

Oklahoma Health Care Authority



**SoonerCare 1115(a)
Research and Demonstration Waiver
Amendment Request**

Project Number: 11-W-00048/6

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Section I. Executive Summary

Oklahoma's single state Medicaid agency, the Oklahoma Health Care Authority (OHCA) operates the section 1115(a) SoonerCare Research and Demonstration Waiver, the waiver authorizes the SoonerCare Choice and Insure Oklahoma (IO) demonstrations. On December 29, 2017, CMS approved OHCA's request to extend Oklahoma's SoonerCare 1115(a) waiver with no changes. The current demonstration is approved for the period of January 1, 2018 through December 31, 2018.

The demonstration provides for a modification of the service delivery system for family and child populations and some aged and disabled populations. Oklahoma's SoonerCare Choice Demonstration program utilizes an enhanced primary care case management delivery system to serve qualified populations statewide. The SoonerCare Choice program objectives include:

- Improving access to preventive and primary care services;
- Increasing the number of participating primary care providers and overall primary care capacity in both urban and rural areas;
- Providing active, comprehensive care management to members with complex and/or exceptional health care needs;
- Integrating Indian Health Services' members and providers into the SoonerCare delivery system; and
- Expanding access to affordable health insurance for low-income adults in the work force, their spouses and college students.

Since the inception of the SoonerCare demonstration, the OHCA has implemented several programs and strategies that reflect the goals and objectives of the State to improve health outcomes for Oklahomans through the demonstration. Such programs include a health management program that is an innovative, comprehensive program which aims to benefit SoonerCare Choice members who have or are at risk for developing chronic conditions and a health access network program consisting of a collection of providers organized for the purpose of restructuring and improving the access, quality, and continuity of care to SoonerCare Choice members. Additionally, the demonstration offers a public/private model premium assistance program, Insure Oklahoma, which assists employers and employees with premium cost for health coverage. All of these programs offer patients access to all levels of care, including primary, outpatient, specialty, ancillary, and acute inpatient care.

While the Medicaid program and the State have successfully improved in some health outcomes having moved from 46th to 43rd in the nation according to the 2017 America's Health Rankings report¹, there is still work to be done. Oklahoma's Governor released a statement applauding the efforts by state health officials but stated, "That's good progress, but none of us are going to settle for a ranking of 43rd. Together,

¹ https://assets.americashealthrankings.org/app/uploads/ahrannual17_complete-121817.pdf

we can continue to improve our health”². Based on the commitment of the State’s leadership to invest in and improve upon the health and healthcare in Oklahoma, the state continues to pursue innovative approaches.

With the announcement from the current administration to support innovative approaches to increase employment and community engagement³, Oklahoma began exploring strategies that would allow the state to take advantage of flexibilities in the Medicaid program that are designed to improve health outcomes and promote personal responsibility. A workgroup was convened in 2017 by the Governor to examine the effects and barriers of work requirements as a condition of Medicaid eligibility. Additionally, the workgroup was to assess the most effective way to engage individuals receiving public assistance in the state to take an active role in their communities through employment, education and training activities resulting in skills needed for long-term independence, success, better health, and well-being. The correlation between employment and health for the general population is well established and presented in several large-scale literature reviews and meta-analyses (Paul & Moser, 2009; McKee-Ryan⁴, Ross & Mirowsky, 1995; Mastekaasa, 1996⁵).

The workgroup examined determinants of health, including economic and social factors such as, employment and community engagement and established that the promotion and advancement of consumer education, training, employment, and job activity has a direct correlation to health outcomes. It was determined that by encouraging active job seeking activities, employment, and participation in and completion of skills/training/education programs, Oklahoma could increase employment and promote personal responsibility. Additionally, the workgroup concluded that these innovations could have a positive impact to rates of enrollment in the Insure Oklahoma programs or other private insurers due to increased earnings through employment as well as a reduction in enrollment in the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) and Medicaid programs due to increased earnings. These initiatives could lead to improved overall health for members, as the correlation between employment and better physical and mental health has been documented⁶, as well as a better-trained workforce within the State of Oklahoma with individuals who are able to transition to the private market.

² <http://kfor.com/2017/12/14/governor-mary-fallin-happy-oklahoma-no-longer-one-of-the-five-least-healthy-states-encourages-more-improvements/>

³ <https://www.hhs.gov/sites/default/files/sec-price-admin-verma-ltr.pdf>

⁴ Paul, K. I., & Moser, K. (2009). Unemployment impairs mental health: Meta-analyses. *Journal of Vocational Behavior*, 74, pp. 264-282.

