

Ohio Department of Medicaid

# Group VIII Work Requirement and Community Engagement 1115 Demonstration Waiver

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## SECTION 1: PROGRAM DESCRIPTION

### Demonstration Overview

In the summer of 2017, the Ohio General Assembly enacted House Bill 49 (HB 49), which included Ohio Revised Code (ORC) section 5166.37 requiring a new eligibility condition for the adult Medicaid expansion population (Group VIII).<sup>1</sup> This new eligibility condition encourages people to work while exempting those who, for one reason or another, are not required to work. To implement this important section of HB 49 and to improve Medicaid enrollee health and well-being through incentivizing work, the Ohio Department of Medicaid (ODM; referred to herein as “the State” or “Ohio”) developed a work and community engagement requirement for the Medicaid Group VIII population (the “Work and Community Engagement Requirement”). Specifically, to help improve health outcomes in Ohio and enhance individuals’ economic stability, Ohio is seeking Social Security Act Section 1115 Demonstration waiver authority to implement this statewide Work and Community Engagement Requirement.

It is widely recognized that poverty, food insecurity, housing, and employment status can impact an individual’s overall health. Indeed, there is a strong connection between improved health and being employed.<sup>2</sup> In Ohio, recent study results show a positive correlation between employment and health care coverage. Specifically, Group VIII survey respondents indicated that Medicaid coverage helped them maintain their employment, or if unemployed, helped them look for employment.<sup>3</sup> Despite these encouraging results, there has been less than a 2% increase in Group VIII employment rates (as compared to pre-expansion figures).<sup>4</sup> These findings emphasize that more can be done to promote and encourage work and community engagement efforts that help improve health outcomes and further promote the goals of the Medicaid program.

As a result, over the past several months, Ohio has engaged in design efforts to create the Work and Community Engagement Requirement. In the midst of these efforts, on January 11, 2018, CMS released the State Medicaid Director Letter, “Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries.”<sup>5</sup> The guidance includes a directive to states that “Individuals enrolled in and compliant with a TANF or SNAP work requirement, as well as individuals exempt from a TANF or SNAP work requirement, must automatically be considered to be complying with the Medicaid work requirements.” Ohio used this guidance to develop its proposed Work and Community Engagement Requirement for Group VIII that meets the intent of the recently enacted Ohio legislation.

ODM will align, as much as possible, the Work and Community Engagement Requirement with existing Supplemental Nutrition Assistance Program (SNAP) work requirements (including the Able-Bodied Adults Without Dependents (ABAWD) work requirements) to mitigate confusion amongst beneficiaries, reduce the administrative burden, and

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<sup>1</sup> <http://codes.ohio.gov/orc/5166.37v1>; “The medicaid director shall establish a medicaid waiver component under which an individual eligible for medicaid on the basis of being included in the expansion eligibility group must satisfy at least one of the following requirements to be able to enroll in medicaid as part of the expansion eligibility group: (A) Be at least fifty-five years of age; (B) Be employed; (C) Be enrolled in school or an occupational training program; (D) Be participating in an alcohol and drug addiction treatment program; (E) Have intensive physical health care needs or serious mental illness.”

<sup>2</sup> See CMS Community Engagement Guidance at pg. 2; see generally, “The Social Determinants of Health: It’s Time to Consider the Causes of the Causes.” Paula Braveman, MD, MPH and Laura Gottlieb, MD, MPH, “Public Health Rep. 2014 Jan-Feb 129 (suppl2): 19-31; “Social Determinants of Health” available at [healthypeople.gov](http://healthypeople.gov); “Beyond Health Care: The Role of Social Determinants in Promoting Health and Health Equity,” Nov. 4, 2015 available at <https://www.kff.org/disparities-policy/issue-brief/beyond-health-care-the-role-of-social-determinants-in-promoting-health-and-health-equity/>.

<sup>3</sup> <http://medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Assessment.pdf>

<sup>4</sup> <http://www.medicaid.ohio.gov/Portals/0/Resources/Testimony/20170216-JMOC.pdf>

<sup>5</sup> Available at <https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf>

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comply with the CMS Guidance described above. This includes adopting similar exemptions and activities to meet the work requirement. This also means that individuals who are currently meeting their SNAP or ABAWD work requirements will be deemed to meet the Work and Community Engagement Requirement. Individuals who are exempt from the work requirements in SNAP or ABAWD will be deemed exempt from the Work and Community Engagement Requirement. Group VIII individuals who are not deemed to meet and are not deemed exempt from the Work and Community Engagement Requirement will be required to meet the requirements for ABAWDs. A description of the Work and Community Engagement Requirement and qualifying community engagement activities are discussed in greater detail below.

