



THE TRUTH ABOUT
**Arkansas' Medicaid work
requirement reporting
requirements**

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KEY FINDINGS

1

MYTH: ARKANSANS WERE UNAWARE OF THE WORK REQUIREMENT

REALITY: ENROLLEES RECEIVED MORE THAN ONE MILLION INDIVIDUAL COMMUNICATIONS ABOUT THE WORK REQUIREMENT

2

MYTH: ONLINE REPORTING WAS THE ONLY OPTION FOR ENROLLEES

REALITY: ENROLLEES HAD NUMEROUS OPTIONS FOR REPORTING THEIR WORK ACTIVITIES

3

MYTH: ARKANSAS MEDICAID ENROLLEES DO NOT HAVE ACCESS TO THE INTERNET

REALITY: NINETY-TWO PERCENT OF ADULTS IN THE WORK REQUIREMENT AGE RANGE OWN SMARTPHONES

4

MYTH: MEDICAID ENROLLEES WERE TOO BUSY TO REPORT THEIR WORK ACTIVITIES

REALITY: THOSE WORKING ONLY HAD TO REPORT ONCE

5

MYTH: EVERYONE WHO WAS REMOVED FROM ARKANSAS MEDICAID WAS REMOVED FOR FAILING TO MEET THE WORK REQUIREMENT

REALITY: LARGE PORTIONS OF THE REMOVALS WERE PEOPLE WHO NO LONGER QUALIFY—AND PERHAPS NEVER QUALIFIED IN THE FIRST PLACE

6

MYTH: INDIVIDUALS WHO HAD REPORTING DIFFICULTIES WERE KICKED TO THE CURB

REALITY: ARKANSAS HAD GOOD-CAUSE EXEMPTIONS FOR THOSE WHO MAY HAVE FACED BARRIERS

Background

Since Arkansas opted in to ObamaCare's Medicaid expansion in 2013, the program has consistently run over budget and enrolled more than 100,000 more able-bodied adults than state officials said would ever sign up.¹⁻² In order to rein in the mess, Governor Asa Hutchinson pushed for Arkansas to become a national leader on welfare reform and implement commonsense work requirements for able-bodied adults in the Medicaid expansion.

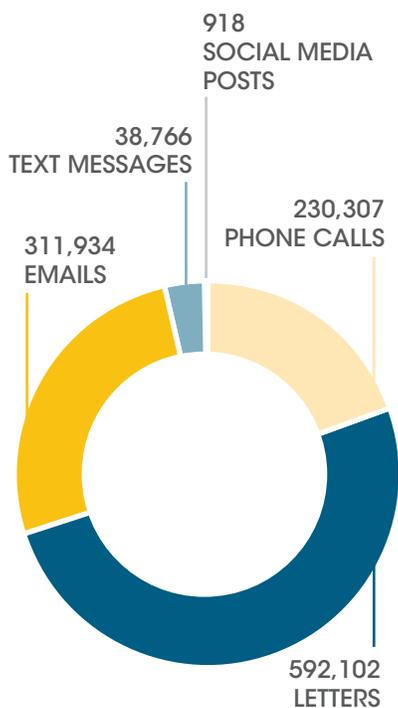
In June 2018, Arkansas became the first state to ever implement a Medicaid work requirement for able-bodied adults. Since that time, the state's efforts have been the focal point of endless media attention and outrage from far-left opponents of the commonsense requirement. Much of this hysteria has centered around the false narrative that the state's reporting requirements for enrollees were too onerous and served as the only possible explanation for why enrollment declined.³

However, the facts paint a different picture: the state implemented an aggressive and thoughtful outreach campaign to raise awareness of the requirement and educate enrollees on how to report; reporting was never "online only," as critics have claimed; the majority of Arkansans have smartphone and internet access; many misconceptions exist about the required frequency of reporting; case closures happened for a variety of reasons; and employment is not the only way to satisfy the work requirement.



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ARKANSAS OUTREACH EFFORTS IN 2018 ALONE



Source: Arkansas Department of Human Services

Myth: Arkansans were unaware of the work requirement

Reality: The state sent out more than one million individual communications about the work requirement

Contrary to the false narrative in the national media, the Arkansas Department of Human Services (DHS) worked overtime to inform Arkansas Medicaid enrollees about the new work requirement, educated them about the details of the requirement, and provided a plethora of resources to help enrollees complete their reporting requirements.