⁵ Ross, C., & Mirowsky, J. (1995). Does Employment Affect Health? *Journal of Health and Social Behavior*, 36(3), 230-243.

⁶ F.M. McKee-Ryan, Z. Song, C.R. Wanberg, and A.J. Kinicki. (2005). Psychological and physical well-being during unemployment: a meta-analytic study. *Journal of Applied Psychology*, 90 (1), 53-76.; K.I. Paul, E Geithner, and K. Moser. (2009). Latent deprivation among people who are employed, unemployed, or out of the labor force. *Journal of Psychology*, 143 (5), 477-491.

As a result of the workgroups findings, on March 5, 2018, the Governor of Oklahoma signed an executive order⁷ directing the OHCA to apply for waiver and state plan amendments that would allow the State to implement work requirements in the State Medicaid program. In addition to the executive order, HB 2932 was passed by the state legislature, in the Oklahoma 56th Second Legislature Session, and signed into law by Governor Mary Fallin. HB 2932 directs OHCA to pursue modifications to Medicaid eligibility criteria so that receipt of SoonerCare coverage for certain Medicaid populations are conditional upon documentation of certain education, skills training, work or job activities.

Section 2. Waiver Amendment Description and Goals

In accordance with Governor and legislative directives, the State submits this amendment to the pending waiver extension application seeking federal approval beginning with the 2019 - 2021 renewal periods to strengthen the SoonerCare program through the following modifications:

1. Modify the existing waiver list to add work/community engagement activity requirements for certain individuals age 19 through 50.
2. Modify the Special Terms and Conditions (STCs) to add Medicaid eligibility criteria to individuals age 19 through 50.
3. Revise the waiver document to include evaluation criteria that measures the established hypotheses for the proposed work/community engagement activity requirements.

The goals of this amendment are to:

1. Promote advancement of member education, training, employment job and community activity engagement;
2. Encourage active job seeking activities and securing employment;
3. Encourage participation in and completion of skills/training/education programs;
4. Increase rates of enrollment in work and training programs;
5. Decrease Medicaid enrollment due to increased earnings; and
6. Increase rates of enrollment in Insure Oklahoma premium assistance programs.

⁷ <https://www.sos.ok.gov/documents/executive/1807.pdf>

The Medicaid eligibility work/community engagement requirements under this amendment exclude certain populations. Exclusions are defined in Section 5.2 below. Members required to meet the work requirements will be followed throughout the duration of the waiver period to insure and verify continued eligibility.

The proposed effective date of this amendment is on or after February 1, 2019.

Section 3. Waiver List

The agency requests the existing approved waiver authority continues under this amendment and the new provisions for work requirement be added.

3.1. Freedom of Choice Section 1902(a)(23)(A)

To enable the state to restrict beneficiaries' freedom of choice of care management providers and to use selective contracting that limits freedom of choice of certain provider groups to the extent that the selective contracting is consistent with beneficiary access to quality services. No waiver of freedom of choice is authorized for family planning providers.

3.2. Retroactive Eligibility (Section 1902(a)(34))

To enable the state to waive retroactive eligibility for demonstration participants with the exception of Tax Equity and Fiscal Responsibility Act (TEFRA) and Aged, Blind and Disabled populations.

3.3. Required Work, Training or Volunteerism as a condition of eligibility (Section 1902(a)(10)(A))

To enable the State to require all individuals age 19 through 50 (except for excluded populations) to participate in established work or community engagement activities for Medicaid eligibility and to permit disenrollment and prohibit re-enrollment of individuals who do not meet the requirements.

Section 4. Expenditure Authority

The OHCA is not requesting a change to the expenditure authority for this amendment.

Section 5. Community Engagement Requirements and Persons Exempt Based on Defined Criteria

5.1. Work and Community Engagement Requirements

Individuals age 19 through age 50 must meet certain work or community engagement activities for Medicaid eligibility unless excluded under Section 5.2 below. Individuals will have a 90 day grace period to provide proof of meeting conditions of work/community engagement requirements. In order to meet

conditions of work/community engagement activity requirements for SoonerCare eligibility, individuals must comply with at least one of the following activities:

1. Work an average of twenty (20) hours or more per week, each month. The employment may be paid, in-kind, unpaid, or volunteer work; or
2. Participate in and comply with the requirements of a work program twenty (20) hours or more per week. The individual may participate in at least 20 hours or more per week with the:
 - (a) Workforce Innovation and Opportunity Act (WIOA) Program; or
 - (b) The Trade Adjustment Assistance Program; or
 - (c) The Employment and Training (E&T) Program. Job search or job search training activities, when offered as part of other E&T program components, are acceptable as long as those activities comprise less than half the total required time spent in the components; or
3. Participate in community service programs with religious or community organizations at least twenty (20) hours or more per week, averaged monthly; or
4. Meet any combination of work, participating in work training or volunteering for work twenty (20) hours or more per week, averaged monthly.

