Work as a Condition of Medicaid Eligibility: Key Take-Aways from TANF

Several states have now asked or are planning to ask the Centers for Medicare & Medicaid Services (CMS) for permission to impose work requirements as a condition of Medicaid eligibility through Section 1115 research and demonstration waiver authority. While there are currently no work requirements in any state Medicaid program, other federal programs require participation in work activities as a condition of eligibility, including Temporary Assistance for Needy Families (TANF).1

Proponents of work requirements in Medicaid suggest that they would incentivize work among low-income populations, help transition Medicaid enrollees off the program (ideally to employer-sponsored insurance), and conserve resources for other populations perceived as having greater need. Proponents also point to gains in employment among affected populations following the imposition of work requirements as part of welfare reform in 1996 (HHS 2017, U.S. Committee on the Budget 2017).

Those opposing work requirements also cite the TANF experience, and argue that because the majority of adults covered by Medicaid are currently working or meeting other proposed exemptions (such as having a disability), implementing a Medicaid work requirement would do little to increase employment among this population. Critics also contend that these requirements would impose a considerable administrative burden on states and lead to coverage losses (Rosenbaum et al. 2017, Katch 2016).

This brief examines the key design features of waiver proposals in the eight states—Arkansas, Arizona, Indiana, Kentucky, Maine, New Hampshire, Utah, and Wisconsin—that seek to implement work requirements in their Medicaid programs. It also discusses key considerations and lessons learned from TANF. Overall, the research suggests that TANF and its work requirements:

- led to a caseload decline driven by increased employment as well as sanctions;
- helped increase employment, including for single mothers and individuals with significant barriers to employment, though effects diminished over time;
- had a mixed or limited effect on income growth; and,
- created administrative challenges for states.

State 1115 Waiver Requests

Section 1115 waivers allow states to test approaches to coverage that are not allowed under traditional Medicaid. Using this authority, eight states are seeking to add work requirements to Medicaid as a condition of eligibility. Such changes have not been approved previously, although some states, including Indiana and Pennsylvania, have been permitted to refer Medicaid applicants to voluntary work support...
programs (MACPAC 2017, MACPAC 2015). Arizona, Arkansas, Indiana, Kentucky, and New Hampshire are Medicaid expansion states and are seeking work requirements for their expansion population; Maine, Utah, and Wisconsin are non-expansion states and are seeking such requirements for other adults.² (Links to each waiver application are listed in the references section.)

As described in their waiver applications, states expect that work requirements will increase rates of beneficiary employment and participation in job search and employment-related training, as well as earned income among those leaving the program. States also anticipate that such changes will support transitions to commercial coverage and self-sufficiency and decrease reliance on public programs.

In general, if granted, these waivers would require non-disabled, non-elderly, non-pregnant individuals to meet work requirements as a condition of Medicaid eligibility. Waivers typically would exempt individuals with caretaker responsibilities, who are mentally or physically unable to work, and who are attending school. The definitions of work activities being proposed are similar to the standards used in TANF.³ However, each of the waiver proposals has its own approach to:

- specific circumstances under which beneficiaries would be exempt from the requirement,
- specific types of activities that would allow beneficiaries to satisfy the work requirement, and
- penalties for not satisfying the work requirement.

Recent federal legislative proposals—the American Health Care Act (AHCA, H.R. 1629) and the Better Care Reconciliation Act of 2017 (BCRA, H. R. 1628)—have sought to create a state plan option to implement similarly structured work requirements for this population, meaning states would no longer have to request Section 1115 waiver authority to do so.

All eight states are seeking other changes to their programs, such as lock-out periods for non-payment of premiums, changes to income eligibility thresholds, and asset limits (CMS 2016). Arizona, Maine, Utah, and Wisconsin propose to couple work requirements with time limits on enrollment. However, these issues are outside the scope of this brief.

