

# State of Mississippi

Medicaid Reform Demonstration Project

**Medicaid Workforce Training Initiative**

1115 Waiver Demonstration Application

December 14, 2017

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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 almost 755,000 Mississippians – approximately 25% of the state’s population. Medicaid was established over 50 years ago to provide healthcare to a vulnerable population who did not have access to healthcare. The program was originally established to provide benefits to individuals who were blind, elderly (65 years of age and older), and disabled. The program also provided medical benefits to low-income children deprived of parental support and their caretaker relatives. Through the years, the Medicaid program has been expanded to include additional populations:

- 1986 – Pregnant women and infants (under age 1) at or below 100% of FPL was established as a state plan option under Medicaid;
- 1989 – Pregnant women and children under age 6 and at 133% of FPL federally mandated under Medicaid;
- 1997 – Balanced Budget Act of 1997 created the State Children’s Health Insurance Program (SCHIP) and states were given the option to expand their Medicaid program, create a separate program for children who met SCHIP criteria, or a combination of both;
- 2014 – the Affordable Care Act (ACA) provided states with the option to expand Medicaid to all non-Medicare individuals under age 65 with incomes at or below 138% of the FPL.

While the State of Mississippi did not expand our Medicaid program to certain adults with incomes below 138% of the FPL, we continue to see an increase in expenditures. DOM believes that the Medicaid program serves as a safety net for the state’s most vulnerable population and, therefore, continually seeks to improve our Medicaid program while maintaining access to affordable, quality health care coverage for our residents.

With each passing year, DOM finds it more difficult to provide the array of services necessary for the population we are charged to serve. We are continually tasked with finding new and innovative ways to continue to serve a large population with few resources at our disposal. We continue to examine areas for cost savings and implement those we believe will assist us in continuing to provide services to our population without reducing benefits or limiting enrollment. For example, DOM moved to a managed care delivery model in 2011 in an effort to improve health outcomes and control costs. We continue to explore cost savings options to serve a vulnerable population, and believe increasing our member engagement activities by connecting individuals with various organizations within the community will provide additional resources to members designed to assist them with various aspects of their life. For example, working with organizations devoted to workforce training opportunities will allow DOM to assist members achieve employment security.

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. DOM believes we can leverage those resources to develop a process to provide a level of health security to Medicaid members while they gain the tools necessary for them to become independent of Medicaid.

DOM understands the importance of connecting individuals with the appropriate tools necessary for long-term success. Therefore, DOM is seeking this opportunity to strengthen our Medicaid program by establishing policies that will increase participants' ability to obtain and maintain employment and employer-sponsored health care, slow down the rising costs of health care spending, and familiarize individuals with private health insurance practices, particularly for those with fluctuating incomes. We believe the initiatives outlined in this application will assist us in ensuring the viability of the Medicaid program for future generations. To help us achieve our goal, we will partner with agencies such as the Department of Human Services (DHS) and the Office of Employment Security (OES) to identify candidates that meet requirements to participate in workforce training activities.

DOM is seeking this waiver to assist individuals with building a foundation for success – both in their personal life and their health. Our goal is to begin building a future of healthy citizens in the state of Mississippi. We look forward to working with CMS as we move towards approval of this waiver application and the creation of a sustainable Medicaid program for current and future participants.

## Program Description

Under this 1115 Waiver Application, Mississippi is proposing to:

- a. Identify individuals eligible for workforce training opportunities and assist them with accessing workforce training.
- b. Garner enhanced federal matching funds to assist with workforce training programs for individuals covered under this waiver.

DOM is seeking to implement workforce training activities for non-disabled adults currently covered under traditional Medicaid, including low-income parents and caretakers eligible under Section 1931 and individuals eligible for transitional medical assistance. Mississippi Medicaid workforce training or work activities will not be applicable to the following: Native Americans, pregnant women, children under the age of 19, disabled individuals, individuals enrolled in 1915(c) waivers, individuals over 65 years of age, or individuals residing in an institution.

