

State of Mississippi

Medicaid Reform Demonstration Project

Medicaid Workforce Training Initiative

1115 Revised Waiver Demonstration Application

May 29, 2018

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Introduction

The Mississippi Division of Medicaid (DOM) is the single state agency responsible for administering the Medicaid program. DOM currently covers nearly 740,000 Mississippians, approximately 25% of the state's population. Medicaid was established over 50 years ago to provide healthcare to individuals who were blind, elderly (65 years of age and older), and disabled as well as to low-income children deprived of parental support and their caretaker relatives.

DOM believes that the Medicaid program serves as a safety net for the healthcare of the state's most vulnerable population and continually seeks to improve Mississippi's Medicaid program while maintaining access to affordable, quality health care coverage for beneficiaries. Mississippi's Medicaid program has seen changes since its inception to include coverage for pregnant women and infants (under age 1) at or below 100% of FPL in 1986, pregnant women and children under age 6 and at 133% of FPL in 1989, and children under a separate State Children's Health Insurance Program (CHIP) in 1997.

DOM recognizes the importance of connecting beneficiaries with the tools necessary for long-term success. The initiatives outlined in this demonstration application will assist DOM in contributing to the improvement of health outcomes, promotion of financial stability and independence from government assistance for current and future generations by promoting access to workforce training for job readiness. To help achieve this goal, DOM aims to partner with other state agencies and entities such as the Department of Human Services (DHS) and the Mississippi Department of Employment Security (MDES)/State Workforce Investment Board (SWIB) to identify applicants that meet requirements to participate in workforce training or community engagement activities.

Currently, both the Temporary Assistance for Needy Families (TANF) and the Supplemental Nutrition Assistance Program (SNAP) contain certain work requirements for individuals participating in those programs. These resources can be used to develop a process that provides Medicaid beneficiaries with services necessary to obtain meaningful employment while maintaining access to healthcare.

Program Description

Under this Section 1115 demonstration application, DOM is proposing to:

- a. Identify applicants and beneficiaries eligible for workforce training or community engagement activities,
- b. Provide opportunities for accessing workforce training or community engagement activities, and
- c. Ensure adequate access to healthcare during the transition period between government assistance and independence/stability.

New Medicaid applicants beginning July 1, 2019 and those beneficiaries whose annual renewals become due on January 1, 2020 and after, who are included in the low-income parents and other caretaker relatives category of eligibility under Section 1931 and individuals eligible for transitional medical assistance (TMA), will be required to participate in the workforce training or community engagement activities as a condition of Medicaid coverage. Participation is optional for beneficiaries who are members of the Mississippi Band of Choctaw Indians (MBCI).

Beneficiaries can fulfill the workforce training or community engagement requirement in a variety of ways. The following list contains acceptable activities and may be amended as necessary:

- Working in paid employment at least 20 hours per week;
- Self-employment for at least 20 hours per week;
- Participation with MDES/SWIB;
- Volunteering with approved agencies;
- Participation in an alcohol or other drug abuse (AODA) treatment program; and
- Compliance with SNAP and TANF work requirements.

An additional 12 months of services will be offered to individuals who continue to fulfill the workforce training or community engagement requirement once the 12 month TMA coverage is exhausted.

DOM understands there are circumstances that limit or prevent a beneficiary from being able to work, receive workforce training or participate in community engagement; therefore, a beneficiary will be exempt from the workforce training or community engagement requirements if any one of the following conditions is met:

- The beneficiary is a pregnant woman.
- The beneficiary is a child under the age of 19.
- The beneficiary is determined disabled by Social Security.
- The beneficiary is enrolled in a 1915(c) waiver.
- The beneficiary is over the age of 65.
- The beneficiary resides in an institution.
- The beneficiary is diagnosed with a mental illness.
- The beneficiary is the primary caregiver for:

- A child under the age of 6 years.
- A person diagnosed with a mental illness.
- A disabled family member.
- The beneficiary is physically or mentally unable to work.
- The beneficiary is receiving or has applied for unemployment insurance.
- The beneficiary is taking part in an AODA treatment program.
- The beneficiary is enrolled in an institution of higher learning at least half-time.
- The beneficiary is a high school student age 19 or older, attending high school at least half-time.
- The beneficiary is receiving treatment for cancer.