**Exemptions from work requirements**

State waiver proposals generally include exemptions to work requirements. For example, all eight states would exempt individuals who are determined to be medically frail or certified as mentally or physically unfit for work by a health care professional. Some states would exempt individuals who have met the work requirements of other programs (e.g., cash assistance or unemployment benefits). Two states (Indiana and Kentucky) would allow certain members a grace period when they first enroll.⁴ In four states (Indiana, Kentucky, Utah, and Wisconsin), employment for a specified number of hours per week (e.g., 30 hours per week in Utah) would be considered an exemption from participation in other qualifying activities, rather than as a qualifying activity in and of itself (Appendix Table 1A).
Activities defined as work

State waiver proposals have used TANF or the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps) specifications for defining what constitutes work (Appendix Table 2A). Five states (Arkansas, Kentucky, Maine, Utah, and Wisconsin) would consider individuals meeting the SNAP or TANF requirements to automatically meet the Medicaid requirement. Many allow additional activities to count towards the definition of work, such as participating in a job training program administered by the state or a managed care organization, or attending an English-as-a-second-language course.

Most states are either proposing to require 20 hours per week, or 80 hours per month of qualifying activities. Some of the states would set limits on how many hours per month can be attributable to certain activities (e.g., Arkansas would allow job training or job search activities to count towards only up to 40 hours per month). Two states, Indiana and New Hampshire, are proposing to gradually increase the number of required hours as beneficiaries are enrolled in the program longer.

Penalties for non-compliance

Each state is proposing different penalties for members who do not comply with the work requirements, some of which are already in use in the TANF and SNAP programs (Appendix Table 3A). In Indiana, Kentucky, New Hampshire, and Utah, members would be disenrolled if they fail to meet work requirements although they would be allowed to re-enroll when they comply. In Arkansas, beneficiaries would be disenrolled if they fail to meet the work requirement for a cumulative three months during the coverage year, and would be locked out of coverage until the beginning of the next coverage year.

In Arizona, Maine, and Wisconsin, time that members are not meeting the work or community engagement requirements would count against time limits on Medicaid eligibility, after which members may be disenrolled and locked out of coverage temporarily (Maine and Wisconsin) or permanently (Arizona).

Possible Implications of Medicaid Work Requirements

Due to similarities in work requirements for TANF and those proposed for Medicaid, the substantial body of research examining the impact of work requirements in TANF may shed light on potential implications of a Medicaid work requirement, including those related to coverage losses and the types of beneficiaries who may be most at risk; states’ ability to incentivize work; and state administrative capacity.

Impact on coverage

The number of Medicaid beneficiaries whose coverage could be affected by a work requirement depends on the design specifications; however, with the exception of Utah, states proposing work requirements for current populations anticipate reductions in Medicaid enrollment over the five-year demonstration period relative to the status quo. These expected coverage losses are consistent with caseload declines in cash assistance programs accompanying the transition to TANF and its work requirements. While states do not generally attribute changes in enrollment to specific features of their waiver proposals, Indiana estimates

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that approximately 25 percent of the population subject to the work requirement will choose not to participate and therefore would be disenrolled.

Currently, approximately 60 percent of non-disabled adults with Medicaid are employed on a full- or part-time basis. These individuals would qualify for Medicaid under any of the proposed work requirement provisions (Garfield, Rudowitz, and Damico 2017). Of those not working, about 14 percent were looking for work and thus could possibly meet work requirements through job search activities. Among those not working or seeking work, about one-third said they were fulfilling caretaking activities, one-third reported having a disability, and one-sixth reported going to school (Ku and Brantley 2017).

Although many Medicaid beneficiaries are already working or potentially qualify for an exemption, requirements to verify employment could lead to individuals not applying for or renewing coverage. Coverage losses could also occur for failure to submit supporting documentation. In addition, coverage losses could be particularly pronounced among individuals with significant barriers to work (e.g., behavioral health problems, issues with arranging childcare, etc.), as they may be ineligible for exemptions but unable to satisfy the work requirement given their circumstances.

Coverage losses associated with the transition to TANF. Following implementation of TANF work requirements, there was a substantial decline in the caseload for cash assistance; the number of families receiving TANF declined by 50 percent from 1997 to 2010, with some states experiencing declines of over 80 percent (Loprest 2012). This caseload reduction was driven by both declining take-up for eligible families, which decreased from 79 percent in 1996 to just 36 percent in 2007 and families leaving the program more quickly (Falk, McCarty, and Aussenberg 2016).

