

# Medicaid and Work Requirements

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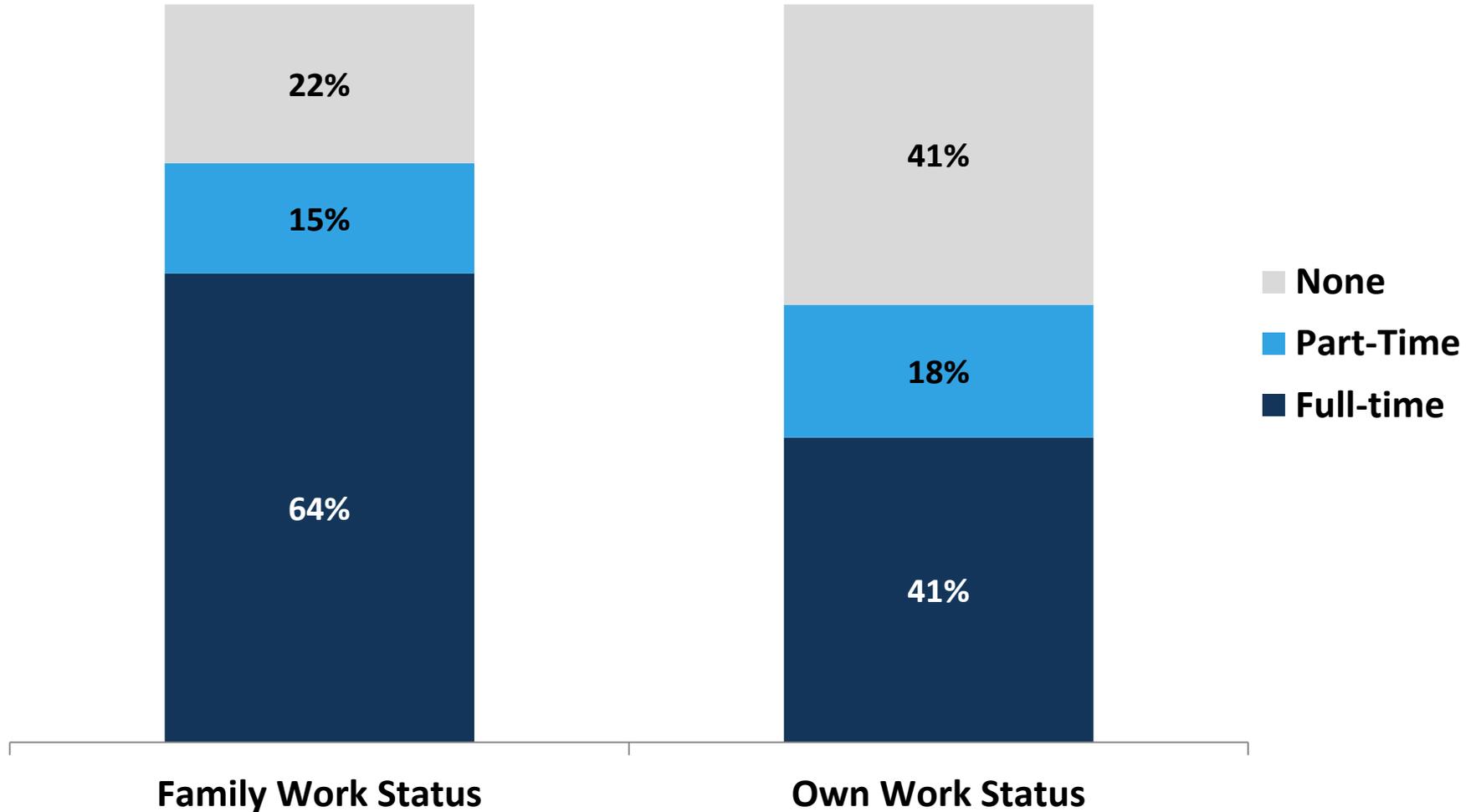
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# Recent Interest in Medicaid and Work Requirements

- Historically, Medicaid coverage for non-elderly adults without disabilities was limited to parents with very low incomes
- With the ACA Medicaid expansion, coverage was extended to many “able bodied” adults
  - Expansion was designed, in part, to reach “working poor” who did not have access to coverage through a job
- Previous administrations denied state requests to impose work requirements in Medicaid on basis that such programs did not further Medicaid program’s aims
- Trump Administration has indicated interest in allowing states to implement work programs in Medicaid, and both AHCA and BCRA include state option to impose Medicaid work requirements for some beneficiaries
- Work requirements in Medicaid would be a fundamental change to the program, and assessment of such proposals depends in part on goals of work programs and views on role of Medicaid

