

Utah's Work Reporting Requirement: A Burden on State Government

States that propose work reporting requirements for Medicaid eligibility often justify their requests by claiming that these proposals will result in a cost savings or ensure fiscal sustainability for the state. However, in addition to being onerous for patients and providers and legally dubious, these reporting requirements are costly and administratively burdensome for the state. In implementing these requirements, Utah, like every other state that has received approval from the Centers for Medicare & Medicaid Services (CMS), will need to comply with numerous federally required assurances associated with the administration of these work requirements in the event the proposal survives legal challenge.

Table 1 (page 2) details Utah's and other states' assurances and administrative costs associated with implementation of the work reporting requirement.

Utah Has Not Complied with Federally Required Assurances

Not only is Utah unprepared to implement a work reporting requirement, it may also be violating its agreement with the federal government. The "Special Terms and Conditions" of CMS' approval require the state to comply with a number of assurances prior to implementation of the work reporting requirement waiver. Among other things, these assurances require the state to "Ensure that there are timely and adequate beneficiary notices"; "Develop and implement an outreach strategy to inform beneficiaries how to report compliance with or exemption from the community engagement requirement, changes in circumstances, and how to request a good cause exception"; and "Ensure that there are processes and procedures in place to seek data from other sources including SNAP and TANF." To date, there is no evidence to suggest that the state has made good on these assurances.

Utah Has Not Submitted Its Implementation Plan

The Special Terms and Conditions of CMS's March 29, 2019 approval also require the state to submit an implementation plan no later than June 27, 2019 (90 days after approval).¹ But there is no evidence on CMS' or the state's website that such an implementation plan has been submitted or approved.

Utah Has Not Accounted for Its Administrative Costs

According to a recent report from the U.S. Government Accountability Office, states' estimates of the administrative costs of implementing work reporting requirements range from \$6 million to \$271 million.²

These estimates are based on what states have reported. The higher estimates are more complete and include costs such as information technology systems changes, beneficiary outreach, and contracting, amounting to hundreds of millions of dollars.³ Much of these costs do not appear to be allowable for enhanced federal match and would therefore require significant state spending at a 50% match rate.

Table 1. Assurances and Administrative Cost for States Implementing Work Reporting Requirements

	Utah ⁴	Arkansas ⁵	Indiana ⁶	Kentucky ⁷	New Hampshire ⁸
Maintain system to timely renew, suspend/terminate, and reinstate eligibility based on compliance with reporting requirements	✓	✓	✓	✓	✓
Maintain mechanisms to stop/start payments to managed care organizations (MCOs) based on compliance with reporting requirements	✓	✓	✓	✓	✓
Share data on compliance with reporting requirements with other programs and agencies (e.g., Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and employment agencies)	✓	✓	✓	✓	✓
Provide timely and adequate notices on whether, how, and when beneficiaries comply with reporting requirements and exemptions	✓	✓	✓	✓	✓
Conduct active outreach and education beyond notices		✓			✓
Provide appeal rights prior to suspension/termination	✓	✓	✓	✓	✓
Screen beneficiaries for eligibility based on other criteria prior to disenrollment	✓	✓	✓	✓	✓
Provide disenrolled beneficiaries with information on how to access care after disenrollment	✓	✓		✓	✓
Ensure availability and accessibility of a range of qualifying work activities	✓		✓	✓	✓
Determine if further exemptions are necessary in areas with more significant barriers to compliance	✓	✓	✓	✓	✓
Provide community support and assistance to help beneficiaries meet requirements	✓	✓	✓	✓	✓
Address barriers, providing modifications for beneficiaries with disabilities	✓	✓	✓	✓	✓
Estimated cost⁹ (millions)	Unknown	\$26.1	\$35.1	\$271.6	\$6.1

Endnotes

¹ U.S. Centers for Medicare & Medicaid Services, *Utah Primary Care Network Demonstration Approval*, December 23, 2019. <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ut/ut-primary-care-network-ca.pdf>.

² “MEDICAID DEMONSTRATIONS: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements.” U.S. Government Accountability Office, October 2019. <https://www.gao.gov/assets/710/701885.pdf>.

³ “MEDICAID DEMONSTRATIONS: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements.” U.S. Government Accountability Office, October 2019. <https://www.gao.gov/assets/710/701885.pdf>.

⁴ U.S. Centers for Medicare & Medicaid Services, *Utah Primary Care Network Demonstration Approval*, December 23, 2019. <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ut/ut-primary-care-network-ca.pdf>.

⁵ U.S. Centers for Medicare & Medicaid Services, *Arkansas Works Demonstration Approval*, March 5, 2018. <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ar/ar-works-ca.pdf>.

⁶ U.S. Centers for Medicare & Medicaid Services, *Healthy Indiana Plan*, December 20, 2019. <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/in/in-healthy-indiana-plan-support-20-ca.pdf>.

⁷ U.S. Centers for Medicare & Medicaid Services, *KY HEALTH Demonstration Approval*, November 20, 2018. <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ky/ky-health-ca.pdf>.

⁸ U.S. Centers for Medicare & Medicaid Services, *New Hampshire Granite Advantage Health Care Program*, November 30, 2018. <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/nh/nh-granite-advantage-health-care-program-ca.pdf>.

⁹ Note: The Government Accountability Office notes in its report that these are low estimates based on what states could quantify and report: “These estimates—compiled by states and reported to us—did not include all planned costs [of the waiver].”

“MEDICAID DEMONSTRATIONS: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements.” U.S. Government Accountability Office, October 2019. <https://www.gao.gov/assets/710/701885.pdf>.

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