5.2. Persons Exempt from Community Engagement

Certain individuals are exempt from the work or community engagement requirements who meet at least one of the following conditions:

1. Individuals under age (19) years of age or over fifty (50) years of age; or
2. Individuals who are pregnant, through the end of post-partum care (60 days postpartum care applicable to Title XIX only); or
3. Individuals who are medically certified as physically or mentally unfit for employment; or
4. A parent or caretaker responsible for the care of a dependent child under the age of 6; or
5. A parent or caretaker personally responsible for the care of an incapacitated person; or
6. A person currently subject to and complying with Temporary Assistance for Needy Families (TANF) work registration requirements; or

7. Individuals participating in a drug addiction or alcoholic treatment and rehabilitation program; or
8. Students enrolled at least half time in any recognized school, training program, or institution of higher education; or
9. Persons currently subject to and complying with a work registration requirement under title IV of the Social Security Act, as amended (42 U.S.C. 602) or Federal-State unemployment compensation system.
10. Persons who are employed and working a minimum of 30 hours weekly or receiving weekly earnings equal to the federal minimum wage multiplied by 30 hours are exempt; or
11. Persons who are self-employed working a minimum 30-hour weekly or receiving weekly earnings equal to federal minimum wage multiplied by 30 hours are exempt.
12. Persons with a disability under the definitions of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, or Section 1557 of Affordable Care Act.
13. Other State Exemptions Include:
 - (a) Members enrolled in the OHCA family planning program under the state plan (SoonerPlan); and
 - (b) Members in the OHCA Breast and Cervical Cancer Program Oklahoma Cares); and
 - (c) Oklahoma foster care parents; and
 - (d) Former Foster Care Members; and
 - (e) Insure Oklahoma members and
 - (f) American Indians and Alaska Natives and
 - (g) Persons released from incarceration within the last 6 months are exempted from work/community engagement requirements for 6 months from date of Medicaid eligibility.

Section 6. Re-enrollment During or After Suspension for Non-Compliance

Members suspended or terminated for non-compliance with work or training requirements may re-apply for Medicaid benefits following at least one month of suspended or terminated eligibility by adhering to at least one of the following conditions:

1. The member gains employment, working at least 80 or more hours in a 30 day period;

2. The member participates in and complies with the requirements of a work program for 80 or more hours in a 30 day period, as determined by a State agency; or
3. The member participates in and complies with the requirements of a program under section 2029 of title 7 U.S.C. 2015 or a comparable program established by a State or political subdivision of a State; or
4. The member meets an exemption status.

Section 7. Fair Hearing

Each member has a right to a fair hearing to appeal a denial or termination of Medicaid benefits. An applicant or a member may file an appeal in accordance with procedures found at OAC 317:2-1-2(a).

Section 8. Member Impact

The Medicaid eligibility requirements under this waiver will promote community engagement among the non-exempt adult parent/caretaker population within the SoonerCare program. Of the approximate 102,000 adult members 19 through 50 years of age and after accounting for exempted populations, approximately 6,000 members would be subject to the community engagement requirements [refer to Table 2].

Table 1. Total SoonerCare Parent/Caretaker Population

Parent/Caretaker (19-50) Total Reimbursement SFY2017			
	P/C with 0-20% FPL	P/C with 21+% FPL	TOTAL
Parent/Caretaker	60,158	41,756	101,914
<i>Percent Enrolled</i>	59.0%	41.0%	100.0%
Average Per Enrolled Member Per SFY2017	\$ 4,654.86	\$ 4,654.86	\$ 4,654.86
Total Reimbursement	\$ 280,027,068	\$ 194,368,334	\$ 474,395,402
<i>Fed Share (FFY2018 FMAP 58.57%)</i>	\$ 164,011,854	\$ 113,841,533	\$ 277,853,387
<i>State Share</i>	\$ 116,015,214	\$ 80,526,80	\$ 196,542,015

Total reimbursement & "Average Per Enrolled Member" cost is based on MMIS (MAR MRBP) using non-pregnant P/C codes. Excludes Oklahoma Cares, SoonerPlan and Insure Oklahoma. State share of reimbursement based on FFY2018 FMAP of 58.57%.