Individuals can fulfill the workforce training requirement in a variety of ways. The following list contains acceptable activities and may be amended as necessary depending on individual needs:

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

DOM understand there are circumstances that limit or prevent a member from being able to work or receive employment training; therefore, a member will be exempt from the such training and work activities if any one of the following conditions is met:

- The member is diagnosed with a mental illness.
- The member receives Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI).
- The member is a primary caregiver for a person who cannot care for himself or herself.
- The member is physically or mentally unable to work.
- The member is receiving or has applied for unemployment insurance.
- The member is taking part in an alcohol or other drug abuse (AODA) treatment program.
- The member is enrolled in an institution of higher learning at least half-time.
- The member is a high school student age 19 or older, attending high school at least half-time.
- The member is receiving treatment for cancer, including those receiving treatment through the Department's Breast and Cervical Cancer Program.

Eligible individuals will be assessed at the point of application or reassessment to determine if they meet requirements to participate in workforce training activities and will be notified by mail of all applicable requirements at the time of approval of benefits. DOM will enter into a data sharing

agreement with the Office of Employment Security to identify and track those individuals who comply with the workforce training activities. DOM will also monitor claim activity to identify individuals who are eligible for workforce training activities and who are participating in AODA treatment programs so they continue to be exempt from workforce training activities.

Participants who fail to comply with the workforce training requirements will lose eligibility on the first day of the month following the report or identification of non-compliance. Individuals whose eligibility is terminated due to non-compliance with workforce training opportunities will be reinstated upon future compliance provided they are within their original time period of eligibility.

DOM is not alone in our desire to assist Mississippians with obtaining workforce training to assist them in obtaining the skills they need to become independent. During this demonstration waiver, we will partner with agencies such as the Department of Human Services (DHS) and the Office of Employment Security (OES) to assist with identifying and providing necessary workforce skills training to qualified Medicaid members. All agencies will work towards the common goal of assisting Medicaid members in gaining the necessary tools they need to become dependent of Medicaid and transition to other healthcare insurance programs.

DOM will work with these agencies to make sure that all individuals receive necessary assessments and are provided with opportunities to participate in workforce training or work activities that meet the criteria outlined in this waiver application. In the event an individual chooses not to participate in one of the approved activities and is not in an exempted group, Medicaid eligibility will be terminated.

Providing workforce training activities requires increased administrative functions and responsibilities for DOM. However, we believe it will further the objectives of the Medicaid program by providing individuals with increased time, health security, and resources to transition from Medicaid to private healthcare. DOM believes these actions are critical first steps in creating a sustainable program for current and future participants. Therefore, DOM is also seeking to garner enhanced federal funding designed to assist with workforce training activities.