To align as closely as possible to the SNAP and ABAWD policies,<sup>6</sup> the following Group VIII adults will be exempt from the Work and Community Engagement Requirement:

- 50 years of age or older;
- Physically or mentally unfit for employment;
- Participant in the Specialized Recovery Services Program;<sup>7</sup>
- Caring for a disabled/incapacitated household member;
- Pregnant women;
- Parent/caretaker/residing in same house with minor child;
- Applied for or receiving Unemployment Compensation;
- In school at least half-time;
- Participating in drug or alcohol treatment;<sup>8</sup>
- An assistance group member subject to and complying with any work requirement under the Ohio Works First (OWF) program;<sup>9</sup> or
- Applicant for or recipient of Supplemental Security Income (SSI).

To align as closely as possible with SNAP and ABAWD policies, the Work and Community Engagement Requirement for non-exempt Group VIII individuals is the ABAWD work requirement.

- The ABAWD work requirement policy is as follows:

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<sup>6</sup> See SNAP exemptions at 5101:4-3-11 of the Ohio Administrative Code.

<sup>7</sup> Individuals diagnosed with a serious and persistent mental illness, a diagnosed chronic condition, or who are active on the solid organ or soft tissue transplant waiting list may be eligible for the Specialized Recovery Services (SRS) program.

<sup>8</sup> Ohio has taken steps in recent years to ensure that individuals with behavioral health needs have access to the services they need. For example, Ohio has enhanced its behavioral health benefit and transitioned that benefit to managed care to further encourage coordination of physical and behavioral health services.

<sup>9</sup> Ohio Works First is the financial assistance portion of the state's Temporary Assistance to Needy Families program, which provides cash benefits to needy families for up to 36 months.

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- Work or participate in a community engagement activity (or combination of the two) for a minimum of 20 hours per week (80 hours averaged monthly);
- Community engagement activities include:
  - › SNAP education and training activities;
  - › Job search/job readiness programs (for no more than 30 days); or
  - › Work Experience Program (WEP).

Individuals will have appeal rights, including the right to appeal the State’s decision that an individual is not exempt from the Work and Community Engagement Requirement.

All Group VIII individuals will be provided an explanation of their rights and responsibilities, including information regarding what activities are considered to meet the requirement, reporting requirements, and the consequences of failing to meet the Work and Community Engagement Requirement. A written statement detailing the above information will be provided to all Group VIII individuals. All Group VIII individuals will be required to sign an acknowledgement of the information as part of their Medicaid eligibility application. As will be described in the document provided, individuals will be required to report any changes to their exemption status or their failure to meet the Work and Community Engagement Requirement to a County Department of Job and Family Services (CDJFS) office. Failure to meet the Work and Community Engagement Requirement will result in termination of Medicaid eligibility.

### **Demonstration Purpose and Goals**

The 1115 Demonstration waiver application is submitted to comply with the legislative intent of the requirements enacted by the Ohio General Assembly and to meet the requirements for community engagement waiver requests described in CMS guidance.

The goals of this 1115 Demonstration waiver are (i) to promote economic stability and financial independence, and (ii) to improve health outcomes via participation in work and community engagement activities.

### **Demonstration Hypothesis and Evaluation**

To track progress toward program goals, the State has identified the following areas for its research and evaluation efforts. The table below presents a preliminary plan for how the State may evaluate its efforts, with possible future adjustments and subject to CMS approval. Based on CMS guidance, the State understands that it will be expected to provide an evaluation plan for CMS comment and approval within 180 days of 1115 Demonstration waiver application approval.