Figure 2

# Work Status of Non-SSI, Adult Medicaid Enrollees, 2015



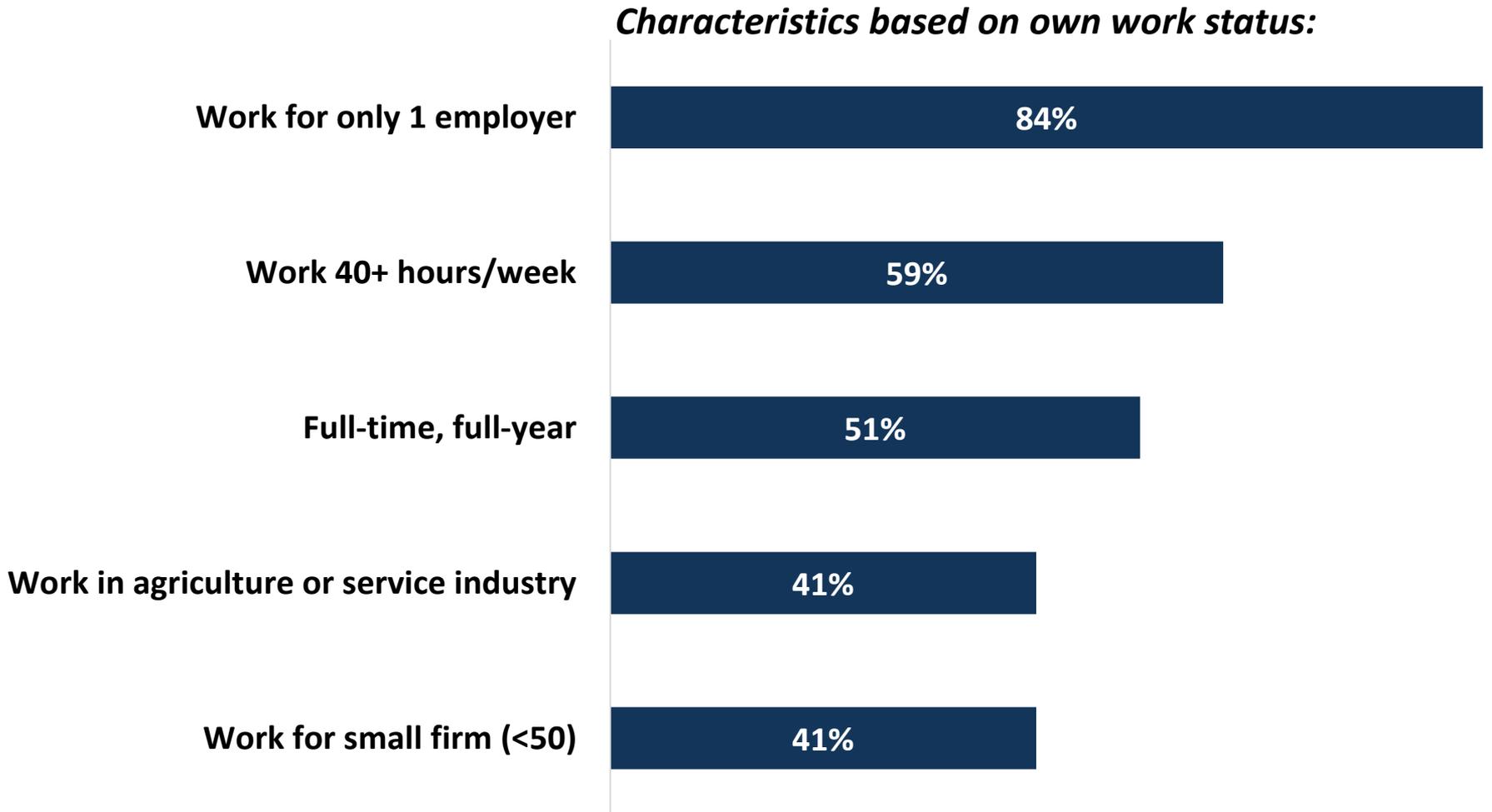
**Total = 24 Million Non-Elderly Adults without SSI**

NOTE: Totals may not add due to rounding. Includes nonelderly adults who do not receive Supplemental Security Income (SSI).

