Response to Comments on Opportunities for Success Amendment Proposed Rule

The state public comment period on the proposed rule to implement the "Opportunities for Success" Amendment to the Arkansas Medicaid Section 1115 Demonstration Project, "Arkansas Health and Opportunity for Me (ARHOME)," closed on October 23, 2023. One (1) comment was filed in opposition to the proposed rule. The Arkansas Department of Human Services (DHS) has carefully reviewed the comments in opposition to the proposed rule. In general, they repeat the same objections that were filed during the 30-day state public comment period on the waiver application itself and that were filed during the 30-day federal public comment period on the waiver application. Within this response, "Amendment" refers to the waiver application filed with the Centers for Medicare and Medicaid Services (CMS).

We again, as we have previously, acknowledge the opposition to any form of work requirements. This Amendment seeks to provide both comprehensive care coordination services, via Life360 HOMEs, and focused care coordination services, via the Success Coaches, for targeted beneficiaries with complex needs or who are not otherwise engaged in their healthcare. It represents an innovative approach to addressing individuals' Health-Related Social Needs (HRSN) by connecting individuals to healthcare and community resources, including employment opportunities that can help lift individuals out of poverty.

DHS continues to believe that our approach to engaging working-age adults who do not have health conditions that would limit their ability to work is consistent with the goals and objectives of Medicaid. Poverty is a major risk factor for poor health outcomes and even premature death. Stable employment is a key strategy to ending poverty, and in doing so, to addressing a much wider range of HRSNs than Medicaid services can do alone. We believe it is in the best interest of able-bodied adults to connect them with resources in their communities, improve their overall health and economic well-being, and help them across the "benefit cliff" that exists in the design of public assistance programs. This program promotes engagement in training and employment opportunities but does not seek to penalize beneficiaries who are not yet ready to engage in those opportunities.

The Amendment and Rule Are Consistent with Purposes of Medicaid

The commenter states that the Amendment "contradicts the Medicaid program's purpose of furnishing medical assistance." The commenter's opinion takes a very narrow view of the Secretary's authority to approve Section 1115 Demonstration Projects. The historical record of Section 1115 waivers demonstrates that the Secretary, under Democrat and Republican Administrations alike have taken a very broad view of the Secretary's discretionary authority under Title XI of the Social Security Act. The current Administration has approved a number of waivers that fund activities that are not "medical assistance." Addressing HRSNs by providing focused care coordination services to reduce poverty and improve health is clearly consistent with the objectives of Medicaid. If it were to be determined otherwise and such views were to prevail, many existing Section 1115 waivers would be in jeopardy, including may aspects of the Life360 Home program.

"Work Requirement" & Objectives of Medicaid

The commenter wrote in staunch opposition to Arkansas imposing a work requirement or time limits to the Medicaid program, primarily citing the state's prior implementation of a community engagement requirement tied to Medicaid eligibility. The commenter expressed concern with the value proposition of such policies, noting that many Medicaid enrollees who are able to work already do so. Further, the commenter also questioned whether policies seeking to improve the economic well-being of individuals experiencing poverty are aligned with the objectives of Medicaid. The commenter further alleged that the proposed would "…lead to a decrease in enrollment and restrictions to access to healthcare."

DHS emphasizes that this initiative is not a traditional "work requirement." Further, the Opportunities for Success initiative does not impose a time limit on Medicaid coverage nor impact a beneficiary's underlying Medicaid eligibility. Rather, at its core, the Opportunities for Success initiative is centered around addressing and mitigating HRSNs by seeking to improve the health and well-being of individuals experiencing poverty by removing barriers and connecting them to work, education, and other opportunities to engage in their health or communities.