New Medicaid applicants beginning July 1, 2019 and those beneficiaries whose annual renewals become due on January 1, 2020 and after will be evaluated for participation in the workforce training initiative following their eligibility determination. DOM will partner with state agencies such as MDES/SWIB and DHS to identify beneficiaries who comply with the workforce training or community engagement requirements. Claims data will be reviewed to monitor certain beneficiaries' exempt status.

Additionally, DHS and MDES/SWIB will assist DOM with identifying and providing necessary workforce training or community engagement opportunities to beneficiaries choosing to participate. These agencies will work together evaluating, assisting and providing beneficiaries with opportunities to participate in workforce training or community engagement activities that meet the criteria outlined in this demonstration application.

Beneficiaries who choose not to participate in workforce training or community engagement activities will be assessed for eligibility in other categories and auto-enrolled when possible. Those who choose not to participate in the workforce training or community engagement activities and who do not qualify for another category of eligibility will lose coverage. Beneficiaries who lose coverage due to lack of participation will be reinstated immediately upon notification of compliance.

A study in the *Journal of Health and Social Policy* suggests that policies designed to increase the economic self-sufficiency of low-income families, such as employment programs, focus on workforces, and the use of work incentives offer promise for improving health.¹ Partnering with other state agencies that specialize in workforce training or community engagement activities will enable eligible beneficiaries who are willing and able to find employment or engage in community activities. The increased length of Medicaid eligibility mentioned above is necessary to ensure beneficiaries participating in the demonstration continue to receive healthcare coverage while transitioning to financial stability and independence from government dependency.

¹ Michael J. Austin PhD, Kathy Lemon MSW & Ericka Leer BA (2008) Promising Practices for Meeting the Multiple Needs of Low-Income Families in Poverty Neighborhoods, *Journal of Health & Social Policy*, 21:1, 95-117,

The State of Mississippi Medicaid Workforce Training Initiative is designed to encourage beneficiaries to obtain and maintain employment or participate in meaningful community engagement activities that research has shown positively impact health status.^{2 3 4} Based upon Centers for Medicare and Medicaid Services' (CMS') State Medicaid Director (SMD) letter 18-0002, this demonstration waiver will test the following hypotheses:

- Access to workforce training or community engagement opportunities will decrease the number of non-acute emergency department visits and inpatient hospital admissions.
- Providing access to workforce training or community engagement opportunities will result in an increase in the number of individuals entering the workforce.

A detailed evaluation design will be developed for review and approval by CMS. The evaluator will use relevant data from the DOM program and its managed care organizations as well as information from other partner organizations. Data elements may include but are not limited to eligibility, enrollment, claims, payment, encounter/utilization, chart reviews, and other administrative data. The evaluator may also conduct surveys and focus groups of beneficiaries and providers and other original data collection, as appropriate. Both interim and final evaluations will be conducted to help inform the state, CMS, stakeholders, and the public about the performance of the demonstration. All evaluation reports will be made public and posted on the DOM website.

The demonstration will operate statewide.

DOM is requesting a 5 year demonstration period beginning with the implementation date of July 1, 2019.

The demonstration will not affect or modify other components of the State's current Medicaid and CHIP programs outside of eligibility.

Demonstration Eligibility

In calendar year 2017, there were 19,213 new applicants and 37,254 beneficiaries at re-determination who were eligible for Medicaid in the low-income parent and other caregiver relatives category of eligibility. DOM estimates that these beneficiaries could be eligible for workforce training or community engagement activities. However, certain data elements that would exempt an individual from participation in workforce training or community engagement are not captured in DOM's eligibility data. Information obtained post eligibility may reduce the number of individuals who will participate in workforce training or community engagement activities.

² Goodman, N. The Impact of Employment on the Health Status and Health Care Costs of Working-age People with Disabilities (2015) LEAD Center.

³ Waddell, G. and Burton, AK. Is Work Good For Your Health And Well-Being? (2006) EurErg Centre for Health and Social Care Research, University of Huddersfield, UK.

⁴ Van der Noordt, M, Jzelenberg, H, Droomers, M, and Proper, K. Health effects of employment: a systemic review of prospective studies. BMJournals. Occupational and Environmental Medicine. 2014: 71 (10).