While many studies have examined the impact of welfare reform policies as a whole, some were able to isolate the impact of specific features. Of these, most find that work requirements reduced caseloads and those with stronger enforcement and sanctions for non-compliance had stronger effects (Grogger et al. 2002). Factors contributing to caseload reductions included families becoming employed, as well as being disenrolled out of failure to meet the work requirement or exceeding the five-year lifetime limit on benefits (Falk, McCarty, and Aussenberg 2016). However, researchers disagree on the extent to which gains in employment can be attributed to welfare reform or general economic trends (Grogger et al., 2002).

Impact on employment

As in the TANF program, the extent to which Medicaid work requirements incentivize work will depend on availability of employment opportunities and job training and work support programs to help beneficiaries overcome barriers to employment. However, low growth in overall income despite employment gains following the transition to TANF indicates possible challenges associated with transitioning Medicaid beneficiaries to higher-wage jobs that provide employer-sponsored insurance.

Incentivizing work. In order for work requirements to incentivize work, job or volunteer opportunities must be available in the community. This may not always be the case. For example, in Kentucky, after the 2008 recession, 32 counties experienced job losses. Federal work requirements for SNAP were dropped for all 120 counties due to lack of job opportunities; SNAP work requirements have since been reinstated in 20

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counties. In response to Kentucky’s current waiver application, nonprofit organizations in the state have indicated they do not have the capacity to provide volunteer opportunities to an influx of individuals looking to satisfy the proposed community engagement requirement (Cohen 2017).

Additionally, gaining employment does not necessarily replace the need for Medicaid benefits in the same way that it replaces TANF or other cash assistance. People become sick or injured regardless of their employment status (Rector 2017). Research examining beneficiaries’ experience in transitioning from cash assistance to employment has found that many were unable to replace Medicaid with private coverage; only one-third of individuals who transitioned off of TANF obtained health insurance coverage through their jobs (Golden 2005, Hamilton et al. 2001). As of 2016, almost half of the jobs held by Medicaid beneficiaries were at small firms not subject to the Patient Protection and Affordable Care Act employer mandate to provide health insurance, and 40 percent were in the agriculture and service industries, which have low employer-sponsored insurance offer rates (Garfield, Rudowitz, and Damico 2017).

**Increased employment after the transition to TANF.** Following enactment, employment grew among the TANF population. Nationally, between 1997 and 1999, the percentage of adults reporting no work activity fell from 43 percent to 33 percent and the percentage of adults who reported working for pay grew from 22 percent to 32 percent (Zedlewski and Alderson 2001). Work among single mothers, the population most predominantly served by TANF, increased more than any other group, with labor force participation increasing from 58 percent in 1995 to 71 percent in 2007, with most of the increase occurring soon after TANF became law (GAO 2010a). While states’ specific work requirement policies varied, employment gains among single mothers grew regardless of the stringency of the work requirement (Golden 2005).

Employment also grew among individuals who faced barriers to employment such as physical or behavioral health limitations, less than a high school education, a child on Supplemental Security Income or under age one, or having been unemployed for three or more years. For example, in 1999, about 30 percent of individuals with one barrier were working for pay, versus just 20 percent in 1997. Among individuals with two or more barriers, 20 percent worked for pay in 1999 versus 5 percent in 1997 (Zedlewski and Alderson 2001). However, many beneficiaries with barriers to employment remained unemployed, even when participating in programs that coupled mandatory work requirements with job supports. For example, a study of one program targeting beneficiaries with significant barriers to employment found that 34 percent of participants found employment, versus 27 percent of individuals in the control group. However, two-thirds of participants still remained unemployed (Blom et al. 2007).

Some studies suggest that the effects of TANF work requirements on employment were not sustained over time. For example, a review of 13 TANF programs showed that 8 of the programs had significant increases in employment among recipients subject to the work requirement compared to beneficiaries who were not subject to the requirement. By the fifth post-reform year, employment grew among individuals not subject to the work requirement and diminished the effects (Grogger et al. 2002). Another review of welfare-to-work strategies found that among 10 programs that produced significant gains in employment in the initial years, effects dissipated after year three (Hamilton et al. 2001).