It is well documented that poverty has a substantial impact on an individual's physical and mental health. DHS is acutely aware of the impact poverty has on the health and lives of individuals and their families. Many of those enrolled in ARHOME have dependent children. According to one study, "… poverty has been shown to exert a powerful influence on an individual's physical and mental health. Those living in poverty tend to have significantly worse health as measured by a variety of indicators when compared to those not living in poverty. The effect of poverty on children is particularly destructive. As Rank (2004) and others have argued, poverty serves to stunt children's physical and mental development. Poor infants and young children in the United States are far more likely to have lower levels of physical and mental growth (as measured in a variety of ways) than their nonpoor counterparts (Council on Community Pediatrics 2016).[1]

The Opportunities for Success initiative seeks to decrease poverty by supporting individuals in reaching their full potential and connecting them to available resources through the provision of focused care coordination services provided by the Success Coaches. Opportunities for Success will target HRSNs and other factors that prevent Arkansas's most vulnerable citizens from achieving their goals and support them as they improve their lives and well-being. As such, this Amendment clearly promotes the objectives of Medicaid as it provides enhanced assistance in a manner that addresses the whole person, including their economic well-being and other HRSNs, to improve their health outcomes. CMS has authorized a number of Section 1115 demonstrations that similarly provide enhanced care coordination services and access to services related to HRSN, including those directed at employment related services.[2]

DHS is aware of several evidence-based studies supporting the benefits of enhanced care coordination and case management services. For example, the Social Security Administration (SSA) conducted the Supported Employment Demonstration (SED), which was designed to

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[1] Michael McLaughlin and Mark Rank, "Estimating the Economic Cost of Childhood Poverty in the United States," 2018 National Association of Social Workers.

[2] *See, e.g.*, Washington's Medicaid Transformation Project 1115 waiver at https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/83531; Arizona's Health Care Cost Containment System 1115 waiver at https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/83531

improve economic outcomes for individuals who had applied for Social Security disability based on a mental impairment. That study used two care management treatment models to address barriers to employment. The study was conducted over a three-year period and measured outcomes in five domains: employment and earnings, SSA benefit receipt, health status, quality of life and healthcare utilization. Those enrolled in the care management treatment models had increased earnings and slightly better health outcomes than those not in one of the treatment models. Given that the study was targeted to individuals whose mental health conditions were so significant that they applied for disability benefits, the ARHOME population to whom a Success Coach would be assigned is likely to have less underlying health conditions than those individuals in the SED study.

Based on this and similar studies and experience, this Amendment and the rule to support its implementation is likely to promote the objectives of Medicaid. DHS looks forward to designing a rigorous evaluation plan, as required in a Section 1115 Demonstration Project, to demonstrate the positive impact of focused care coordination services on healthcare engagement, poverty level, and employment rates of participating Medicaid beneficiaries.

Administrative Burden & Infrastructure Needs

The use of Qualified Health Plans (QHPs) is unique to Arkansas and not employed in any other state at this time. QHPs constitute a delivery system under contract with DHS. A relatively small number of Individuals may be transitioned back to the Fee-For-Service (FFS) delivery system. Each individual found eligible under the new adult group starts out in FFS. While the commenter describes that as a “restriction in access to healthcare” that is where coverage begins and where two-thirds of the Arkansas Medicaid population is served. The commenter alleges that communications between DHS and individual beneficiaries will “lead to a decrease in enrollment …”. There is no Medicaid entitlement attached to a delivery system that is optional for the state to provide. However, the individual would still have the right to appeal. DHS disagrees that communication with a beneficiary imposes a burden on the individual.

These comments seemed to be derived primarily from concerns stemming from the state’s prior implementation of a community engagement requirement tied to Medicaid eligibility that required monthly beneficiary reporting of engagement activities.

As stated in the Amendment, DHS heavily considered the lessons learned from its prior implementation in the design of the Opportunities for Success initiative. The program design seeks to simplify participation for both the beneficiary and DHS through enhanced data matching. In addition, it will provide more tangible supports to beneficiaries enrolled in Medicaid through the introduction of Success Coaches to provide personal contact to assist them with navigating and accessing the services and opportunities available to them.

This program does not impose any new reporting responsibilities upon eligible beneficiaries to maintain coverage in a QHP. Beneficiaries will not need to track or report work or other engagement hours. DHS intentionally designed the initiative to minimize the burden on beneficiaries and eliminate the need for all reporting. DHS will confirm the engagement status of beneficiaries through data matching to identify which members of the population are not currently engaged in their health or communities to determine eligibility for the expanded focused care coordination services.