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Methodology	Data Sources and Metrics
<b>Hypothesis 1: Group VIII population will have improved health outcomes as a result of complying with the Work and Community Engagement Requirement.</b>	
Track and compare health service utilization rates between pre- and post-levels for members of 1115 Demonstration waiver.	Claims data: <ul style="list-style-type: none"> <li>• Primary care encounters;</li> <li>• Specialist care encounters; and</li> <li>• Preventive care encounters.</li> </ul> Public reports: <ul style="list-style-type: none"> <li>• Preventive service utilization in contiguous state Medicaid programs.</li> </ul>
Track and compare chronic disease management compliance rates for pre- and post-1115 Demonstration waiver members.	Claims data on chronic disease management code. Comprehensive Primary Care (CPC) Program <sup>10</sup> data.
Track and compare hospitalization and emergency department utilization rates for pre- and post-1115 Demonstration waiver members.	Claims data on emergency department visits.
<b>Hypothesis 2: Supporting and encouraging member community engagement will result in transition to employer-based coverage.</b>	
Track number of members transitioned to employer-based coverage.	Group VIII survey
<b>Hypothesis 3: Employment requirements will result in broader sustained employment over time.</b>	
Compare the rate of sustained employment of Group VIII individuals prior to 1115 Demonstration waiver to the rate of sustained employment after implementation.	Group VIII survey
Track members' employment rates.	Group VIII survey

**Demonstration Area**

The Work and Community Engagement Requirement will operate statewide.

**Demonstration Timeframe**

The 1115 Demonstration waiver is requested for a five-year approval from July 1, 2018, to June 30, 2023.

**Demonstration Impact to Medicaid and CHIP**

The Work and Community Engagement Requirement is an additional step that non-exempt members of the Medicaid Group VIII population must meet to maintain their Medicaid eligibility. This requirement will not impact CHIP.

<sup>10</sup> Ohio CPC is an investment in primary care infrastructure intended to support improved population health outcomes. CPC is a patient-centered medical home program, which is a team-based care delivery model led by a primary care practice that comprehensively manages a patient's health needs. CPC has invested in analytic tools which should be able to provide relevant data to help evaluate this demonstration.

## SECTION II: DEMONSTRATION ELIGIBILITY

### Eligibility Groups

Only individuals in receipt of Medicaid in the Group VIII category will be appraised to determine if they also need to meet the Work and Community Engagement Requirement to maintain their Medicaid eligibility.

Eligibility Group Name	Social Security Act and CFR Citations	Income Level
Group VIII	Social Security Act section 1902(a)(10)(A)(i)(viii).	0–133% FPL plus 5% disregard

### Work and Community Engagement Requirement – Eligibility Standards, Methods and Procedures

Once individuals are determined eligible for Group VIII, they will be appraised to determine if they also need to meet the Work and Community Engagement Requirement or if they meet an exemption to maintain their Medicaid eligibility. The Work and Community Engagement Requirement will be aligned with SNAP and ABAWD policies and procedures as much as possible. Individuals who are currently meeting SNAP or ABAWD work requirements will be deemed to be meeting the Work and Community Engagement Requirement. Individuals who are exempt from SNAP or ABAWD work requirements will be deemed exempt from the Work and Community Engagement Requirement. All other Group VIII individuals will be appraised to determine (i) if they meet any of the SNAP or ABAWD exemptions, (ii) if they meet the ABAWD work requirements, (iii) if they need supports to meet the Community Engagement Requirement, and (iv) if they face barriers to participating in work or community engagement activities.

### Exemptions

Group VIII individuals (who are not currently exempt from or deemed to be meeting the SNAP or ABAWD work requirements) will be allowed to self-attest to meeting an exemption from the Work and Community Engagement Requirement. The exemptions include the following:

- 50 years of age or older;
- Physically or mentally unfit for employment;
- Participant in the Specialized Recovery Services Program;<sup>11</sup>
- Caring for a disabled/incapacitated household member;
- Pregnant women;
- Parent/caretaker/residing in same house with minor child;
- Applied for or receiving Unemployment Compensation;
- In school at least half-time;

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<sup>11</sup> Individuals diagnosed with a serious and persistent mental illness, a diagnosed chronic condition, or who are active on the solid organ or soft tissue transplant waiting list may be eligible for the Specialized Recovery Services (SRS) program.

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- Participating in drug or alcohol treatment;<sup>12</sup>
- An assistance group member subject to and complying with any work requirement under the OWF program;<sup>13</sup> or
- Applicant for or recipient of Supplemental Security Income (SSI).

### Notification and Appraisal

A description of the Work and Community Engagement Requirement will be outlined in the Medicaid application.

