

## Proposed Medicaid Work Reporting Requirements Would Be a Costly Burden on Missouri's Government Compared to Simple Medicaid Expansion

This fall, Missourians will vote on whether to join nearly every other state in implementing Medicaid expansion. Polls indicate that expansion will pass with a large majority. In total, Medicaid expansion would provide health insurance coverage to over 200,000 Missourians<sup>1</sup> and bring in over \$1 billion of new federal dollars annually<sup>2</sup> for the state.

With expansion likely, some Missouri legislators who have always opposed expansion for ideological reasons are proposing a complex set of bureaucratic hurdles and reporting requirements for “work and community engagement” for people to participate in expansion. These reporting requirements include new obligations for state residents enrolled in Medicaid to submit forms documenting both employment status and other so-called community engagement activities. ***But the evidence from other states is clear: Implementing these types of requirements will be very costly to state taxpayers and will mire Missouri in years of litigation.***

These work reporting requirement proposals are a last-ditch effort to undermine Medicaid expansion before it passes in November. But these requirements work poorly and are expensive. Several states have tried to implement work reporting requirements in Medicaid, and these programs have a bad track record.

» **Medicaid reporting requirements are expensive to implement:** If Missouri passes legislative proposals to require the monthly work and community engagement reporting it has proposed, it will be taking on hundreds of millions of dollars in new costs for which it will receive a low federal match. Multiple states have tried to implement these reporting requirements and found them to be costly and administratively burdensome for the state, in addition to being onerous for patients and providers. According to a recent report from the Government Accountability Office (GAO), states have reported costs in the hundreds of millions of dollars in the first years of implementation.<sup>3</sup>

Medicaid reporting requirements have a lot of expensive components, including additional staffing, information technology systems changes, beneficiary outreach, and new vendor contracting. Kentucky, for example, expended at least \$270 million<sup>4</sup>. Given Kentucky and Missouri have similar sized Medicaid programs, Missouri can anticipate

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a comparable price tag, which could increase given the complexities of the proposal. Even worse, most of these costs will get a lower federal matching rate than Missouri usually receives for its Medicaid program because these costs are administrative costs.

- » **Missouri’s proposed reporting requirements are complicated:** The main Senate bill to delineate these proposed new reporting requirements, SJR 32,<sup>5</sup> would mandate beneficiaries to report on seven categories and 11 subcategories of work, work training, and/or community engagement activities. In order to keep their Medicaid coverage, individuals would have to traverse a notoriously hard-to-navigate government website or a call center, or visit a government office in person to report their work or an exemption. Furthermore, each of these new requirements necessitates the state to build the capacity to accept and verify beneficiary reports, such as conducting active outreach, exchanging data with other state agencies, and establishing new payment processes (see Appendix 1). Additionally, the state will need to establish a process to track and verify exemptions from the new work requirements. In fact, SJR 32 involves 22 distinct exemptions, all of which involve new and expensive mandates on Missouri Medicaid to implement.

Not only are these needless bureaucratic processes expensive, but they also lead to coverage losses. It is common for individuals who are working to lose coverage because they are unaware of the policy or confused about how to report their status to the state. SJR 32’s long and complex list of allowable work categories and exemptions will lead to confusion and will result in sizeable coverage losses.

- » **Missouri will face years of litigation before — if ever — it can implement these reporting requirements:** Missouri’s Senate work reporting requirement proposals will face the same court challenges every similar state proposal has faced. The few states that have tried to implement Medicaid work requirements have either had their program blocked in federal court or have simply suspended the program.<sup>6</sup> Moreover, every lawsuit challenging the Centers for Medicare & Medicaid Services’ approval of Medicaid work reporting requirements has been successful. And Missouri Senate proposals will likely have similar legal problems.

Missouri voters support a simple Medicaid expansion, and they deserve a chance to vote on it. Senate work and community engagement reporting requirement proposals are simply an effort to confuse voters and undermine Medicaid expansion. If they do pass, these needlessly complex proposals will make implementation much more expensive and drag the state into lengthy litigation.

## Appendix 1. New Administrative Requirements for Missouri Medicaid under SJR 32

- » Maintaining mechanisms to stop/start payments to managed care organizations based on compliance with reporting requirements.
- » Exchanging data on compliance with reporting requirements with other programs and agencies (Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), employment agencies, job training programs).
- » Providing timely and adequate notices on whether, how, and when beneficiaries comply with reporting requirements for seven categories and 11 subcategories of work, work training, and/or “community engagement” activities and for 22 distinct exemption categories.
- » Determining if further exemptions are necessary in areas with high barriers to compliance.
- » Addressing barriers, providing modifications for beneficiaries with disabilities.
- » Maintaining eligibility system to timely suspend/terminate and reinstate coverage based on compliance with reporting requirements.
- » Providing beneficiary protections (appeal rights, eligibility screenings, information on accessible health care) before and after suspension/termination of coverage.
- » Ensuring availability and accessibility of a complex range of qualifying work, training, and other community engagement activities.
- » Conducting active outreach and education beyond notices, likely including both telephone and in-person outreach (based on experience of other states with similar requirements).
- » Adhering to additional federally required assurances related to reporting on eligibility status:
  - › Timely processing of renewals, including all new reporting requirements.
  - › Timely processing of eligibility verifications.
  - › Use of data matching and “ex parte” determinations.
  - › Use of prepopulated forms.

## Endnotes

<sup>1</sup> Rachel Garfield, Kendal Orgera, and Anthony Damico, “The Coverage Gap: Uninsured Poor Adults in States That Do Not Expand Medicaid,” Kaiser Family Foundation, January 14, 2020, <https://www.kff.org/medicaid/issue-brief/the-coverage-gap-uninsured-poor-adults-in-states-that-do-not-expand-medicaid/>.

<sup>2</sup> Andrew D. Martin and David H. Perlmutter, “The Case for Medicaid Expansion in Missouri,” Washington University in St. Louis, November 4, 2019, <https://andrewdmartin.wustl.edu/the-case-for-medicaid-expansion-in-missouri/>.

<sup>3</sup> Government Accountability Office, Medicaid Demonstrations: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements, GAO-20-149 (Washington, DC: U.S.

Government Accountability Office, October 2019), <https://www.gao.gov/assets/710/701885.pdf>.

<sup>4</sup> Government Accountability Office, Medicaid Demonstrations.

<sup>5</sup> Missouri General Assembly, Senate Joint Resolution No. 32, 100th General Assembly, December 1, 2019, <https://www.senate.mo.gov/20info/pdf-bill/intro/SJR32.pdf>.

<sup>6</sup> Governors in Kentucky and Maine withdrew their waivers. Arkansas and New Hampshire (and Kentucky) have had implementation of their waivers halted in court. Arizona, Indiana, Virginia, and Wisconsin have delayed implementation of their waivers. Ohio and South Carolina have not yet implemented their waivers. Utah implemented its waiver on January 1, 2020, with disenrollments set to begin May 1, 2020.

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