

Federal call center contractor Maximus carries out second round of layoffs in six months

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Do you work at or were you laid off at Maximus? Contact the World Socialist Web Site by filling out the form at the bottom of this article. All comments will be kept anonymous.

Last month, federal communications contractor Maximus carried out its second round of layoffs since the beginning of the year, impacting hundreds of call center workers. Some of the call centers affected are located in Bogalusa, Louisiana and Hattiesburg, Mississippi, where the company carried out layoffs in January .

Following the announcement of the layoffs on May 12, workers protested outside of the call centers in Louisiana and Mississippi, as well as in Riverview, Florida. The workers laid off are customer service representatives for the Affordable Care Act (ACA) Federal Marketplace, in addition to the Centers for Medicare and Medicaid Services (CMS) and the Centers for Disease Control (CDC), the latter two under the Department of Health and Human Services (HHS).

Several workers have spoken to the *World Socialist Web Site* about the layoffs. “We weren’t notified that layoffs were coming,” one worker said. “Everything is so secretive and we are scared to ask questions. When we have weekly team meetings our supervisors will give us three to five minutes to ask questions at the end of meetings. The answer for any questions that we have is ‘let me check on that, I’ll get back to you soon.’ So I stop asking questions.”

Working at the office “feels like you are in jail,” the worker said. They get “short breaks” and “you can’t stand up while you’re on the phone. If I stand up, my supervisor immediately will tell me to sit down. You are watched all the time. If you make a chat group, the manager will join that chat. So we can’t discuss anything without being monitored.

“Calls are back to back, there is not even a second between calls to take a breath. Bathroom breaks are so short that it is impossible to make it on time to your desk. Maximus didn’t tell me when I was hired that I have bathroom breaks, I had to find out about them on my own from other employees who were working a longer time.”

Another worker said, “They score our call scripts using AI, and considering not all voices are the same, you will be mis-scored using the program, because you didn’t enunciate it the correct way. Plus, the program doesn’t scan all calls you take or pull the same number for everyone. There’s allegedly no reason why or when it pulls a call, but it’s done as if every call will be 100 percent, when that’s impossible when consistently giving people bad news over the phone.

“I have been degraded by my lead for ONE section of said AI scoring script with the threat of my bonus,” which, “from a billion dollar company, was less than one day’s pay.”

Another worker said, “Quality specialists and quality alignment specialists are always under enormous pressure to keep our production numbers up, which looks good for CMS, but it only places us under constant stress. It could determine whether we even have a job at the end of the month. About the only thing this does is produce people who become burned out and resentful at the management, who sit there and do nothing. Yet they can impose their rules on us, and we have absolutely no voice on any of our working conditions.

“I think there is a connection between the exploitation that all of us at Maximus are suffering and the failure of entire social services system in the US, which has been purposefully underfunded for years, yet there is always money for illegal wars in places like Ukraine, Syria, and Iraq. Maximus should be under criminal investigation, not

only for these violations but for the criminal layoffs for the representatives.”

Maximus is a multi-billion dollar federal communications contractor with over 39,000 employees in 10 countries, and is the parent company of dozens of subsidiaries across the globe, including the US, United Kingdom, Italy, Saudi Arabia, Australia, Singapore and South Korea. It operates 10 call centers across the US, many of which are located in the south, and holds a monopoly over contracts with the HHS, the Department of Education (DOE), and the Veterans Administration (VA).

The company recorded a revenue of \$1.25 billion and \$1.21 billion in the first two quarters of its 2023 fiscal year, respectively. It announced in its second quarter earnings report that its revenue is “expected to range between \$4.85 billion and \$5 billion” for the current fiscal year. In its second quarter earnings call, it reported \$5.6 billion in “proposals pending” and \$900 million for “proposal in preparation”.

One essential factor driving its revenue forecast is the federal government’s lifting in April of Medicaid disenrollment restrictions associated with the pandemic public emergency measures, which the Medicaid.gov website explained was “the single largest health coverage transition event since the first open enrollment period of the Affordable Care Act”.

The dumping of tens of millions of poor and disenfranchised working class people off the rolls of Medicaid, including those suffering from Long COVID, and forcing them to endure the byzantine process of renewing their enrolling is a boon for Maximus, since those people wind up trying to navigate Maximus-management customer assistance lines.

Under the “U.S. Services Segment” outlook in its second quarter earning report, the company wrote, “The segment’s profitability remained impacted by the paused Medicaid redeterminations, which are scheduled to restart in the third quarter. The full-year fiscal 2023 margin for the U.S. Services Segment is still expected to range between 9% and 11% with a lift to profitability expected in the fourth quarter reflecting an expected full-period contribution from redeterminations.”

A *Washington Technology* article published in February noted that “Medicaid redeterminations are an established business for Maximus, but annual redeterminations were paused during the COVID-19 pandemic. ... Before COVID, there were 71 million Medicaid recipients who had to go through annual

redeterminations. [Maximus CEO Bruce] Caswell said that number has climbed to 91 million since the start of the pandemic in 2020.”

Therefore, according to Caswell, the company expects the upcoming “redetermination work...to be larger than before COVID.”

It’s amid an anticipation of an increase in workloads at its call centers that Maximus is carrying out layoffs. It is shrinking its workforce to cut costs and maximize its profit margins for its financial backers.

In spite of outward appearances, the Communications Workers of America (CWA), which has campaigned to unionize Maximus workers, will do nothing to halt this corporate onslaught on their working and living conditions. It is directly connected to the Democratic Party, and workers to channel workers’ opposition towards the bankrupt channels of the National Labor Relations Board (NLRB) and self-defeating pleas for the Biden White House to “investigate Maximus” and impose “reforms”.

In multiple reports and isolated public relations stunts, the CWA has acted to deceive workers into believing that the Democratic party—the party of Wall Street and the Pentagon—can be pushed to the “left”. In response to the layoffs, the CWA’s auxiliary arm Call Center Workers United has written petitions to HHS Secretary Xavier Becerra, pleading with him to “Tell Maximus to rehire our laid-off coworkers”.

Instead of preparing a strike against Maximus in defense of the laid-off workers, the CWA proclaims that the same that “state lawmakers” that have issued injunction after injunction in the recent period against workers’ democratic right to strike “can strengthen our right to strike by passing legislation to give strikers the right to collect unemployment insurance”!

As the WSWS previously wrote, “A strategy to defend jobs at Maximus must be based on a strategy of uniting call center workers with a broader fight by the entire working class. Workers must understand that they face implacable enemies in both political parties. This means that the fight for jobs is bound up with the fight for the political independence of the working class from the capitalist political establishment.”



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