**TANF’s impact on family income and earnings.** Research is mixed on whether increased employment translated to increased income under TANF. Some research found positive trends in family income over
this time period, particularly among some groups. For example, among families headed by single mothers, family income increased as welfare use and the poverty rate declined between 1990 and 1999, indicating that earnings growth outpaced the reduction in cash assistance benefits (Grogger et al. 2002).

Other analyses of specific welfare-to-work programs and the experiences of families who left welfare for employment indicate that while dependence on cash assistance benefits declined among participants subject to work requirements, increases in total income were limited. That is, increases in earnings were not sufficient to lift family income above the poverty line when coupled with the loss of cash assistance benefits. For example, an evaluation of welfare-to-work programs over a five-year period found that relative to individuals assigned to the control group, program participants’ earnings as a share of total income increased, but total income did not. In two of programs, participants saw a significant reduction in total income relative to individuals assigned to the control group (Hamilton et al. 2001). Other studies similarly found a low wage rate among those leaving TANF (Grogger et al. 2002, Golden 2005).

Administrative capacity challenges

Putting work requirements in place will require states to track and verify beneficiary participation in work and community engagement activities. Kentucky originally proposed to gradually increase the number of hours beneficiaries were required to participate (CMS 2016). Citing the additional administrative capacity and information technology (IT) infrastructure needed to accurately track these graduated requirements, however, the state revised its request to align Medicaid with SNAP requirements and dropped the proposed increase (CMS 2017d).

Tracking beneficiary work activities in TANF has similar administrative capacity challenges. Monitoring beneficiary compliance with work requirements has been complex for states, requiring significant staff time and coordination across agencies and with employers. In addition, three-quarters of states experienced at least a moderate degree of difficulty implementing the necessary databases and IT systems (GAO 2013, GAO 2010b). To ease administrative burden, the Government Accountability Office (GAO) noted that the TANF requirements could be changed to de-emphasize actual activity hours in favor of measures such as job placement, retention, and increases in earnings (GAO 2013).

Endnotes

1 While there is no work requirement in any state Medicaid program, states are permitted to terminate an individual’s Medicaid coverage for failure to meet TANF work requirements under Section 1931(b)(3) of the Act. This applies only to individuals who are receiving TANF and excludes pregnant women, infants, and children under 133 percent FPL. It is unclear how many states are currently exercising this option.

2 In Utah, the work requirements would apply to the population enrolled in the Primary Care Network demonstration, a limited benefit plan for adults up to 100 percent of the federal poverty level (FPL). Utah is also requesting to expand Medicaid to individuals up to 5 percent FPL to individuals who are chronically homeless, justice-involved and in need of substance use or mental health treatment, and other individuals in need of substance use or mental health treatment (e.g., who are

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participating in the Adults without Dependent Children program). It is requesting approval to apply work requirements to this population in the future through state administrative rule.

Activities defined as work activities under TANF are outlined at Section 407(d) of the Social Security Act to include: unsubsidized employment; subsidized public or private sector employment; work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available; on-the-job training; job search and readiness assistance; community service programs; vocational educational training (up to 12 months per individual); job skills training directly related to employment; education directly related to employment or satisfactory attendance at a secondary school or in a course of study leading to a certificate of general equivalence; and the provision of child care services to an individual participating in a community service program.

Kentucky would allow a three-month grace period for newly enrolled members. This period would not apply to individuals enrolled with non-exempt community engagement and employment status (e.g., not as a pregnant woman or full-time student) for a total of three months at any time in the prior five years. Indiana would allow members a six-month grace period.

In Arizona and Kentucky, members failing to complete redetermination paperwork or who intentionally fail to report changes in income, employment, or falsely report community engagement or employment hours would be locked out of coverage for 6 months (Kentucky) or 12 months (Arizona). In Kentucky, individuals would be able to gain early re-entry at any time by completing a financial or health literacy course and paying the regular premium to start coverage.