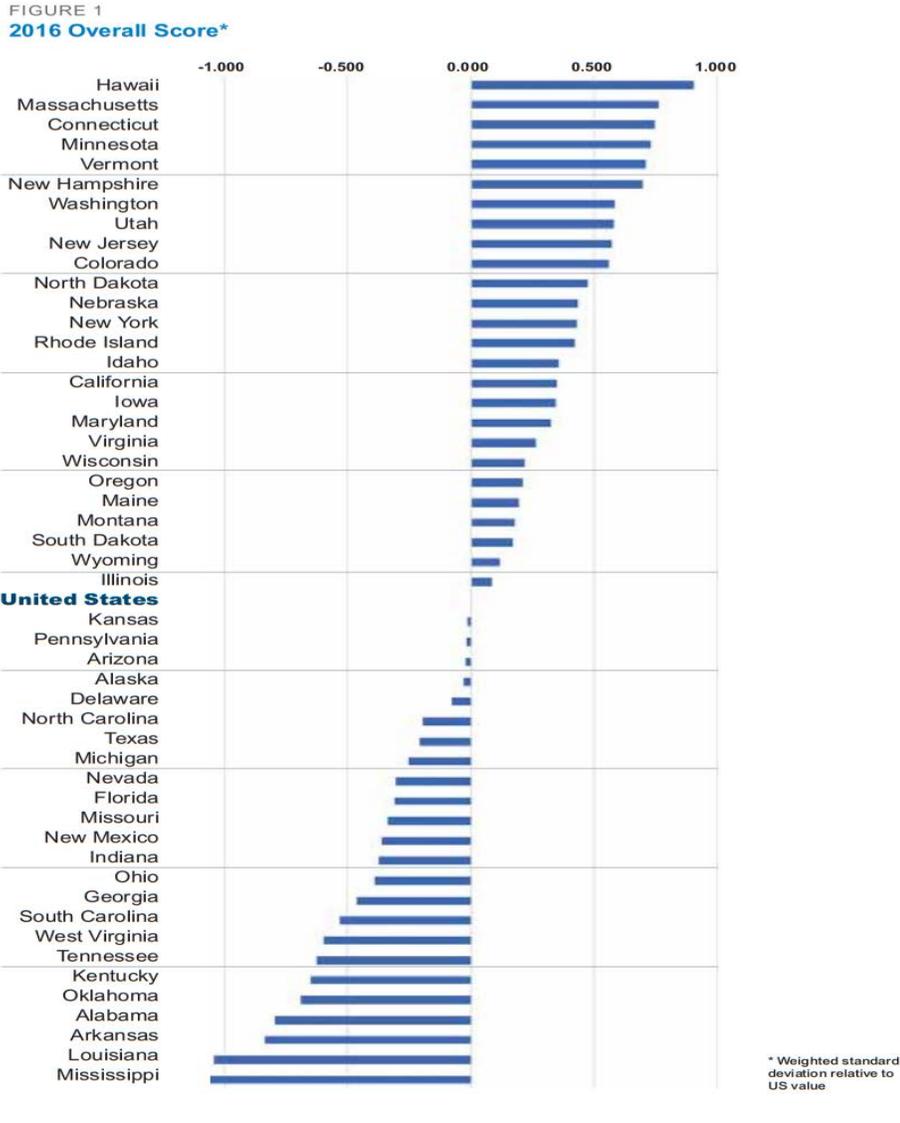
A study in the *Journal of Health and Social Policy* suggests that policies designed to increase the economic self-sufficiency of low-income families, such as employment programs, focus on workforces, and the use of work incentives offer promise for improving health.<sup>1</sup> DOM believes that partnering with agencies that specialize in workforce training activities will enable us to better serve our Medicaid members who are eligible, willing, and able to find employment. DOM believes the increased length of eligibility is critical to assisting individuals participating in the program to achieving a successful completion and becoming independent of Medicaid. And, eventually move Mississippi's health status a little higher on the health ranking scale.

According to America's Health Rankings, Mississippi has consistently been at the bottom of the healthcare rankings, as depicted in the following scale. Medicaid is the state's largest payer of healthcare services in the state, as such, DOM believes improving the health of the Medicaid population is the first step to improving the overall health status of our state. We believe extended eligibility combined with workforce training assistance activities will provide a basis for future improvements to our healthcare delivery system. The process of assisting individuals move from the

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<sup>1</sup> [http://dx.doi.org/10.1300/J045v21n01\\_04](http://dx.doi.org/10.1300/J045v21n01_04)

Medicaid program to other forms of health insurance via workforce training activities will lead to a deeper understanding of barriers that are preventing us from moving higher on the health ranking scale.