Parent/Caretaker (P/C) refers to non-pregnant Parent/Caretaker members aged 19-50. Data is valid as of 5/31/2018. Data compiled by OHCA – ODGA.

Table 2. Total SoonerCare Parent/Caretaker Population with Exemptions

Parent/Caretaker (19 – 50) Work Requirements Total Reimbursement SFY2017			
	P/C with 0-20% FPL	P/C with 21+% FPL	TOTAL
Parent/Caretaker	5,177	1,016	6,193
<i>Percent Enrolled</i>	83.6%	16.4%	100.0%
Average Per Enrolled Member Per SFY2017	\$ 4,654.86	\$ 4,654.86	\$ 4,654.86
Total Reimbursement	\$ 24,098,210	\$ 4,729,338	\$ 28,827,548
<i>Fed Share (FFY2018 FMAP 58.57%)</i>	<i>\$ 14,114,322</i>	<i>\$ 2,769,973</i>	<i>\$ 16,884,295</i>
<i>State Share</i>	<i>\$ 9,983,888</i>	<i>\$ 1,959,365</i>	<i>\$ 11,943,253</i>

Total reimbursement & “Average Per Enrolled Member” cost is based on MMIS (MAR MRBP) using non-pregnant P/C codes. Per work requirements, members had no income and no child under 6 or blind/disabled child under 19. Excludes Native Americans (672), Former Foster Care, Oklahoma Cares, SoonerPlan, Insure Oklahoma and members with children in foster care. State share of reimbursement based on FFY2018 FMAP of 58.57%.

Parent/Caretaker (P/C) refers to non-pregnant Parent/Caretaker members aged 19-50. Oklahoma Cares, SoonerPlan, American Indians/Alaska Natives and Insure Oklahoma. Race is self-reported. Data is valid as of 5/31/2018. Data compiled by OHCA – ODGA.

Section 9. Required Elements of Waiver Amendment Process

9.1. Public Process

It is the intent of the OHCA to conduct an extensive and transparent public process for this initiative in accordance with federal and state requirements. In addition to the required two public meetings, the OHCA will conduct regional meetings as with members as well as targeted stakeholder groups. To date, OHCA has two public meetings and a second tribal consultation scheduled as denoted below and will update its public website with future dates and times as information becomes available.

Tribal Consultation
 July 11, 2018 at 11:00 am
 OHCA Ed McFall Boardroom
 4345 N. Lincoln Blvd.
 Oklahoma City, OK

Medical Advisory Committee
 July 19, 2018 at 1:00 pm
 OHCA Ed McFall Boardroom
 4345 N. Lincoln Blvd.
 Oklahoma City, OK

OU Sooner Health Access Network
 August 10, 2018 at 11:30 am
 4502 E. 41st Street
 Tulsa, Oklahoma

9.2. Stakeholder, Member, and Public Comments Received

This section will be updated at the conclusion of the comment period.

Section 10. CHIP Allotment Worksheet

The CHIP Allotment worksheet is not applicable for the populations required to participate in the work requirements eligibility program as the amendment is for adults only.

Section 11. Monitoring and Evaluation of Waiver Amendment

The State remains committed to ensuring the health and well-being of Medicaid enrollees. Monitoring and evaluation are important for understanding the outcomes and the impacts of Community Engagement. The State will employ efforts to monitor the elements of this program by developing a monitoring plan, submitting regular monitoring reports describing progress made in implementing work and other community engagement activities requirements, as well as, engaging in regular communication with CMS regarding monitoring and technical assistance efforts.

11.1. Monitoring

The OHCA will submit to CMS a draft of proposed metrics for semi and annual monitoring reports in order to jointly identify metrics. Metrics will reflect the major elements of the demonstration and data that applies to Community Engagement initiatives, including but not limited to: beneficiary enrollment and termination for failure to meet program requirements, remediation to services for both beneficiaries and individuals terminated for failure to meet the requirements, and the overall functioning of the demonstration. Analysis of data will allow the OHCA to report key challenges, underlying causes of those challenges, and strategies for addressing those challenges, as well as key achievements and the conditions and efforts that lead to those successes.

11.2. Evaluation

For the initial year of the demonstration, the OHCA will establish baseline data for its proposed hypotheses. However, subsequent to the initial year, and after the OHCA has been able to gather data on member experiences, the OHCA will evaluate health and other outcomes of individuals that have been enrolled in and subject to the provisions of Community Engagement.