In the spring of 2018, DHS ramped up an aggressive outreach campaign. This initiative included snail mail, email, social media, phone calls, text messages, and paid advertising.⁴

Enrollees were informed about reporting requirements, qualifying activities, locations where they could get help with reporting, instructions for setting up portal access, information about exemptions for the work requirement, and more. From April to December 2018, the state, its vendors, and insurers made more than 230,000 phone calls, sent more than 311,000 emails, and sent more than half a million letters to enrollees notifying them of the requirement and ways to fulfill and report on their activities.⁵

Myth: Online reporting was the only option for enrollees

Reality: Enrollees had numerous options for reporting their work activities

Much has been made of the fact that Arkansas provided an online portal for enrollees to report their work activities. Many rational observers see this as a commonsense convenience in today's technology-driven society, but many critics have pointed to the online portal as a signal of how "unfair" the work requirement is, claiming that many Arkansans do not have access to the Internet.

In reality, Arkansas' reporting requirement was never "Internet only." From Day One, enrollees were able to report their hours at their local DHS office. If they were unable to use a computer, a caseworker would help them fill out the form. Enrollees could also call a special hotline to get help filling out the form, should they need it.⁶

The state also set up a program for individuals to outsource their reporting entirely to a third party, known as "registered reporters." These reporters could be virtually anyone—friends, family, neighbors, or others. Insurers participating in the expansion even hired staff for the sole purpose of helping enrollees report their work activities.

In short, "online-only reporting" was always a myth.



**ARKANSAS'
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Myth: Arkansas Medicaid enrollees do not have access to the Internet

Reality: Ninety-two percent of adults in the work requirement age range own smartphones



**MORE THAN NINE
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Relatedly, critics have claimed that Arkansas' work requirement was unfair because it was applied to a population that was unlikely to have Internet access and therefore could not feasibly report their work hours. As noted, the reporting requirements were never "Internet only," so Internet access was not essential to complying with the work requirement or the reporting requirements. However, the notion that Arkansas Medicaid enrollees lack Internet access is also flatly false.

More than nine out of 10 adults ages 30-49—the same age bracket as those who were subject to the work requirement—have smartphones.⁷

In addition, according to the Census Bureau, 82 percent of Arkansans live in a household with a computer.⁸

And if enrollees happened to be without a computer in their home, they could access public-use computers with free internet access in every single Arkansas county. The locations and availability of these computers were provided to every enrollee that was subject to the work requirement—multiple times.

Despite media reports, surveys conducted by a state vendor found that over 90 percent of enrollees faced no barriers at all to reporting their work activities.⁹

There is also an important distinction between having an online portal and a requirement that all enrollees use the online portal themselves and be technologically literate in order to report their hours. As noted, registered reporters were recruited to help enrollees report. If an enrollee was not comfortable using a computer to report their hours, a registered reporter could do it for them.

In reality, the real reason Arkansas experienced such a large enrollment drop was due to increased incomes, ineligibility, and lack of compliance with the work requirement—not a lack of Internet access.¹⁰

Myth: Medicaid enrollees were too busy to report their work activities

Reality: Those working only had to report once

Critics have also claimed the work requirement's reporting rules were unfair because enrollees were "too busy working" in order to comply. Putting aside the fact that nearly half of Arkansas' Medicaid expansion enrollees were not working at all before the work requirement was put into place, these critics overlooked a critical fact: enrollees only had to report their work once.¹¹ Not every month, every week, or every day, like many of the media reports would have readers believe. Just once. Once that work was reported, the enrollee was given a reporting exemption until there was a change of circumstances, which they would be expected to self-report, or until their annual renewal.

The only time an enrollee was required to report their work activities more often was if they were failing to meet the requirement. If that were the case, it seems unlikely they would be too busy to fill out a short online form, commission a registered reporter to do it for them, or visit a local DHS office.