Source: <http://www.americashealthrankings.org/explore/2016-annual-report/state/ALL>

The following table further demonstrates Mississippi’s low health ranking status in several common health factors as well as our overall ranking:

State	Cancer Deaths	Diabetes	Drug Deaths	Heart Disease	High Cholesterol	Obesity	Overall
Alabama	43	48	18	44	50	47	47
Arkansas	46	44	14	48	49	45	48
Louisiana	47	45	30	46	46	50	49

Mississippi	49	50	8	41	41	47	50
Tennessee	45	45	40	41	47	42	44

Source: <http://www.americashealthrankings.org/explore/2016-annual-report/state/ALL>

Approximately twenty-five percent of Mississippi's population is enrolled in Medicaid and we believe our proposal to provide workforce training opportunities to those who qualify, will enable us to reduce the number of individuals who churn in and out of Medicaid on a routine basis. We believe that increased health security while participating in employment training programs will not only assist in promoting long-term success for the individuals, but also their relatives for whom they are caretakers. DOM is seeking this waiver to assist individuals with building a foundation for success – both in their personal life and their health. Our goal is to begin building a future of healthy Mississippians by providing those we are charged to serve with the necessary tools to improve certain areas of their lives that have a direct impact on their health status.

During the approval period, DOM will test the following hypotheses:

- Providing workforce training opportunities will result in transitions to other health insurance.
- Providing workforce training 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 pertinent organizations such as the Department of Employment Security and the Mississippi Insurance Department. Data elements may include 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.

Data sets that will be used to evaluate the system will include the number of individuals who transition from Medicaid into the workforce as well as the number of individuals who transition from Medicaid and obtain other health insurance.

The Demonstration will operate statewide.

DOM is requesting a five-year waiver approval period for this Demonstration.

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

## Demonstration Eligibility

Current data elements indicate approximately 56,467 individuals could be eligible for workforce training activities. However, since certain data elements that would exempt an individual from participation in workforce training are not captured in our data. The following information obtained post eligibility will reduce the number of individuals who will participate in workforce training activities:

- The member is diagnosed with a mental illness.
- The member is physically or mentally unable to work.
- The member is enrolled in an institution of higher learning at least half-time.
- The member is a high school student age 19 or older, attending high school at least half-time.
- The member is currently participating in workforce training through the Department of Human Services.

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
<b>Mandatory State Plan Groups</b>		
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

## **Demonstration Benefits and Cost Sharing Requirements**

The benefits provided under the demonstration will not differ from those provided under the Medicaid State Plan.

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 deviation will be made for services furnished through fee-for-service. Likewise, no deviations will be made for Managed Care capitation rates and contracting requirements.

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

## **Implementation of Demonstration**

Mississippi plans to implement any approved provisions at least one year after CMS approval. This time period allows sufficient time to communicate with participants the changes in the program and for the state 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 to the new waiver amendments.

As part of our implementation, DOM will partner with the Mississippi Department of Human Services (MDHS). To assist Mississippi families in obtaining self-sufficiency, the MDHS has implemented a multigenerational approach referred to as Generation Plus (Gen+). The Gen+ approach seeks to provide the basic needs of the family and provide skills that will enable the family to become self-sufficient and ensure future well-being. The model is based on a unique assessment of individuals seeking SNAP/TANF benefits designed to indicate the need for additional services and supports specifically designed to increase employability and improve child development. Based on the DHS assessment individuals are referred to WIOA, other DHS services, DOM services, and the broad array of community based services provided by Families First for Mississippi (FFFM) across the state. We believe this partnership will not only assist those Medicaid individuals who participate in work requirements with employment opportunities, but will also identify and provide other needed services designed to help them achieve independence.

## **Demonstration Financing and Budget Neutrality**

The Budget Neutrality Demonstration for this 1115 Waiver Application is included as Appendix A.

## **List of Proposed Waivers and Expenditure Authorities**

### **Title XIX Waiver Requests**

#### **1. Eligibility**

#### **Section 1902(a)(10)(A)**

To the extent necessary, 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 Matchable**

DOM requests that expenditures related to costs associated with employment training as a covered benefit for the demonstration population be regarded as expenditures under the State's Medicaid Title XIX State Plan and receive an enhanced match rate equal to 90%.

## 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 amendment.

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 amendment application, and a link to the Medicaid webpage on Section 1115 demonstrations. The webpage, which will be updated as the amendment process moves forward, can be found at <https://medicaid.ms.gov/medicaid-workforce-training-initiative-1115-demonstration-waiver-application/>

After the initial publication, DOM amended the waiver application to remove the request to extend TMA for an additional 12 months. In addition, another amendment 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 amendment documents, including the final waiver amendment 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.