Group VIII individuals who are also SNAP recipients will receive information regarding the Work and Community Engagement Requirement, the individuals' rights and responsibilities, and consequences of failure to meet the requirements. Information regarding the Work and Community Engagement Requirement will be conveyed and documented through the work registration process and, if applicable, the ABAWD appraisal and assignment of SNAP employment and training activities. This information will also be communicated to the individual in his or her notice of Medicaid eligibility and in other notices from the State related to his or her Medicaid enrollment.

Group VIII individuals not participating in the SNAP program will be provided information regarding Work and Community Engagement Requirement in their notice of Medicaid eligibility. The individual will be notified that he or she must participate in an "appraisal" to assist him/her with meeting the requirements. The appraisal, which will not require a face-to-face interview, will be initiated by the CDJFS within 30 days of Medicaid authorization and must be completed within 30 days of initiation. During the appraisal, the individual will receive information about the Work and Community Engagement Requirement, his or her rights and responsibilities, and consequences of failure to meet the requirement. During the appraisal it will be determined (i) if the individual is exempt from the Work and Community Engagement Requirement, or (ii) if the individual is already participating in activities that meet the Work and Community Engagement Requirement. If the individual is not exempt or not currently engaged in activities that meet the requirement, activities that will enable the individual to meet the requirements will be discussed in detail, including whether additional supports are needed to meet the Work and Community Engagement Requirement.

As noted above, during the appraisal, individuals will have the opportunity to indicate whether they meet any of the exemptions and, if they do, will be required to attest through signed documentation regarding the exemption following the appraisal interview. If an individual is not exempt and determined to not be meeting the Work and Community Engagement Requirement, the individual will be assessed to determine whether supports are needed to help the individual meet the Work and Community Engagement Requirement. This assessment will be compliant with all Federal anti-discrimination statutes and will assess any barriers to employment (including, but not limited to, medical diagnosis, individual's disabilities, etc.)<sup>14</sup>. Individuals who are determined to need additional support services to meet the Work and Community Engagement Requirement will be matched with all available community resources. If necessary community supports are not available to enable an individual to meet the Work and Community Engagement Requirement, he or she will be assessed for reasonable modifications to the requirement (which may include an

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<sup>12</sup> Ohio has taken steps in recent years to ensure that individuals with behavioral health needs have access to the services they need. For example, Ohio has enhanced its behavioral health benefit and transitioned that benefit to managed care to further encourage coordination of physical and behavioral health services.

<sup>13</sup> Ohio Works First is the financial assistance portion of the state's Temporary Assistance to Needy Families program, which provides cash benefits to needy families for up to 36 months.

<sup>14</sup> These include, but are not limited to, the Americans with Disabilities Act of 1990, Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and section 1557 of the Affordable Care Act.

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exemption from the requirement). Such exemption will be made on a case-by-case basis and individuals will have the opportunity to appeal such determinations. As further explained in Section III below, Ohio is seeking additional federal funds to be able to provide supportive services to individuals not already receiving such supports through SNAP or Temporary Assistance for Needy Families (TANF).

Due to significant variations in the employment market across Ohio counties, Ohio will also align the Work and Community Engagement Requirement with SNAP policies that provide a waiver of the ABAWD time limit to counties that have an unemployment rate of over 10% or do not have a sufficient number of jobs to provide employment for the individual.

### **Work and Community Engagement Requirement – Allowable Activities**

Non-exempt Group VIII individuals will need to meet the Work and Community Engagement Requirement. During the appraisal process, individuals will agree to a plan to meet the Work and Community Engagement Requirement. This plan will require the individual to meet the ABAWD work requirement policies as follows:

- The ABAWD work requirement policies:
  - Work or participate in a community engagement activity (or combination of the two) for a minimum of 20 hours per week (80 hours averaged monthly);
  - Community engagement activities include:
    - › SNAP education and training activities;
    - › Job search/job readiness programs (for no more than 30 days); or
    - › WEP.

### **Consequences for Failure to Meet & Reporting Requirements**

Non-exempt Group VIII individuals who fail to meet the Work and Community Engagement Requirement will have their Medicaid coverage terminated. Individuals who lose Medicaid eligibility for failure to meet the Work and Community Engagement Requirement will have appeal rights.