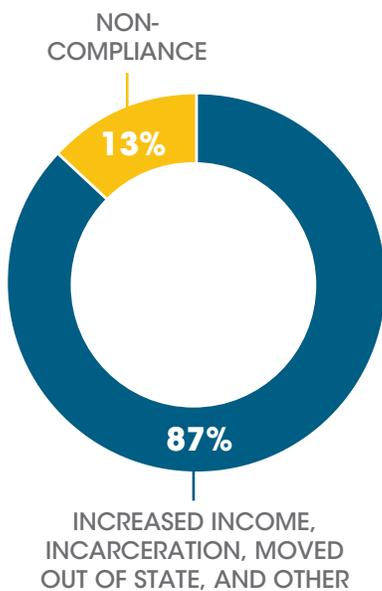
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REASONS FOR REMOVAL FROM ARKANSAS WORKS

Total removals for June 2018 through February 2019



Source: Arkansas Department of Human Services

Myth: Everyone who was removed from Arkansas Medicaid was removed for failing to meet the work requirement

Reality: Large portions of the removals were people who no longer qualify—and perhaps never qualified in the first place

Critics have also concluded—absent any evidence—that the reporting requirements were largely, if not solely, to blame for the enrollment decline Arkansas experienced. But state data suggests this is not the case at all.¹²

For example, at the end of August 2018, when the state made the first round of removals, 18,057 adults were removed. But less than one in four of those removals were the result of non-compliance with the work requirement. Three out of four of the removals were for other reasons, including incarceration, individuals moving out of state, increases in household income, and more.¹³

In September, a similar pattern was found. More than 15,000 individuals were removed, but barely a quarter of those were for noncompliance with the work requirement.¹⁴ This trend held for October and November as well. By December, just eight percent of total removals were the result of noncompliance with the work requirement.¹⁵

Over the life of Arkansas' Medicaid work requirement, more than 17,000 Arkansans left the program not because they were sanctioned, but because their incomes climbed beyond the eligibility limit for the program.¹⁶

Post-work requirements, there were 137,827 Arkansas Works case closures. Only 18,164 were due to non-compliance with the requirements—just 13 percent. More than 119,000 cases were closed due to increased incomes, ineligibility, and various other reasons unrelated to noncompliance with the work requirement.¹⁷

This trend suggests that not only were able-bodied adults leaving for reasons other than noncompliance or alleged reporting difficulties, but, in the vast majority of cases, because they no longer qualified for the program.¹⁸

Myth: Individuals who had reporting difficulties were kicked to the curb

Reality: Arkansas had good-cause exemptions for those who may have faced barriers

Finally, despite the fact that the overwhelming majority of Arkansas enrollees have smartphones, reported no barriers to fulfilling the reporting requirements, had access to free Internet and computers in every single county, received multiple correspondence about the requirement, could get help from just about anyone with their reporting should they need it, and the reporting requirement was never “online only,” if some Arkansans still faced a barrier to reporting their work activities, DHS established a broad and generous good-cause exemption policy. This prevented enrollees who failed to report and could show good cause from being penalized.

For example, according to DHS’s policy manual, if an enrollee was caring for a disabled family member, a family member experienced serious illness, an enrollee experienced severe weather, or a recipient had a “life-changing event,” they could qualify for an exemption from the reporting requirements and the work requirement itself.

However, DHS policy does not limit good-cause exemptions to this list. The agency has discretion to grant exemptions based on individual circumstances and, presumably, a difficulty with Internet reporting or computer literacy—which critics contend are the primary drivers behind enrollees’ non-compliance—would be fully legitimate reasons for granting such an exemption. In fact, some enrollees were given good-cause exemptions because they faced reporting difficulties.

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Myths about the Arkansas experience are just that—myths—and thanks to the state’s innovation, thousands of Arkansans have been moved from welfare to work.



Setting the record straight

Over the last few months, critics and the media have perpetuated myths about Arkansas’ reporting requirements and work requirement generally. The reality is that Governor Hutchinson, the Arkansas Department of Human Services, and the Arkansas Department of Workforce Services have worked tirelessly to ensure that Arkansans were informed of the requirement and that reporting mechanisms were simple, efficient, and fair.

Arkansas has a lot to be proud of: before being temporarily paused by an Obama-appointed judge, its Medicaid work requirement was leading the nation, helping their people get back to work and putting their Medicaid program on a more sustainable path.¹⁹⁻²²

Policymakers considering similar reforms in other states should rest assured that myths about the Arkansas experience are just that—myths—and thanks to the state’s innovation, thousands of Arkansans have been moved from welfare to work.

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