The following table includes information regarding the population that DOM will include in this Demonstration Waiver:

Eligibility Group Name	Social Security Act and CFR Citations	Income Level
Mandatory State Plan Groups		
Low Income Families Parents/Caretaker Relatives	1931 42 CFR 435.110	Under 100% of FPL
Transitional Medical Assistance	408(a)(11)(A) 42 CFR 435.112 1931(c)(2) 1925 1902(a)(52)	Under 100% of FPL

This demonstration has 4 eligible populations as listed below:

Population 1: Beneficiaries who qualify for the Low Income Families Parents/Caretaker Relatives category of eligibility and who are exempt from workforce training and community engagement activities. These beneficiaries will retain eligibility and benefits.

Population 2: Beneficiaries who qualify for the Low Income Families Parents/Caretaker Relatives category of eligibility, who are not exempt, who choose to participate in workforce training or community engagement and whose income level subsequently exceeds Mississippi Medicaid limits. These beneficiaries will continue to have coverage through transitional medical assistance for twelve months and will then qualify for an additional twelve months of coverage contingent upon continued participation.

Population 3: Beneficiaries who qualify for the Low Income Families Parents/Caretaker Relatives category of eligibility, who are not exempt, who choose to participate in workforce training or community engagement and have an income level which does not exceed Mississippi Medicaid limits. These individuals will retain eligibility and benefits.

Population 4: Beneficiaries who qualify for the Low Income Families Parents/Caretaker Relatives category of eligibility, who are not exempt, who choose not to participate in workforce training or community engagement, will be assessed for eligibility in other categories and auto-enrolled when possible. Those who choose not to participate in the workforce training or community engagement activities and who do not qualify for another category of eligibility will lose coverage. Beneficiaries who lose coverage due to lack of participation will be reinstated immediately upon notification of compliance.

A beneficiary will be exempt from the workforce training and community engagement requirements if any one of the following conditions is met:

- The beneficiary is a pregnant woman.
- The beneficiary is a child under the age of 19.
- The beneficiary is determined disabled by Social Security.
- The beneficiary is enrolled in a 1915(c) waiver.

- The beneficiary is over the age of 65.
- The beneficiary resides in an institution.
- The beneficiary is diagnosed with a mental illness.
- The beneficiary is the primary caregiver for:
 - A child under the age of 6 years.
 - A person diagnosed with a mental illness.
 - A disabled family member.
- The beneficiary is physically or mentally unable to work.
- The beneficiary is receiving or has applied for unemployment insurance.
- The beneficiary is taking part in an AODA treatment program.
- The beneficiary is enrolled in an institution of higher learning at least half-time.
- The beneficiary is a high school student age 19 or older, attending high school at least half-time.
- The beneficiary is receiving treatment for cancer.

Demonstration Benefits and Cost Sharing Requirements

The benefits provided under the demonstration will differ from those provided under the Medicaid State Plan by assisting non-exempt beneficiaries with access to workforce training and community engagement as well as providing an additional 12 months of coverage for continued participation in workforce training or community engagement. Cost sharing requirements under the demonstration will not differ from those provided under the Medicaid State Plan.

Delivery System and Payment Rates for Services

The delivery system used to provide benefits to the demonstration participants will not differ from the Medicaid State Plan.

No quality-based supplemental payments are being made to any providers or class of providers under this demonstration.

Implementation of Demonstration

DOM plans to implement the approved demonstration July 1, 2019 for new applicants and January 1, 2020 for beneficiary annual renewals. This time period will allow sufficient time to educate individuals about the requirements of the demonstration and for DOM to prepare and implement operational and administrative changes. Immediately after CMS approval, DOM will work on a communication and an implementation plan that clearly lays out the timing, content, and methodology in which individuals will be notified of program changes. Internally, employees will be educated and systems updated to ensure a smooth transition.

DOM may partner with other state agencies or non-profits to assist Mississippi families in obtaining self-sufficiency. These partnerships will not only assist those Medicaid individuals who participate in the workforce training or community engagement, but will also identify and provide other needed services designed to help them achieve independence.

Demonstration Financing and Budget Neutrality

For budget neutrality, DOM considered historical expenditures and eligibility member months for the Low Income Families Parents/Caretaker Relatives category of eligibility. This population included all beneficiaries described in the Populations 1-4 as described above in the demonstration eligibility section of the waiver application. A base per member per month (PMPM) cost was calculated using this data. This base PMPM was used for the with and without waiver projections included in the attached excel spreadsheet. The eligible member months for the with and without waiver projections are an estimate of Population 2 only.