All Medicaid beneficiaries are required to report any changes that could impact eligibility within 10 days. Given this requirement, Group VIII beneficiaries will be required to report if they are not meeting their Work and Community Engagement Requirement. If an individual is not meeting his or her Work and Community Engagement Requirement, the individual will be re-appraised. During the re-appraisal, the State will first determine whether the individual has a good cause reason for not meeting the Work and Community Engagement Requirement. Good cause reasons would include circumstances beyond the individual's control, such as, but not limited to, illness, illness of another requiring the presence of the member, an emergency, the unavailability of transportation, or domestic violence. If there is no good cause reason, the State will then determine whether the individual qualifies for an exemption of the Work and Community Engagement Requirement. If the individual does not qualify for an exemption, the individual's work and community engagement plan will be modified. If the individual does not agree to the modified plan, the individual will have his or her Medicaid coverage terminated.

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**Beneficiary Communication Strategies**

Ohio will provide clear written communication to all Group VIII beneficiaries regarding the Work and Community Engagement Requirement policies and procedures. Current beneficiaries will receive a letter prior to the implementation date of the Work and Community Engagement Requirement detailing these new eligibility requirements, including when they will be subject to them.

Written information about this will also be available on ODM’s website and in all CDJFS eligibility offices.

**Enrollment Limits**

There are no enrollment limits proposed in this 1115 Demonstration waiver application.

**Projected Eligibility and Enrollment**

It is anticipated that enrollment in Group VIII will fluctuate over time as people become familiar with the Work and Community Engagement Requirement and as individuals gain and maintain private insurance coverage.

In State Fiscal Year (SFY) 2018 estimates there will be 709,923 individuals enrolled in Group VIII and, for SFY 2019 (DY1), the projected enrollment absent the waiver is 709,925 individuals. Ohio does not collect information on some of the exemptions that will be allowed under this proposal, and therefore the number of exempt individuals will likely be higher than we can currently estimate. We believe that of the 709,923, no more than 36,036 individuals will be considered not exempt and not currently working. While Ohio will work with all individuals who are not otherwise deemed to be exempt or already meeting the Work and Community Engagement Requirement to ensure that they have the tools and supports they need to comply, we are estimating that 50% of the 36,036 (or 18,018 individuals) subject to requirement will not comply and will lose their Medicaid eligibility.

Demonstration Year	Projected Group VIII Enrollment
DY1	696,411
DY2	691,013
DY3	690,353
DY4	690,353
DY5	690,353

**SECTION III: DEMONSTRATION BENEFITS**

The 1115 Demonstration waiver application does not propose to change Ohio’s Alternative Benefit Plan benefits (that Group VIII individuals receive) or impose new cost-sharing requirements. Enrollees will continue to receive the same benefits currently provided in Ohio’s Alternative Benefit Plan.

Ohio recognizes that successful employment, education, or other community engagement is contingent on realities like access to transportation. For many, these are real barriers to meaningful community engagement and this 1115 Demonstration waiver application seeks to address these barriers first through supportive services. In existing screening processes for the Ohio Department of Job and Family Services (ODJFS)<sup>15</sup> program eligibility, individual needs for supportive services necessary to meet work requirements in TANF and SNAP are assessed. Group VIII individuals who

<sup>15</sup> The Ohio Department of Job and Family Services develops and supervises the State’s public assistance, workforce development, unemployment compensation, child and adult protective services, adoption, child care, and child support programs.

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are also eligible for and complying with SNAP or TANF will continue to receive such supportive services like transportation and job training opportunities through ODJFS.

There may be Medicaid Group VIII individuals who are subject to the Work and Community Engagement Requirement but are not eligible for SNAP and/or TANF, and therefore, would not have access to ODJFS supportive services. In these cases, supports from other federal, state, and local programs will be considered and sought if the individual is in need and eligible to receive the services. If supportive services are necessary to meet the Work and Community Engagement Requirement, and absent availability of those supportive services from ODJFS or other available sources, and absent additional federal match to provide those services via Medicaid, Group VIII individuals subject to the Work and Community Engagement Requirement will be assessed for reasonable modifications to the requirement. Importantly, as discussed below, Ohio is requesting federal match for supportive services, such as WEP and transportation, to assist all Medicaid Group VIII individuals in meeting the Work and Community Engagement Requirement.

