

Section 1115 Medicaid “Demonstration Project” Waivers

Summary of CMS Policy Guidance [SMD: 18-002](#) (dated January 11, 2018) “Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries”

On January 11, 2018, the [Centers for Medicare and Medicaid Services](#) (CMS) published its much anticipated federal policy guidance ([SMD: 18-002](#)), reiterating its support and describing considerations for states with an interest in pursuing Section 1115(a) Medicaid waivers to implement work and community engagement requirements for Medicaid beneficiaries.

In summary, the CMS [guidance](#) outlines the following:

1. “Health Benefits of Community Engagement, including Work and Work Promotion”

CMS discusses work and community engagement in the context of social determinants of health, and explains that it supports state efforts to enable eligible individuals to gain and maintain employment.

2. “New Opportunity for Promoting Work and Other Community Engagement for Non-Elderly, Non-Pregnant Adult Beneficiaries Who Are Eligible for Medicaid on a Basis Other than Disability”

CMS reiterates its commitment to allow states to pursue demonstration projects “to test the hypothesis that requiring work or community engagement as a condition of eligibility, as a condition of coverage, as a condition of receiving additional or enhanced benefits, or as a condition of paying reduced premiums or cost sharing, will result in more beneficiaries being employed or engaging in other productive community engagement, thus producing improved health and well-being.” The guidance also explains that states must link their approach to the outcomes and assess effectiveness in furthering health and wellness objectives.

a. “State Flexibility in Program Design”

CMS’s guidance explains that it will evaluate each state proposal on a case by case basis, but provided the following considerations in the guidance:

i. “Alignment with Other Programs”

CMS supports states’ efforts to align Supplemental Nutritional Assistance or Temporary Assistance for Needy Families work or work-related requirements, where such alignment is appropriate and consistent with the Medicaid objectives.

ii. “Populations Subject to Work Promotion/Community Engagement Requirements”

CMS advises that states clearly identify the eligibility groups subject to the work and community engagement requirements, ensure compliance with federal civil rights law and create exemptions.

iii. “Range of community engagement activities”

CMS encourages states to consider a range of activities that could satisfy work and community engagement requirements.

iv. “Beneficiary supports”

CMS will require states to describe strategies to assist beneficiaries in meeting work and community engagement requirements, and design their programs to ensure the protection of individuals’ due process rights.

v. “Attention to market forces and structural barriers”

CMS’ guidance explains that states should describe plans for assessing and addressing how they will respond to local market forces, including suspending program features or providing for good cause exemptions, as necessary.

b. “Transparency”

CMS explains that it remains committed to upholding all relevant requirements regarding public notice and transparency under 42 CFR Part 431, subpart G, as well as tribal consultation requirements.

c. “Budget Neutrality”

CMS will still require states to demonstrate that projects authorized under Section 1115 of the Social Security Act are budget neutral.

d. “Monitoring and Evaluation”

CMS will require states to develop monitoring plans and submit regular monitoring reports, and they will also undertake their own monitoring and technical assistance efforts.

i. “Monitoring”

States with approved waivers will be required to submit draft metrics to CMS. States will be subject to other monitoring and reporting requirements, consistent with regulations in 42 C.F.R. § 431.420 and § 431.428.

ii. “Evaluation”

Evaluations will be required and must be designed to determine whether the demonstration is meeting its objectives, as well as the impact of the demonstration on Medicaid beneficiaries. A draft evaluation design should be submitted with the application.

Please review CMS’ guidance in its entirety at [SMD: 18-002](#) re: “Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries” (dated January 11, 2018).

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