

## **Major Shift as Trump Administration Opens Way for Medicaid Work Requirement**

On January 11, 2018, the Centers for Medicare and Medicaid Services (CMS) issued a State Medicaid Director Letter providing new guidance for Section 1115 waiver proposals that would impose work requirements (referred to as community engagement) in Medicaid as a condition of eligibility. The guidance describes the potential scope of requirements that could be approved and presents the case for how these policies promote the objectives of the Medicaid program. This action reverses previous Democratic and Republican Administrations, which had not approved such waiver requests on the basis that such provisions would not further the program's purposes of promoting health coverage and access. The guidance asserts that such provisions would promote program objectives by helping states "in their efforts to improve Medicaid enrollee health and well-being through incentivizing work and community engagement" and help individuals and families rise out of poverty, gain employment which is shown to improve a person's health.

**CMS Maintains Medicaid Work Requirements Can Withstand Legal Challenges:** The Centers for Medicare and Medicaid Services (CMS) is confident that its decision to approve states' Medicaid work requirement waivers can withstand any litigation challenging the policy shift because The 1115 gives broad authority to the secretary to approve state experiments and programs that promote the objectives of the Medicaid program.

The CMS guidance is explicit that states will be required to describe strategies to assist beneficiaries in meeting work requirements but may not use federal Medicaid funds for supportive services to help people overcome barriers to work. It is unclear how states will come up with the additional funds needed to address successfully the multiple barriers (childcare, transportation, education, training, etc.) that interfere with the ability to work.