As mentioned, the 1115 Demonstration waiver will leverage existing state programs, including but not limited to WEP. WEP, which is administered by ODJFS and operationalized by CDJFS' offices, aids TANF and SNAP recipients obtain work experience from private or government entities, while helping them meet TANF and SNAP "work activity" requirements. WEP can be designed in coordination with employment or other training programs and can be full or part-time as long as the hours of participation are in accordance with the Fair Labor Standards Act (FLSA). Work initiated under WEP, while unpaid, requires the individual to perform in a manner similar to that performed by paid employees. Counties provide and pay premiums for Worker's Compensation insurance for individuals participating in the WEP program. If additional individuals participate in the WEP program in order to meet the Work and Community Engagement Requirement, this will require additional county funds to pay for additional worker's compensation insurance premiums.

WEP is an example of a supportive service available to some Medicaid enrollees subject to the Work and Community Engagement Requirement. It also reflects the disparity in supportive services available to Medicaid enrollees subject to the Work and Community Engagement Requirement who do not qualify for TANF or SNAP. Federal match is necessary to close the supportive service gap and ensure equal opportunity to supports needed to meet the Work and Community Engagement Requirement. Again, absent federal match, those Medicaid enrollees who do not qualify for existing supportive services, but need them in order to meet the Work and Community Engagement Requirement, will be assessed for reasonable modifications to the requirement.

There is a range of supportive services necessary to help individuals meet the Work and Community Engagement Requirement, but transportation is especially critical, and Ohio believes that access to transportation is the primary factor in securing and maintaining employment. In some areas of the State, there are public or community transportation resources that will be leveraged; however, in many counties, these transportation resources are limited. While this 1115 Demonstration Waiver application includes a good cause exemption to the Work and Community Engagement Requirement for lack of transportation, a proactive approach for transportation resources is needed. Ohio is requesting consideration of federal match for transportation costs to help meet its work and community engagement goals for the Group VIII population, similar to the existing federal match for non-emergency medical transportation (NEMT). Notably, NEMT resources will continue to be used to help Medicaid enrollees with substance use disorders (SUD) maintain treatment, participation in which exempts the individual from the Work and Community Engagement Requirement. CMS should consider a similar federal match for transportation and other resources necessary for employment.

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In order to expand these supportive services to individuals who are not eligible for or not complying with SNAP or TANF programs, Ohio would need additional federal funds. Through this 1115 Demonstration waiver application, Ohio is requesting federal match for supportive services, like transportation and WEP, to help all Group VIII individuals meet the work and community engagement goals. Absent additional federal match to provide those services via Medicaid, Group VIII individuals subject to work requirements in these cases may be exempt.<sup>16</sup>

### **SECTION IV: DELIVERY SYSTEM AND PAYMENT RATES FOR SERVICES**

The 1115 Demonstration waiver application only impacts eligibility. Individuals eligible for Medicaid and who are complying with the Work and Community Engagement Requirement will continue to receive Medicaid coverage through the managed care plans as they do currently; however, as discussed in Section III, supportive services will be provided to individuals who are subject to the requirement, but have barriers to meeting it. These are existing supportive services for TANF and SNAP enrollees provided by ODJFS and operationalized, in large part, by CDJFS offices. These supportive services will continue to be delivered by the counties in the same way to those who qualify for those additional services today. With a federal match, the State will extend supportive services to Medicaid enrollees subject to the Work and Community Engagement Requirement, but ineligible for TANF or SNAP. Absent federal match, the State will continue to provide supportive services to those who also qualify for TANF or SNAP. All other Group VIII enrollees will be assessed for reasonable modifications to the requirement.

### **SECTION V: IMPLEMENTATION OF DEMONSTRATION**

Ohio's target date for implementing the Work and Community Engagement Requirement statewide is July 1, 2018. Individuals who apply for Medicaid on or after July 1, 2018, who are determined eligible for Group VIII will be notified through the application process that they may be subject to the Work and Community Engagement Requirement. The State will first check to see if an individual is already in compliance with or exempt from SNAP or ABAWD work requirements and, if so, will be deemed as meeting the Work and Community Engagement Requirement. If the individual is not receiving SNAP, the individual will then be appraised to determine whether or not he or she is subject to the Work and Community Engagement Requirement.

Individuals enrolled in Group VIII prior to July 1, 2018, will be subject to the Work and Community Engagement Requirement during their next eligibility renewal. The process will follow the same steps described above to determine whether the individual is subject to the Work and Community Engagement Requirement.