DOM projects over the span of the waiver that average annual enrollment for Population 2 to be approximately 1,280 and the average annual cost to be \$8,063,887.

List of Proposed Waivers and Expenditure Authorities

Title XIX Waiver Requests

1. Eligibility

Section 1902(a)(10)(A)

To the extent necessary, this waiver is requested to enable DOM to make compliance with the workforce training a condition of eligibility for the population identified in Section II of this application.

Expenditure Authorities

1. Costs Not Otherwise Subject to Federal Match

DOM requests federal coverage for expenditures related to costs associated with an additional 12 months of coverage for continued participation in workforce training or community engagement.

Public Notice

DOM conducted public hearings and public notice in accordance with the requirements in 42 CFR 431.408. The following describes the actions taken by DOM to ensure the public was informed and had the opportunity to provide input on the proposed waiver.

DOM published a press release and posted a full public notice seeking input of the draft waiver application in major newspapers around the state on October 31, 2017. The 30-day public comment period began on October 31, 2017 and ended on December 1, 2017. DOM created a public webpage that includes the public notice, the public input process, scheduled public hearings, the draft application, and a link to the Medicaid webpage on Section 1115 demonstrations. The webpage, which will be updated as the application process moves forward, can be found at <https://medicaid.ms.gov/medicaid-workforce-training-initiative-1115-demonstration-waiver-application/>

After the initial publication, DOM revised the waiver application to remove the request to extend TMA for an additional 12 months. In addition, another application was posted on November 9 to correct an error in the budget neutrality calculation.

The webpage and public notice clearly stated that a copy of the waiver application documents, including the final waiver application once complete, could be obtained from DOM at no charge by downloading the documents from the website, by visiting the DOM office, or by requesting a copy via telephone. The webpage and public notice explained that public comments were welcome and would be accepted for 30 days from October 31, 2017 to December 1, 2017. Written comments on the changes could be sent by email, or regular mail. DOM conducted two public hearings in geographically distinct areas of the state and included teleconference capabilities for both hearings.

The first public hearing and teleconference on this proposed demonstration request was held on Wednesday, November 15, 2017, from 10:00 a.m. until 11:00 a.m. at the Woolfolk Building, Room 145, 501 North West Street, Jackson, Mississippi 39201.

The second public hearing on this proposed demonstration request was held Friday, November 17, 2017, from 10:00 a.m. until 11:00 a.m. at the Mississippi War Memorial Building, 120 North State Street, Jackson, Mississippi 39201.

DOM held a Tribal meeting on December 12, 2017 with Mississippi's federally recognized tribe. As the Tribe is exempt from the requirements outlined in the waiver, they offered no comments.

A summary of the public comments and DOM's response is located in Appendix B.

An acknowledgement of the Tribal consultation is located in Appendix C.

Demonstration Administration

Mississippi's point of contact for this demonstration waiver application is as follows:

Name and Title: Margaret Wilson, Nurse Office Director, Policy

Telephone Number: (601) 359-5248

Email Address: Margaret.wilson@medicaid.ms.gov

APPENDIX A – Summary of Public Comments

Summary of Public Comments

DOM received approximately eleven (11) written comments from 10 organizations and individuals representing various establishments devoted to healthcare in Mississippi. DOM also received comments from 4 individuals during the public hearings held on November 15 and November 17. All comments were reviewed and considered by DOM in development of the final waiver application.

One commenter was in favor of the waiver and encouraged at the opportunity the waiver would have in assisting with development of the workforce in Mississippi. The commenter was from the Center for Public Policy and stated he believed the waiver would create new opportunities for individuals. He offered various recommendations regarding additional action the state could take to reform the healthcare delivery system in Mississippi.

The remainder of the comments contained the following common themes:

- Concern regarding loss of and access to healthcare for individuals impacted by the waiver;
- Increased administrative costs associated with the waiver;
- Lack of employment opportunities in Mississippi;
- Lack of employment opportunities that provide health insurance benefits;
- The number of individuals who currently receive Medicaid and who may be working; and
- As Mississippi is not an expansion state, individuals who are at or below 138% of the poverty level will not be eligible for Advanced Payment Tax Credits offered on the Federal Health Insurance Exchange and will lack access to healthcare.

