

# WORK REQUIREMENTS

## Program Summary

The purpose of the Career Connector program is to improve the health and wellbeing of able-bodied adult Medicaid recipients while empowering them to obtain full-time meaningful work. South Dakotans value hard work and believe that work can add meaning and purpose to an individual's life. The State of South Dakota's (herein after, State) goals include:

- Improve participant's health and encourage the development of healthy habits; and
- Empower participants to be successful in today's workforce.

As noted in CMS's January 11, 2018 State Medicaid Director letter titled *Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries* studies have found a correlation between work and wellbeing. These include:

- Higher earnings being positively correlated with a longer lifespan;
- Unemployment being associated with higher mortality, poorer general health, poorer mental health, and higher medical consultation and admission rates; and
- Unemployment being associated with higher rates of depression.

South Dakota proposes to operate the Career Connector program as a pilot in Minnehaha and Pennington Counties. The two areas are the most populated counties in the state and were identified as pilot locations to operate the program based on population and access to employment and training resources. The Department of Labor and Regulation (DLR) will provide supports for individuals in the program through a contractual agreement with the Department of Social Services. It is estimated that 1,300 recipients in these areas will meet the eligibility criteria for the Career Connector program. The State is seeking to implement this demonstration for a five-year period. The State may seek to expand the program to other areas of the state through an amendment based on the initial outcomes of the pilot.

## Eligibility

Adult recipients age 19 to 59 who are enrolled in the parent and other caretaker relatives eligibility group as described in 42 CFR 435.110 and reside in Minnehaha or Pennington County will be required to participate in the Career Connector program unless they qualify for an exemption. The following individuals will be exempt:

- Individuals who work 80 hours or more a month;
- Individuals age 18 or younger;
- Individuals age 60 or older;
- Full-time students;
- Pregnant women;
- Individuals whose eligibility has been determined on the basis of disability or who have been determined disabled by the Social Security Administration;
- Medically frail individuals (e.g. individuals unable to work due to cancer or other serious or terminal illness);
- Individuals already participating in a workforce participation program that the State has

determined meets the objectives of the Career Connector program (e.g. SNAP, TANF or unemployment insurance);

- Parents of dependent children under one year old living in the parent's residence; and
- Primary caregivers of elderly or disabled individuals living in the caretaker's residence.

The Department of Social Services (DSS), Division of Economic Assistance will determine whether a recipient is eligible for the Career Connector program. Recipients will be assessed for participation in the program at the time of their initial South Dakota Medicaid application. Individuals currently enrolled in South Dakota Medicaid will be assessed for participation at their next eligibility review. Exempt individuals may elect to participate in the program on a voluntary basis. Individuals participating on a voluntary basis will not be subject to the non-compliance remedies described in this application.

Consistent with current eligibility standards Career Connector participants will be eligible for Transitional Medical Benefits (TMB) if their income exceeds the income limit. TMB provides full Medicaid coverage for individuals who lose eligibility due to an increase in earnings for twelve calendar months.

## **Program Details**

The Career Connector program is focused on the intertwined objectives of improving lives by helping individuals find meaningful work and improving the health and wellbeing of the individual. The key components of these objectives are an individualized employment and training plan and promoting healthy living. In addition, the Career Connector program will offer a pathway from Medicaid to private health insurance coverage through premium assistance. The demonstration will not affect or modify other components of the State's current Medicaid program other than as described in this application. The demonstration will have no effect on the State's CHIP program.

## **Promoting Work**

The objective of the program is for an individual to obtain meaningful work. Meaningful work is considered a job in one of the participant's desired fields of employment commensurate with their qualifications and abilities. Participants must meet minimum training and/or work requirements. To meet the requirements of the program participants must either work at least 80 hours per month or achieve monthly milestones in their individualized plan. South Dakota will continue to work with individuals once they have met the requirements of the program until the individual:

- Works 120 hours or more a month; or
- Has an income of at least 150 percent of the Federal Poverty Level; or
- Loses Medicaid eligibility and chooses to no longer pursue the objectives of their individualized plan.

Recipient enrolled in the Career Connector program will be notified by DSS. Newly enrolled recipients will be provided a three month period from their initial application month before they are required to begin achieving monthly milestones in their individualized plan. Individuals may

meet with a DLR employment specialist at any point during the three month period to begin an initial employment assessment and creation of an individualized employment and training plan.

DSS will connect all program participants with a case manager. The case manager will aid participants to help ensure their success in the Career Connector program. Case managers' activities may include, but are not limited to, the following:

- Connecting individuals to support services;
- Promoting preventative health services available through Medicaid coverage; and
- Reminding individuals of important Career Connector program elements.

The program will follow the same process for all eligible individuals:



DLR will be responsible for the conducting the employment assessment, identifying the integrated resource team, developing the employment and training plan, identifying monthly milestones, tracking achievement of monthly milestones, and tracking/verifying hours worked.

The individualized employment and training plan may include, but is not limited to:

- English as a second language;
- Health insurance literacy courses;
- Financial literacy courses;
- Disease management courses;
- Other healthy living courses;
- Treatment for chronic or behavioral health conditions;
- High school equivalency education;

- Post-secondary education and training;
- Volunteer work;
- Resume writing and soft skills training; or
- Job search.