Specifically, DHS proposes to use the Federal Poverty Level (FPL) bands as the first step for identifying individuals who would benefit from focused care coordination services. There are no

“income verification” requirements, as this information is available from the individual’s application for Medicaid and is already known for the entire ARHOME population. If the individual is presumed to be unemployed due to FPL, DHS will then check for participation in health and economic well-being activities. Similarly, most of this information is already available in the eligibility system or available through data sharing agreements with other state agencies or QHPs. For example, communications between DHS and the QHPs could indicate whether an enrolled beneficiary is actively engaging in their healthcare by receiving preventive services through the QHP. As such, these individuals would be automatically identified and determined to be engaged and not in need of focused care coordination services.

If DHS is unable to determine a beneficiary’s engagement based on data matching, the beneficiary will be determined eligible for focused care coordination services via a Success Coach. Once connected, the Success Coach will offer to get to know the beneficiary and directly assist the individual identify engagement activities that were not previously matchable such as caretaking responsibilities, connect to opportunities available in the community to address any unmet HRSNs, and develop an individualized Action Plan. No individuals will be required to report or otherwise document compliance on a regular basis. Rather, DHS is seeking to improve member engagement through focused care coordination, which, for most, will mean a monthly contact with a Success Coach to check whether the beneficiary has gained access to needed resources and is making progress on their individualized Action Plan.

The commenter expressed concerns about the potential administrative burden associated with this initiative that does “not add anything of value.” The commenter also expressed concerns that the State does not have the necessary infrastructure to implement and operationalize the Opportunities for Success initiative. The commenter suggested that the infrastructure costs were not justified particularly as there are other agencies, such as Workforce Services, which are already available to individuals in the state.

DHS believes the opportunities that will be available to the ARHOME population outweigh the costs associated with implementation. DHS strongly disagrees that the status quo should merely be accepted, and the Agency should do nothing because “… the state has existing workforce assistance infrastructure through its Division of Workforce Services.” Assisting individuals access local resources to address their HRSNs is consistent with the objectives of the Medicaid program. For example, CMS has recently approved several state Medicaid demonstrations that have included investments in services and infrastructures costs for addressing housing and food security, despite the fact that all states have existing programming and infrastructure in place to support both. In order to effectively address health, Medicaid can play a role in assisting beneficiaries address their underlying HRSNs, including employment needs, by providing connections to resources which may already be available to individuals in the community.

Further, the Opportunities for Success initiative effort builds upon the existing Life360 HOME program by allowing the state to scale existing efforts to connect beneficiaries to resources available to address HRSNs. While the Life360 program provides *intensive* care coordination services to targeted populations, the Opportunities for Success initiative would allow the state to expand the reach of *focused* care coordination services to more individuals statewide. The underlying infrastructure already exists, and the Amendment and rule merely seek to continue to build upon the available resources to reach more individuals who could benefit from more community connections.

Focused Care Coordination Services Via a Success Coach

The commenter expressed that they did not see the value in the new Success Coaching benefit and did not believe it would address barriers to work. The commenter alleged that the operation will be understaffed. DHS disagrees.

Success Coaches will provide beneficiaries with tailored and focused care coordination services designed to meet the beneficiaries' unique needs. This new care coordination service is designed to meet all CMS expectations for effective care coordination, such as: an assessment of need, development of an individualized action plan, coordination of and referral to services and related activities, and monitoring and follow-up activities. Care coordination plays a critical role in addressing HRSNs. In recent approvals of services targeting HRSNs, CMS has specifically approved HRSN case management and emphasized the importance of supporting beneficiaries in accessing the community resources they need to improve their well-being. Success Coaches will identify and directly address the barriers that prevent beneficiaries from engaging in their communities, such as domestic violence, homelessness, food insecurity, or transportation. DHS agrees with one commenter who discussed the importance of maintaining beneficiary protections, particularly related to potentially stigmatizing challenges facing the beneficiary.

Success Coaches will be qualified care coordination professionals who will undergo a rigorous training program. DHS will expect Success Coaches to have hands-on experience with vulnerable populations. All Success Coaches will be trained to understand their beneficiaries' unique needs and to meet them they are through the provision of person-centered care. Success Coaches will utilize multiple means of communication to find the best way to support their beneficiaries. Success Coaches will also be connected to a substantial repository of employment and other community resources that they can then relay to beneficiaries based on their specific goals.