The evaluation design will provide a discussion of the evaluation questions and hypotheses that the OHCA intends to test, including the hypothesis that requiring certain Medicaid beneficiaries to work or participate in other community engagement activities increases the likelihood that those Medicaid beneficiaries will achieve improved health, well-being, and independence. The OHCA's evaluation will provide an analysis of the affects members experience in obtaining sustainable employment, the extent to which individuals who

transition from Medicaid obtain employer sponsored or other health insurance coverage, and how such transitions affect member health and well-being.

The hypothesis testing will include, where possible, assessment of both process and outcome measures. The evaluation design will include multiple data sources including but not limited to: stakeholder perspectives, surveys of beneficiaries (both enrolled and those no longer enrolled as a result of the implementation of program requirements), claims data, and survey data.

The OHCA will track and evaluate health and community engagement outcomes for those who remain enrolled in Medicaid. To the extent permitted by federal and state privacy laws and availability of information and state resources, OHCA will track those who are subject to the requirements but lose or experience a lapse in eligibility or coverage during the course of the demonstration. OHCA will provide details on how we will track these outcomes in our demonstration evaluation designs.

Section 12. Evaluation Design

The demonstration will test whether authorizing work requirements will increase the employment rate for those affected members. The objectives include increasing the number of members with earned income or the capacity to earn income as well as increasing the opportunity to become more active in the community as a volunteer.

12.1. Baseline Data

As data presents in the chart below, the SoonerCare Choice demonstration enrollment for adult members, 19 through 64 years of age, has remained relatively flat from January 2014 through February 2018 [refer to Figure 1.]. The data is comprised on adult members who are non-pregnant, non- Native American, and are not receiving long-term care services. Through work and community engagement and by promoting the relationship between employment and health, the State expects to realize a decline in SoonerCare adult enrollment over the course of the demonstration period. Enrollment is expected to decline as members move from public assistance to community engagement by becoming gainfully employed as result of the education and training initiatives under this demonstration.

Figure 1. Current adult population in SoonerCare Choice



12.2. Hypotheses of Waiver Amendment

The OHCA is proposing to test a series of hypotheses that will allow the state to evaluate its success in achieving the overall goals of the demonstration as well as identifying opportunities for improvement. The table below outlines the proposed hypotheses for this demonstration and potential performance measures that would allow the OHCA to effectively test each of the specific hypotheses:

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Proposed Hypothesis	Proposed Performance Measure
Implementation of work and training requirements will decrease hospital stays for the impacted adult population.	The impacted adult population compared to the exempted adult population for hospital stays.
Implementation of work and training requirements will decrease emergency room visits for the impacted adult population.	The impacted adult population compared to the exempted adult population for emergency room visits.
Implementation of work and training requirements will increase education and training for the impacted adult population.	Number of increased enrollees in training and educational programs for the adult population.
Implementation of requirements for community engagement will increase the number of members involved in volunteerism.	The number and percentage of members that are actively engaged in volunteer work during the demonstration period.
Implementation of work and training requirements will assist the adult population in regaining eligibility and moving towards independence through established job search and training programs.	The number of members that lose and regain eligibility that enroll in job search or training compared to those that lose eligibility that do not regain eligibility.
Implementation of work and training requirements will decrease the Medicaid roles for the impacted adult populations.	The number of members who transition off Medicaid in the impacted adult populations compared to the established baseline.

Section 15. Budget Neutrality (BN)

The current budget neutrality will not be affected by the proposed amendment. The OHCA has provided the most current budget neutrality submitted for the 2019-2021 renewal requests (refer to Attachment B).

Section 16. Conclusion

Oklahoma is committed to supporting SoonerCare members in improving their health outcomes and gaining independence through work training, meaningful employment, and helping others through volunteerism. Meaningful work is part of building a healthy lifestyle and a contributing factor to self-esteem and overall well-being. This initiative supports the transition of families in poverty to attain employment at a sustainable wage⁸.

Due to the strong connection between employment and overall health, people who are unemployed have higher mortality and poorer health outcomes, and further, longitudinal studies have found that these effects of unemployment exist regardless of any pre-existing health conditions⁹.

Given this information, a well-designed process to connect individuals to employment in a way that promotes positive health outcomes and financial stability is essential. Through this amendment request, the State seeks to increase participation in the active work and education requirements to connect members to gainful employment, in a way that improves physical and mental health and the individual's overall financial stability and well-being¹⁰.

