risks. This proactive approach not only enhances transparency and accountability but also fosters trust among participants and stakeholders. Effective oversight and monitoring contribute to the overall success and sustainability of the program by ensuring that resources are used efficiently and that the intended benefits are delivered to the target population.



Waiver Evaluation

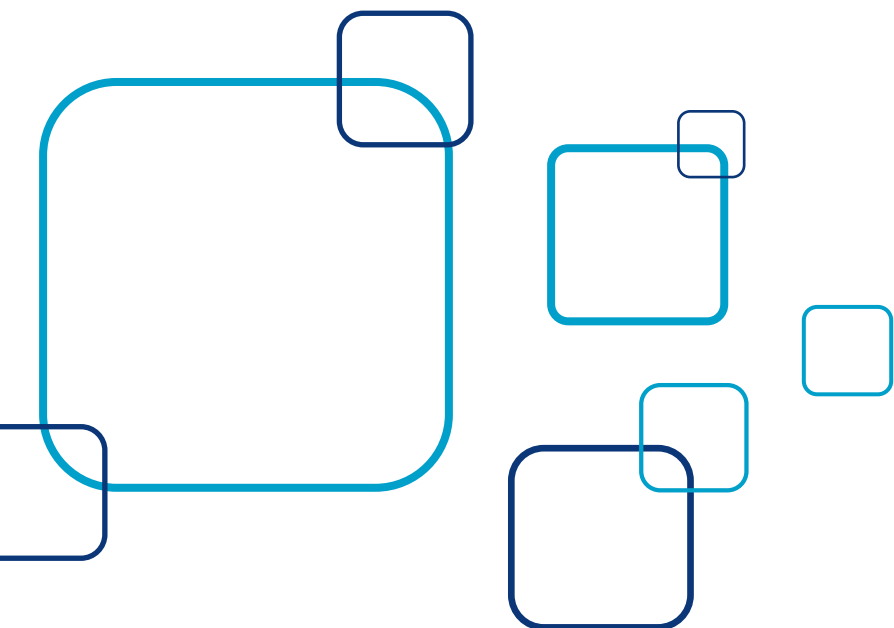
The evaluation of the waiver will play a critical role in ensuring oversight and monitoring throughout the waiver period. PCG has extensive experience serving as an Independent Evaluator (IE) for a range of Medicaid 1115 waivers across states.

CMS Reporting

CMS required evaluation deliverables may include Evaluation Design Documents, Mid-Point Assessments, and Interim and Summative Evaluation reports. States will need to ensure those deliverables meet both the state's and CMS's needs effectively, and allow ample time for review and feedback throughout the drafting process.

Fiscal Tracking

It will be important for states to implement fiscal tracking methods that are compliant with Federal standards and provide accurate financial oversight. PCG's fiscal tracking methods involve a comprehensive evaluation of financial data, including budget neutrality and cost assessments. PCG can track expenditures, monitor budget allocations, and ensure that funds are used efficiently and effectively, guaranteeing that all financial activities align with Federal guidelines and state-specific requirements. States should also consider adopting a proactive approach to ensuring effective management of financial resources. PCG's advanced data management systems can facilitate accurate and timely financial reporting, enabling collection, analysis, and reporting of financial data in a manner that enhances transparency and accountability. Leveraging these tools can provide states with detailed insights into financial performance, identify potential areas of concern, and implement corrective actions as needed.



Key Considerations and Leading Practices

Monitoring work requirements programs can present several challenges. One of the primary issues is the administrative burden associated with tracking and reporting compliance. This can be particularly challenging when dealing with large volumes of data and ensuring that all information is accurate and up-to-date. Additionally, technology barriers can hinder the effective implementation of monitoring systems. For example, limitations in data collection systems can result in incomplete or inaccurate data, making it difficult to assess program performance accurately.

The following are key considerations and leading practices to consider when designing evaluations for work requirement programs:



Prioritize and facilitate the collection of high-quality, qualifying hours and activities data:

High-quality, granular data that accurately captures applicants' and beneficiaries' efforts to comply with work requirement guidelines is critical to understanding the true impact of a program. Capturing trends in reported work and other qualifying activities offers meaningful insights.



Ensure evaluation design includes the key metrics to measure the success of the program:

Metrics should include participant compliance rates, employment rate increases, program enrollment trends, income growth, healthcare access improvements and reduction in program dependency.



Stratify outcomes across key demographic sub-groups:

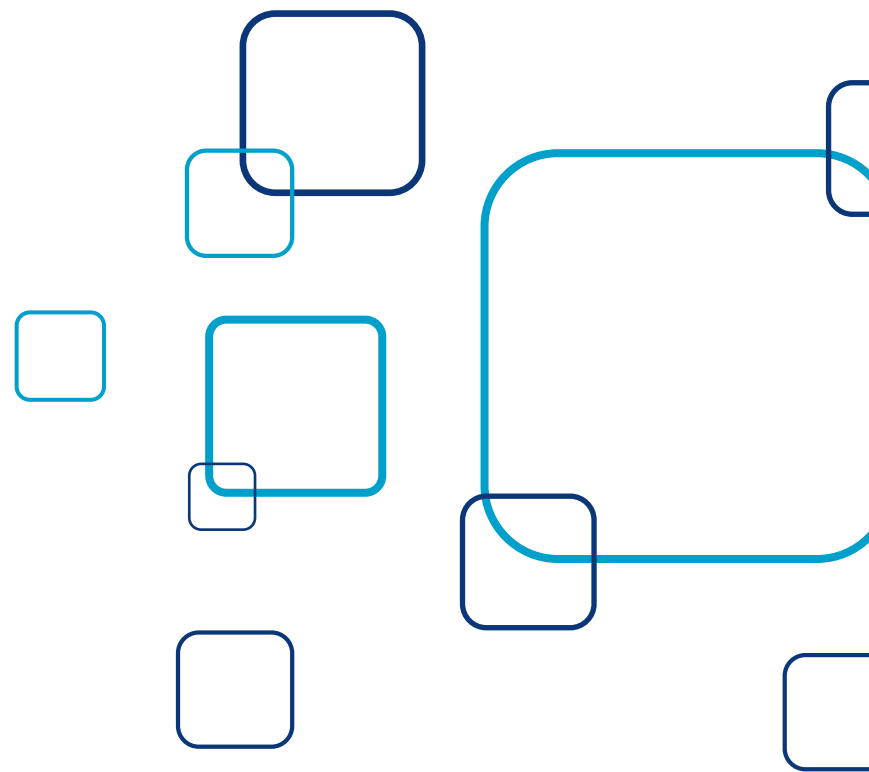
Collecting demographic data, where feasible, is critical to understanding the differences and potential disparities in program implementation and outcomes.

Tailor deliverables to meet the needs of intended users and audiences: In addition to meeting CMS requirements, evaluation of deliverables and work products can be tailored to meet the needs of a range of interest holders and audiences, including policymakers, legislators, and other state agencies.

This comprehensive approach ensures that all aspects of the work requirements program are monitored effectively, enhancing transparency, accountability, and overall program success.

To support states in overcoming these burdens, PCG offers **AssuranceCR™**, a software solution designed to significantly enhance the monitoring of a work requirements program by providing a comprehensive suite of tools and features designed to ensure compliance and improve program effectiveness.

AssuranceCR™ is configurable to the state's specific program design and implementation of the work requirements program, and all key performance indicators (KPIs) and reports are developed in collaboration with the state to ensure all programmatic components are documented, measured, and evaluated.



**Contact us today to start your state's journey
in designing, implementing, and evaluating
effective work requirements and community
engagement components.**

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