Utah has proposed a unique time limit. The state would not count time that an individual enrolled in the Primary Care Network is meeting one of the work requirement’s exemptions (including working over 30 hours per week), but it would count time spent looking for a job participating in job training. All months in which individuals are enrolled in the Adults without Dependent Children program would count towards the limit.

In TANF, states can design work requirement policies for certain features of their programs, such as exemptions and required participation hours, but it must meet federal work participation rate requirements (i.e. that 90 percent of two-parent families be engaged in work at least 35 hours per week, and half of all families be engaged in work for 30 hours per week) or be subject to a reduction in federal funds. Under SNAP, non-exempt beneficiaries must notify the state annually whether they are employable and working, and cannot voluntarily reduce work below 30 hours per week, quit a job without cause, or fail to accept a job if offered one. States determine the penalty for non-compliance within federal maximum penalties (Falk, McCarty, and Aussenberg 2016).

The population subject to Utah’s proposed work requirement is enrolled in a limited benefit plan and subject to an enrollment cap.

TANF federal time limits are set at five years, though states can set them lower or make exemptions.

References


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Appendix: Details of Proposed Work Requirements

**TABLE 1A.** Exemptions to Work and Community Engagement Requirements Under Section 1115 Waiver Proposals

<table>
<thead>
<tr>
<th>State</th>
<th>Exemptions</th>
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| Arkansas| • individuals age 50 and older  
                   • medically frail individuals  
                   • beneficiaries whose income is consistent with being employed for 80 hours a month  
                   • beneficiaries enrolled full-time in high school, higher education, vocational training, or job training  
                   • beneficiaries exempt from SNAP requirements  
                   • beneficiaries receiving TEA cash assistance  
                   • beneficiaries who are incapacitated in the short term or who is medically certified as physically or mentally unfit for employment  
                   • beneficiary caring for an incapacitated person or dependent child under age six  
                   • beneficiary lives in a home with a minor dependent child age 17 or younger  
                   • beneficiary receiving unemployment benefits  
                   • beneficiaries participating in a treatment program for alcoholism or drug addiction  
                   • beneficiary is pregnant or receiving post-partum care  
                   • enrollees who have catastrophic events |
| Arizona | • individuals enrolled in long-term care (i.e., who have an institutional level of need)  
                   • individuals eligible for Medicare cost sharing (including partial duals)  
                   • 19-year-olds who are still attending high school on a full-time basis  
                   • sole caregiver of a family member under age six  
                   • individuals receiving temporary or permanent long-term disability benefits  
                   • individuals determined to be physically or mentally unfit for employment by a health care professional in accordance with rules adopted by the administration |
| Indiana | • individuals in their first six months of HIP 2.0 eligibility  
                   • full-and part-time students  
                   • members who are employed and working more than 20 hours/week averaged over 8 of 12 months  
                   • pregnant women  
                   • members who are the primary caregiver of a dependent child below the compulsory education age or a disabled dependent  
                   • members identified as medically frail (i.e. serious medical conditions, chronic substance use disorder, or disability determination)  
                   • members with a certified temporary illness or incapacity  
                   • members in active SUD treatment  
                   • members over age 60  
                   • members with a recent incarceration |
<table>
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<tr>
<th>State</th>
<th>Exemptions</th>
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</table>
| Kentucky      | • children under the age of 19  
• pregnant women  
• primary caregivers of a dependent, including a dependent minor or a disabled adult dependent (limited to one exception per household)  
• individuals identified as medically frail  
• full-time students |
| Maine         | • individuals residing in an institutional residential facility  
• individuals residing in a residential substance abuse treatment or rehabilitation program  
• caretakers of dependent children under age six  
• pregnant women  
• individuals who are physically or mentally unable to work 20 hours or more per week, as evidenced by medical certification  
• individuals receiving temporary or permanent disability benefits from the government or a private insurance company |
| New Hampshire | • individuals determined to be mentally or physically unable to participate in requirements  
• individuals participating in a state-certified drug court program  
• individuals who are parents or caretakers of a dependent child under age six, or of a person for whom such care is considered necessary by a qualified health care professional |
| Utah          | Individuals meeting SNAP federal work participation exemption criteria. In Utah, these include:  
• individuals working 30 or more hours per week  
• individuals age 60 and older  
• individuals who are physically or mentally unable to work  
• parents or other members of households responsible for a dependent child under age six  
• individuals responsible for the care of an incapacitated person  
• individuals who have applied for or are receiving unemployment insurance benefits  
• individuals participated regularly in a drug and alcohol treatment program  
• students enrolled at least half time  
• individuals participating in refugee employment services  
• Family Employment Program participants |
| Wisconsin     | • individuals diagnosed with a mental illness  
• members receiving SSDI  
• primary caregivers for persons who cannot care for themselves  
• members who are physically or mentally unable to work  
• members receiving or who have applied for unemployment insurance  
• members taking place alcohol or other drug abuse treatment  
• members enrolled at least half time in an institution of higher learning  
• half- or full-time high school students age 19 and older |