The components of the employment and training plan may be provided by DLR or by other entities.

### Non-compliance

Participants must meet the requirements in the Promoting Work section. Non-compliance with requirements will be handled in the following manner:

Instance	Remedy
First month of non-compliance	Participant must contact a DLR employment specialist within 30 days of the first notice of non-compliance to establish a corrective action plan.
Second month of non-compliance	Participant must contact a DLR employment specialist within 30 days of the second notice of non-compliance to establish a corrective action plan. DSS is notified of non-compliance.
Third month of non-compliance	Participant is sent 10 day timely notice of closure of his or her Medicaid eligibility.
Additional instances of non-compliance	Participant is sent 10 day timely notice of closure of his or her Medicaid eligibility.

DSS's Division of Economic Assistance will determine if a participant's non-compliance results in closure of his or her Medicaid eligibility. Closure of the participant's Medicaid eligibility will not affect the eligibility of a child, spouse, or other household member that is not required to participate. An individual who loses eligibility due to non-compliance may work with DLR to take corrective action within 30 days of coverage closure to reinstate coverage. Reinstatement of coverage will be determined by DSS. Failure to obtain reinstatement during this 30 day period will result in a 90-day ineligibility period of the participant's Medicaid coverage.

Prior to disenrollment due to non-compliance, a participant may request a "good cause" exemption. The circumstance constituting good cause must have occurred during the month for which the participant is seeking a good cause exemption. Recognized good cause exemptions include, but are not limited to, the following verified circumstances:

- The participant has a family member in the home with a disability under federal disability rights laws and was unable to meet the requirement for reasons related to acting as the short-term caretaker of that family member;
- The participant experiences a hospitalization or serious illness or has an immediate family member who lives in the home with the participant that experiences a hospitalization or serious illness;

- The participant experiences the death of a family member living with the participant;
- The participant experiences severe inclement weather (including a natural disaster) that renders him or her unable to meet the requirements; or
- The participant has a family emergency or other life-changing event. Examples include a divorce or domestic violence.

DSS's Division of Economic Assistance is responsible for determining whether a "good cause" exemption is granted.

## Promoting Health

The Career Connector program is designed to improve health outcomes for participants by helping them find meaningful work. As noted in the Program Summary section studies have identified a correlation between work and wellbeing. In addition, the Career Connector program will focus on improving health outcomes for participants by promoting the utilization of preventative services with the intent of helping participants develop healthy habits. The program will accomplish this objective through the following mechanisms:

1. Increasing identification and treatment of chronic or behavioral health conditions.
2. Promoting Well-Adult visits, immunizations, and preventative dental visits.
3. Requiring one Well-Adult visit and one preventative dental visit during the period an individual is eligible for TMB to qualify for premium assistance.

Increased identification of chronic or behavioral health conditions will be accomplished through DLR's initial assessment. Treatment of these conditions may count as achievement of a monthly milestone. DSS's Division of Medical Services and DSS case managers will be primarily responsible for promoting preventative care.

## Demonstration Benefits and Cost Sharing Requirements

The benefits available under the demonstration are the same as those currently provided under the Medicaid state plan. In addition, the cost sharing requirements will be the same as currently required under the state plan with the exception of the premium assistance program.

The premium assistance program covers up to the previous year's TMB per member per month (PMPM) amount, which will assist participants in purchasing employer-sponsored health insurance or coverage through a Qualified Health Plan (QHP). Participants in the premium assistance program will be subject to the cost sharing terms and conditions of the plan they are enrolled in including any portion of premiums not covered by premium assistance and payment for any services not covered under employer-sponsored plan or the QHP.

## Support Services

DLR will form an integrated resource team to facilitate referrals to community and support services including vocational rehabilitation services. Participants will also be evaluated by DLR for Workforce Innovation and Opportunity Act (WIOA) support services, including:

- Transportation;
- Clothing; and
- Rent assistance.

Career Connector participants will also be referred to the DSS's Division of Child Care, which provides assistance to low income families who need help with child care costs while parents work or attend school.

Support services described above are not funded by Medicaid expenditures.

### Premium Assistance

Following the expiration of TMB benefits, some individuals may qualify for premium assistance. To qualify an individual must meet the following criteria:

- The individual completed one Well-Adult visit and one preventative dental visit during the period the individual was enrolled in TMB coverage;
- The individual has an income above the LIF limit, but below 100 percent of the Federal Poverty Level; and
- The individual is in compliance with the training and work requirements of the program.

Eligibility for premium assistance will be determined by DSS's Division of Economic Assistance. DSS's Division of Medical Services will be responsible for administration related to premium assistance payments.

Premium assistance will be provided for a period of up to one year. Payment will be for the cost of the health insurance premium up to PMPM associated with TMB coverage in the previous federal fiscal year. Individuals who no longer meet the criteria during the one year period will no longer be eligible for premium assistance and will be referred to the Marketplace. The participant will be responsible for cost sharing amounts including co-payments, co-insurance, and deductibles.