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

## **Demonstration Administration**

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

Name and Title: Margaret Wilson

Telephone Number: (601) 359-5248

Email Address: [Margaret.wilson@medicaid.ms.gov](mailto:Margaret.wilson@medicaid.ms.gov)

## **APPENDIX A – Budget Neutrality Demonstration**

**Mississippi 1115 Demonstration Waiver Application – Workforce Training Budget Neutrality Demonstration**

<b>Overall Demonstration Chart</b>					
<b>Without Waiver Total Cost Demonstration</b>					
	DY 1	DY 2	DY 3	DY 4	DY 5
Enrollment (in Member Months)	735,793	662,246	596,050	536,471	482,847
PMPM	\$521.17	\$540.71	\$560.99	\$582.03	\$603.85
<b>Expenditures</b>	<b>\$383,473,180.44</b>	<b>\$358,085,451.31</b>	<b>\$334,378,509.33</b>	<b>\$312,241,078.46</b>	<b>\$291,569,249.69</b>
<b>With Waiver Total Cost Demonstration</b>					
	DY 1	DY 2	DY 3	DY 4	DY 5
Enrollment Increase (Decrease)	(58,995)	(53,098)	(47,791)	(43,015)	(38,714)
Enrollment (in Member Months)	677,612	609,743	548,694	493,776	444,366
PMPM Increase (Decrease)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PMPM	\$522.78	\$541.08	\$560.01	\$579.61	\$599.90
WW Population Change Multiplied by WOW PMPM Cost (Savings)	(\$30,841,482.92)	(\$28,730,068.23)	(\$26,763,626.59)	(\$24,931,864.24)	(\$23,224,328.10)
New PMPM Multiplied by Waiver Population Cost (Savings)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Waiver Cost (Savings)	(\$30,841,482.92)	(\$28,730,068.23)	(\$26,763,626.59)	(\$24,931,864.24)	(\$23,224,328.10)
<b>Total Waiver Expenditures</b>	<b>\$352,631,697.53</b>	<b>\$329,355,383.09</b>	<b>\$307,614,882.73</b>	<b>\$287,309,214.22</b>	<b>\$268,344,921.59</b>
<b>With Waiver Enrollment (in Member Months) and PMPM</b>					
<b>Enrollment (in Member Months) Change Summary Chart</b>					
	2019	2020	2021	2022	2023
<i>Employment Training Introduction Increase (Decrease)</i>	(58,995)	(53,098)	(47,791)	(43,014)	(38,714)
Total Increase (Decrease)	(58,995)	(53,098)	(47,791)	(43,014)	(38,714)
<i>Cost (Savings) of Employment Training on Enrollment</i>	(\$30,841,482.92)	(\$28,730,068.23)	(\$26,763,626.59)	(\$24,931,864.24)	(\$23,224,328.10)
<b>Total Cost (Savings) of Enrollment Adjustment</b>	<b>(\$30,841,482.92)</b>	<b>(\$28,730,068.23)</b>	<b>(\$26,763,626.59)</b>	<b>(\$24,931,864.24)</b>	<b>(\$23,224,328.10)</b>
<b>Federal Share</b>	(\$23,131,112.19)	(\$21,547,551.17)	(\$20,072,719.94)	(\$18,698,898.18)	(\$17,418,246.07)
<b>State Share</b>	(\$7,710,370.73)	(\$7,182,517.06)	(\$6,690,906.65)	(\$6,232,966.06)	(\$5,806,082.02)

## **APPENDIX B – 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. However, the commenter also stated that he did not think the waiver was not enough for the state of Mississippi in promoting healthcare solutions and improving the quality of healthcare. 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 Response:**

### **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**

The Department 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**

The Department 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 beneficial when their TMA benefits expire.

### **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, the Department 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.