**Notes:** HIP 2.0 is the Healthy Indiana Plan Section 1115 waiver. SUD is substance use disorder. SSDI is Social Security Disability Insurance. TEA is Transitional Employment Assistance.  
**Source:** MACPAC analysis of Section 1115 waiver applications as of October 2017.
<table>
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<tr>
<th>State</th>
<th>Qualifying activities</th>
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| Arkansas| Beneficiaries would automatically meet the requirement if they satisfy SNAP work requirements or by participating in the following activities at least 80 hours per month:  
  • employment;  
  • attending high school, higher education programs, or GED preparation;  
  • vocational training;  
  • on-the-job training;  
  • volunteering;  
  • independent job search or job search training (up to 40 hours each);  
  • participating in a class on health insurance, using the health system, or healthy living (up to 20 hours per year); or  
  • participating in activities available through the Arkansas Department of Workforce Services. |
| Arizona | Individuals would be required to:  
  • become employed,  
  • actively seek employment, or  
  • attend school, a job training program or a combination thereof for at least 20 hours per week. |
| Indiana | Following a six-month grace period, members not working at least 20 hours per week or enrolled in part- or full-time education programs would be required to participate in the Gateway to Work program. Participation requirements would increase over time, starting with 5 hours per week for members with between 7 and 9 months of eligibility and increasing to 20 hours per week for members with over 18 months of eligibility. Qualifying activities include:  
  • subsidized or subsidized employment;  
  • MCO employment initiatives;  
  • job skills training;  
  • job search activities;  
  • education related to employment;  
  • general education (i.e. GED or community college);  
  • vocational education or training;  
  • community work experience;  
  • community service or public service;  
  • caregiving services for a non-dependent relative or other person with a chronic, disabling health condition;  
  • accredited homeschooling;  
  • volunteer work; and  
  • participation in English as a second language courses. |
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<th>State</th>
<th>Qualifying activities</th>
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<tbody>
<tr>
<td>Kentucky</td>
<td>After a three-month grace period, beneficiaries who meet SNAP or TANF requirements, who are enrolled in the Kentucky HEALTH premium assistance program, or who are employed for more than 30 hours per week would automatically be considered to satisfy the requirement. Other members must participate in the following community engagement and employment activities 20 hours per week or 80 hours per month:</td>
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<tr>
<td></td>
<td>• job skills training;</td>
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<td>• job search activities;</td>
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<td></td>
<td>• education related to employment;</td>
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<td></td>
<td>• general education (i.e., community college or GED preparation);</td>
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<td>• vocational education or training;</td>
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<td></td>
<td>• subsidized or unsubsidized employment;</td>
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<td></td>
<td>• community work experience;</td>
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<td></td>
<td>• community service or public service; and</td>
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<td></td>
<td>• caregiving services for a non-dependent relative or other person with a chronic, disabling health condition.</td>
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<tr>
<td>Maine</td>
<td>Beneficiaries who meet the SNAP or TANF requirements would automatically meet MaineCare requirements. Other members would be required to participate in the following activities for 20 hours (averaged monthly):</td>
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<td>• paid employment or self-employed but with earnings at least equal to the minimum wage;</td>
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<td>• participating in the requirements of a Department-approved work program;</td>
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<td></td>
<td>• workforce or community service (up to 24 hours per month);</td>
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<td></td>
<td>• enrollment as a student at least half time with the goal of attaining employment;</td>
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<td></td>
<td>• completing a combination of employment and education that achieves 20 hours per week; and</td>
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<tr>
<td></td>
<td>• providing caregiver services for a non-dependent relative or other person with a disabling health condition and planning or engaging in activities to formalizer work in this area through training or certification.</td>
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<tr>
<td>New Hampshire</td>
<td>Individuals must engage in at least 20 hours per week upon application, 25 hours per week after receiving 12 months of benefits over their lifetime, and 30 hours per week after receiving 24 months of benefits over their lifetime, in the following activities:</td>
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<tr>
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<td>• unsubsidized employment;</td>
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<td>• subsidized public or private sector employment;</td>
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<td></td>
<td>• work experience, including work associated with refurbishing of public housing</td>
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<td></td>
<td>• on-the-job training;</td>
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<tr>
<td></td>
<td>• job search and readiness assistance;</td>
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<tr>
<td></td>
<td>• vocational educational training (not to exceed 12 months for any individual);</td>
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<td></td>
<td>• job skills training directly related to employment;</td>
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<tr>
<td></td>
<td>• education directly related to employment (for individuals who have not graduated high school); and</td>
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<td></td>
<td>• attendance in secondary school or in a course of study leading to certificate of high school equivalency.</td>
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<tr>
<td>State</td>
<td>Qualifying activities</td>
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<tr>
<td>Utah</td>
<td>Individuals not meeting one of the exemptions would be required to participate in online job training or job search activities through the Department of Workforce Services within the first three months of enrollment (these are the same resources, activities, and requirements applied to SNAP beneficiaries). Once these activities are completed, members would be eligible for Medicaid for the remainder of their 12-month eligibility period.</td>
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<tr>
<td>Wisconsin</td>
<td>Wisconsin is using its FoodShare Employment and Training (FSET) program (the work requirements and training program associated with Wisconsin’s SNAP program) as the model for its proposed work requirement. Members who are not working at least 80 hours per month would be required to take part in an allowable work program for at least 80 hours a month such as programs through FSET, Wisconsin Works, or other programs authorized through the Workforce Innovation and Opportunity Act. Members would also be able to achieve 80 hours per week through a combination of work and participation in such programs.</td>
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**Notes:** GED is General Education Development. MCO is managed care organization SNAP is Supplemental Nutrition Assistance Program. TANF is Temporary Assistance for Needy Families.  
**Source:** MACPAC analysis of 1115 waiver applications as of August 2017.
**TABLE 3A. Penalties for Non-Compliance with Work and Community Engagement Requirements under State Section 1115 Waiver Proposals**