### **SECTION VI: DEMONSTRATION FINANCING AND BUDGET NEUTRALITY**

CMS requires that all 1115 Demonstration waiver applications demonstrate budget neutrality. This application presents information on projected expenditures and enrollment.

These estimates are highly dependent upon assumptions utilized in the analysis including the assumed approval and implementation dates. As noted above, Ohio does not collect information on some of the exemptions that will be

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<sup>16</sup> See, State Medicaid Director Letter, "Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries" at pg. 7; available at <https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf>.

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allowed under this proposal, and therefore the number of exempt individuals will likely be higher than we can currently estimate.<sup>14</sup>

**Historical Data**

Please note that Group VIII began on January 1, 2014 (half way through State Fiscal Year (SFY) 2014).

	SFY '14	SFY '15	SFY '16	SFY '17	SFY '18
Total Group VIII Expenditures	\$700,231,801	\$3,437,733,036	\$4,632,258,762	\$5,005,534,376	\$5,005,613,366
Eligible member months	1,673,081	6,424,714	8,295,879	8,644,113	8,519,075
Average PMPM	\$418.53	\$535.08	\$558.37	\$579.07	\$587.58

**Projected Enrollment and Expenditures (Without Waiver)**

It is assumed the Demonstration would start July 1, 2018 (SFY 2019).

	DY1	DY2	DY3	DY4	DY5
Total Group VIII Expenditures	\$5,115,323,854	\$5,329,197,790	\$5,552,893,712	\$5,787,368,141	\$6,031,924,971
Eligible member months	8,519,096	8,508,370	8,500,456	8,500,456	8,500,456
Average PMPM	\$600.45	\$626.35	\$653.25	\$680.83	\$709.60

**Projected Enrollment and Expenditures (With Waiver)**

It is assumed the Demonstration would start July 1, 2018 (SFY 2019).

	DY1	DY2	DY3	DY4	DY5
Total Group VIII Expenditures	\$5,085,228,354	\$5,206,281,121	\$5,419,303,620	\$5,647,909,689	\$5,886,344,575
Eligible Member Months	8,451,528	8,296,658	8,284,240	8,284,240	8,284,240
Average PMPM	\$601.69	\$627.52	\$654.17	\$681.77	\$710.55

<sup>14</sup> Ohio understands that CMS has indicated that “states will not be permitted to accrue savings from a reduction in enrollment that may occur as a result of using this section 1115 authority.” See, State Medicaid Director Letter, “Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries” at pg. 8; available at <https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf>.

**Group VIII Work Requirement and Community Engagement 1115 Demonstration Waiver  
– DRAFT**

While Ohio will work with all individuals who are not otherwise deemed to be exempt or already meeting the Work and Community Engagement Requirement to ensure that they have the tools and supports they need to meet the requirement, we are estimating that 50% of them<sup>17</sup> will not comply with the Work and Community Engagement Requirement and will lose their Medicaid eligibility.

**SECTION VII: LIST OF PROPOSED WAIVERS AND EXPENDITURE AUTHORITIES**

**1. Comparability of Eligibility Requirements: Section 1902(a)(10)(A)(i)(VIII)  
and 1902(a)(17)**

To the extent necessary to enable Ohio to require work and community engagement as a condition to maintain eligibility for the eligibility category defined in 1902(a)(10)(A)(i)(VIII).

**2. Provision of Medical Assistance: Section 1902(a)(8) and (a)(10)**

To the extent necessary to enable Ohio to discontinue eligibility for, and not make medical assistance available to, beneficiaries who fail to comply with the Work and Community Engagement Requirement unless the beneficiary is exempted from the Work and Community Engagement Requirement.

**3. Expenditure authority to the extent necessary to provide transportation services and other necessary supports to assist beneficiaries with meeting the Work and Community Engagement Requirement.**

**SECTION VIII: PUBLIC COMMENT PERIOD**

The public comment period initiates February 16, 2018. Upon conclusion of the 30-day public comment period, this section will contain a summary of the comments received.

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<sup>17</sup> As noted in Section II above, Ohio is estimating that approximately 36,036 Group VIII individuals will (i) not meet an exemption and (ii) not be deemed to already be meeting the Community Engagement Requirement.