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Current and prospective tenants of supportive housing commonly have multiple disabilities, histories of homelessness, trauma and challenges connecting to mainstream benefits for which they are eligible. New Medicaid waivers proposed by states and recently approved by the Centers for Medicare and Medicaid Services (CMS) could make eligibility for benefits and attaining stable housing and greater independence harder to achieve.

In this summary, we will consider how these policy changes are likely to negatively impact people experiencing homelessness, formerly homeless, supportive housing residents and supportive housing providers. Strategies to lessen the negative impacts of these waivers will vary state by state and advocates will need to understand where their state is in the waiver process. For states where a waiver has been approved, provisions can be implemented in ways less challenging for vulnerable residents and supportive housing provider agencies. For states considering new waivers, advocates need to try to prevent potentially harmful provisions from being requested at all.

Provisions in waivers that could pose barriers to care include:

- Work Requirements
- Cost Sharing
- Lock-Out Periods

### **Work Requirements**

Over a dozen states are requesting work requirements be added to their Medicaid program. Kentucky has already acknowledged that this strategy in their waiver will cost the state money in the short term, as the administrative burden will be significant.<sup>1</sup> The federal government has been clear they will offer no financial support to states implementing these provisions. Research shows that 6 out of 10 adult Medicaid recipients are already working and most work in low-wage employment that does not offer benefits such as health care. Kentucky has projected 96,000+ will lose coverage over the next five years because of this provision.<sup>2</sup> And the experience with imposing work requirements nationally on recipients of Temporary Assistance for Needy Families tells us the desired result of moving people out of poverty may never materialize.<sup>3</sup> Kentucky and Indiana both include work requirement exemptions for people in homelessness, but neither include details on how this will be tracked, monitored or how long an exemption will be in place after a person moves into housing. Supportive housing providers, particularly those relying on Medicaid to pay for supportive services, will need to more closely track the benefits their residents are eligible for on a regular basis to ensure that coverage does not lapse. This will likely result in added costs to the providers.

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<sup>1</sup> <https://www.courier-journal.com/story/news/politics/2018/02/14/kentucky-medicaid-changes-bevin-work-requirements/319384002/>

<sup>2</sup> <https://kypolicy.org/four-new-ways-kentuckians-lose-medicaid/>

<sup>3</sup> <https://www.thenation.com/article/work-requirements-failed-once-and-theyll-fail-again/>

## **Cost-Sharing Strategies: Premiums & Deductibles**

The research is already clear, when cost-sharing strategies are implemented people with low incomes are more likely to forgo care and only receive it when extreme emergencies occur.<sup>4</sup> For individuals who are in the process of leaving homelessness, requiring them to use their limited resources for healthcare will mean more of them will forgo benefits and use their meager income for other essentials. 25,000 people in Indiana lost coverage between 2015 and 2017 when premiums were started.<sup>5</sup>

## **Lock-Out Periods**

Lock-out periods occur when a person has not met a requirement and therefore they are 'locked out' of healthcare coverage for a period of time. They are purely punitive in nature. Obviously patient care can suffer during any lapse, but healthcare providers are penalized too because they will commonly still offer care, without the possibility of payment while the patient is locked out of coverage. Both Kentucky and Indiana have lock-out provisions.

## **Status: Arkansas, Indiana, Kentucky**

All these approved waivers are requiring an 80 hours per month work requirement.<sup>6</sup> They also include premiums but the states have not thought through how payment will be received and effectively tracked. The three states have a year to develop processes with CMS and advocates can influence how these provisions are implemented by educating stakeholders, particularly elected officials, on the impact of these changes. Indiana, for example, has suggested that data matches between HMIS and the State will allow Medicaid to know who is homeless. As such, it will be important for policymakers to understand how many individuals are missing from these systems and how a self-certification of homelessness will be necessary to ensure vulnerable individuals are not missed, including those who are unsheltered or use non-CoC funded resources and may not be captured in a community's HMIS.

## **Status: Arizona, Florida, Illinois, Kansas, Mississippi, New Mexico, Utah, Wisconsin**

Since waivers are already pending in these states, the priorities included in the requests are not likely open to much influence from stakeholders at this time. But the same observations that are true for approved waivers are valid here as well. Even when implemented, stories from and statistics for people experiencing homelessness and supportive housing residents can be used to advocate for change in program administration.

## **Do Not Forget Supportive Housing Providers in Your Advocacy**

As more and more supportive housing providers are billing Medicaid for services, those serving residents who lose coverage will take a direct hit on their already tight agency budgets. These providers together are powerful voices that can help stop or alter waivers likely to cause vulnerable people to lose coverage.

CSH will continue to monitor developments related to Medicaid waivers. If you have questions or comments, please contact CSH Director of Health Systems Integration Marcella Maguire at [Marcella.Maguire@csh.org](mailto:Marcella.Maguire@csh.org).

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<sup>4</sup> <https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/>

<sup>5</sup> <https://khn.org/news/indiana-medicaid-drops-25k-from-coverage-for-failing-to-pay-premiums/>

<sup>6</sup> <https://www.kff.org/medicaid/issue-brief/approved-changes-to-medicaid-in-kentucky/> ; <https://www.indystar.com/story/news/2018/02/02/indiana-impose-work-requirement-some-medicaid-get-up-80-m-addiction/1088068001/>