<table>
<thead>
<tr>
<th>State</th>
<th>Penalties</th>
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<tbody>
<tr>
<td>Arkansas</td>
<td>Members would be disenrolled if they fail to meet the work requirement for a cumulative three months during the coverage year, and locked out of coverage until the beginning of the next coverage year.</td>
</tr>
<tr>
<td>Arizona</td>
<td>Time during which members are not meeting the work or community engagement requirements would count against proposed time limits on eligibility</td>
</tr>
<tr>
<td>Indiana</td>
<td>Enrollment would be suspended until the member complies with the work and community engagement requirements for one month or becomes eligible for an exemption (e.g., becomes pregnant)</td>
</tr>
<tr>
<td>Kentucky</td>
<td>Enrollment would be suspended until the member complies with the work and community engagement requirements for one month</td>
</tr>
<tr>
<td>Maine</td>
<td>Time during which members are not meeting the work or community engagement requirements would count against proposed time limits on eligibility</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>Time during which members are not meeting the work or community engagement requirements would count against proposed time limits on eligibility</td>
</tr>
<tr>
<td>Utah</td>
<td>Members would lose eligibility until they comply with the work and community engagement requirements or become eligible for an exemption.</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>Time during which members are not meeting the work or community engagement requirements would count against proposed time limits on eligibility</td>
</tr>
</tbody>
</table>

*Source: MACPAC analysis of Section 1115 waiver applications as of October 2017.*