DOM Responses:

Loss of and Access to Healthcare

DOM appreciates all comments and concerns regarding this waiver application. However, the individuals subject to workforce training as outlined in this document will eventually leave the Medicaid program due to their enrollment in the Transitional Medical Assistance (TMA) eligibility category. Therefore, DOM believes it is imperative to identify individuals who are eligible for workforce training opportunities so we can assist them with learning new skills or obtaining employment prior to their Medicaid eligibility ending through the process currently in place. Our goal is to assist individuals transition from the Medicaid program and we believe that the program, in its current state, does not provide assistance to individuals who reach the end of their TMA eligibility period. Therefore, we are requesting this waiver to garner additional funds for development of workforce training activities for those who qualify and are willing to participate in such activities.

Based on comments received, DOM revised exemptions to workforce requirements to include SSI beneficiaries, and individuals receiving treatment for cancer, including those enrolled in the breast and cervical cancer program through DOM.

Increased Administrative Costs

DOM acknowledges there may be a slight increase in administrative expenses associated with this waiver. However, we will be using existing resources and believe minimal technology changes will be necessary to identify and track individuals subject to workforce training requirements. Based on the public comments, DOM is amending the requirement that non-compliant individuals will have to submit a new application if they are within 6 months of their current eligibility end-date or re-assessment date. DOM will allow non-compliant individuals to re-enroll in Medicaid when they become compliant, regardless of the amount of time remaining on their current eligibility period. This will negate the need for an additional application to be completed.

Lack of Employment Opportunities in Mississippi

DOM believes the various methods of acceptable activities encompass more than paid employment and should be sufficient for the individuals who will be subject to workforce training requirements.

Lack of Employment Opportunities that Provide Health Insurance

DOM understands that some employers do not offer health insurance benefits. However, we also understand that the individuals who will be subject to workforce training opportunities will lose Medicaid eligibility when their TMA benefits expire. Therefore, our goal is to assist them with workforce training opportunities that we believe will be helpful in achieving financial stability and independence from government assistance.

Number of Individuals Receiving Medicaid who are Already Working

DOM acknowledges that some Medicaid members may already be working. These individuals will be viewed as meeting the workforce training requirements and will not lose benefits.

Lack of Advanced Payment Tax Credits (APTC) for Those Under 138% of FPL

Similar to lack of employers who may not offer health insurance, we understand that some individuals may not qualify for APTC. No changes were made as a result of this comment. Individuals who receive Medicaid eligibility through the TMA program understand that the benefits are time-limited and temporary.

In conclusion, DOM understands that this waiver in and of itself is not enough to guarantee successful transitions to other health insurance. However, we believe this waiver is the first step in properly assessing workforce training activities and their impact on the Medicaid population. Unlike other states, Mississippi is not adding additional requirements such as increased cost sharing or other burdensome mandates that may impact a larger portion of Mississippi's Medicaid population. We are simply requesting an opportunity to work with a small portion of the Medicaid population to demonstrate the degree to which workforce training opportunities may be effective for those we serve. We look forward to working with CMS throughout the approval process.

APPENDIX B – Tribal Consultation and Comments

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201



MISSISSIPPI DIVISION OF
MEDICAID

OCT 26 2017

Ms. Mary Harrison
Deputy Health Director
Choctaw Health Center
210 Hospital Circle
Choctaw, MS 39350

Dear Ms. Harrison:

This letter is to inform the Mississippi Band of Choctaw Indians of the intent to submit the Medicaid Workforce Training Initiative 1115 Demonstration Waiver Application. The Division of Medicaid is requesting approval of this demonstration application to extend eligibility for low-income parents and caretaker relatives receiving Transitional Medical Assistance (TMA) and provide those beneficiaries with workforce training opportunities. This demonstration application also provides workforce training opportunities to non-disabled adults currently covered under traditional Medicaid, including low-income parents and caretaker relatives and individuals eligible for TMA. The Division of Medicaid is requesting an enhanced federal match rate for this demonstration.

Please send comments to Margaret.Wilson@medicaid.ms.gov or by faxing to (601) 359-6294 by November 27, 2017.

Sincerely,


Fran D. Ingram, J.D.
Deputy Administrator for Appeals, Policy and Program Integrity

Copy to: Merry Irons
Tina Scott
Wendy Moran
Durnene Farmer
Laura Dees
Elliot Milholland
Cheryl Hamby
Roberta Taylor