Section 17. Attachments

Attachment A - Flowchart of member experiences

Attachment B - BN that was submitted for the 2019-2021 extension request.

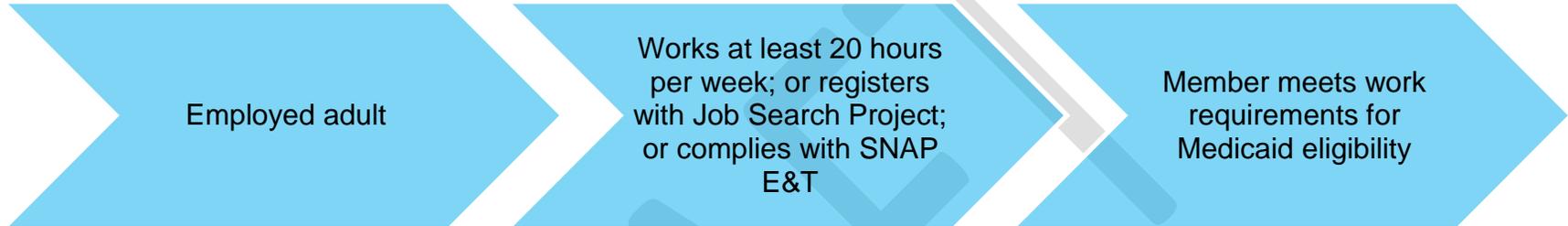
⁸ Workforce Health and Productivity. Health Aff (Millwood), 2017. 36(2): p. 200-201.

⁹ [Robert Wood Johnson Foundation Commission to Build a Healthier America](#)

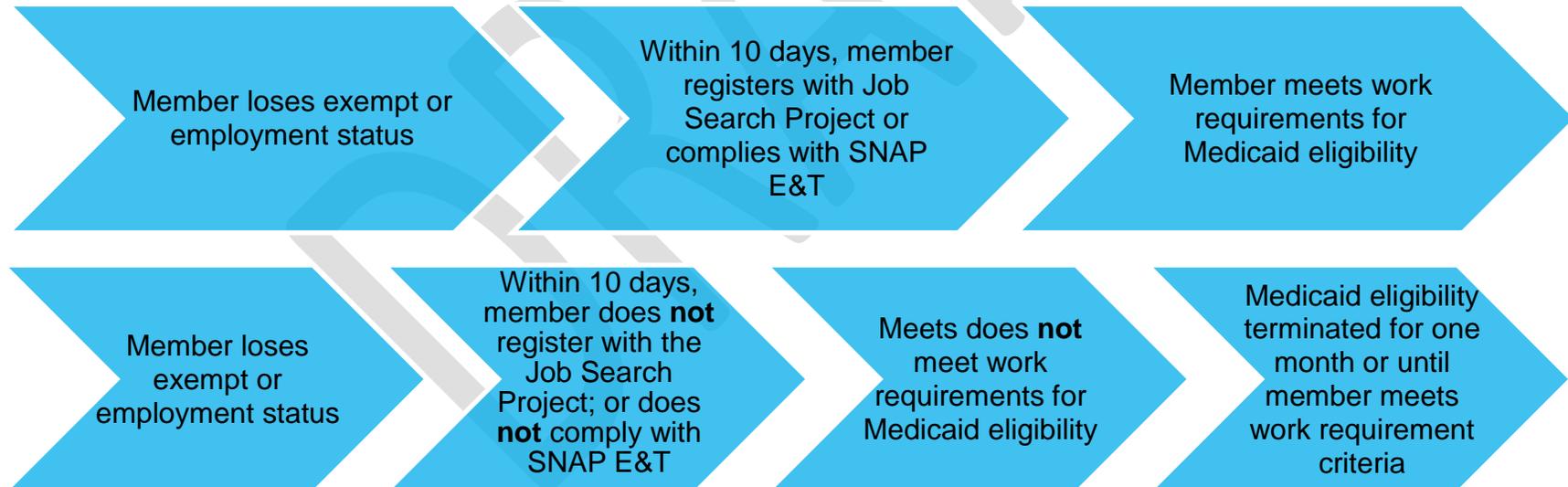
¹⁰ Ruhm, C.J., Recessions, healthy no more? J Health Econ, 2015. 42: p. 17-28.

Attachment A: Member Experiences

Compliant with work and work training requirements (Section 5.1)



Change in Work or Exempt Status (Section 5.2.1)



Attachment B: Budget Neutrality



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