SOURCE: Kaiser Family Foundation analysis of March 2016 Current Population Survey.

Figure 3

# Work Characteristics of Working Adult Medicaid Enrollees, 2015



Notes: Includes nonelderly adults who do not receive Supplemental Security Income (SSI). Agriculture/Service industry includes agriculture, construction, leisure and hospitality services, wholesale and retail trade.

SOURCE: Kaiser Family Foundation analysis of March 2016 Current Population Survey.

Figure 4

# Industries with Largest Number of Workers Covered by Medicaid, 2015

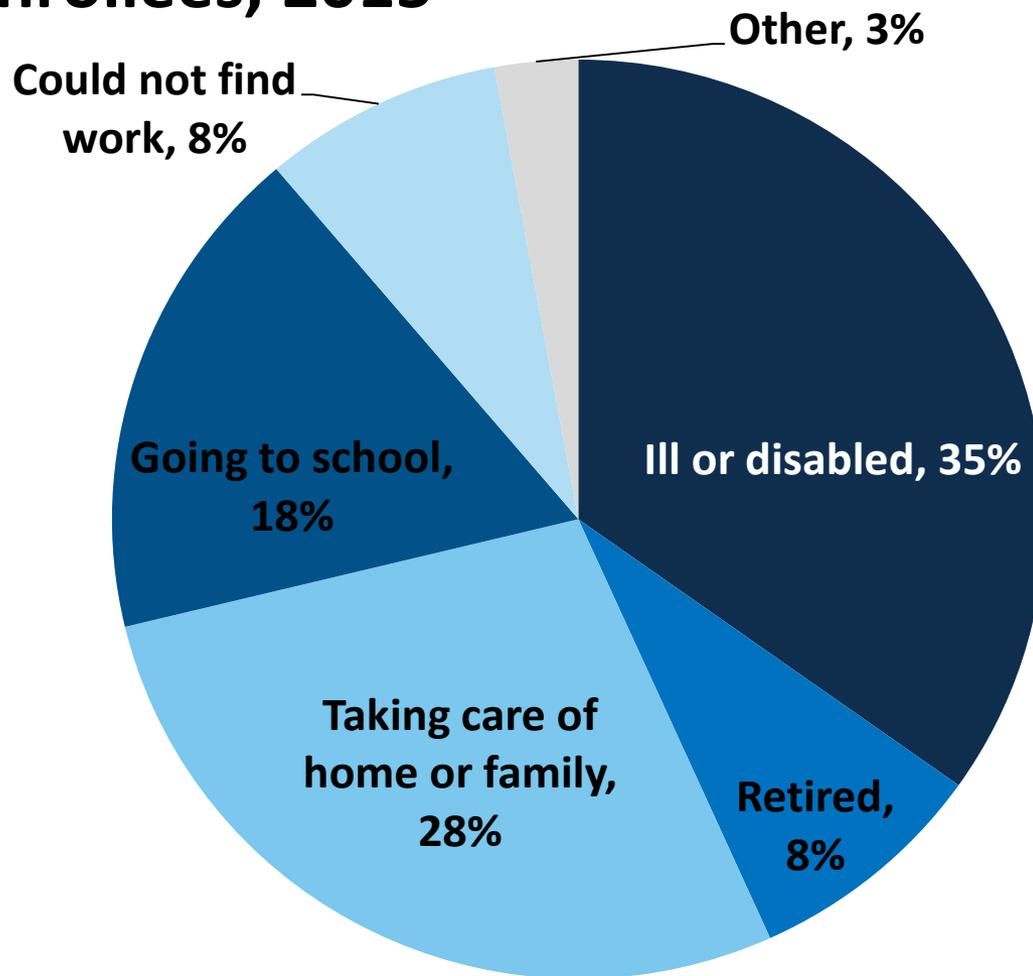
Industry	Number of Adult Workers with Medicaid
Restaurant and food services	1,399,000
Construction	956,000
Elementary and secondary schools	397,000
Hospitals	383,000
Grocery stores	367,000
Home health care services	329,000
Department stores and discount stores	311,000
Services to buildings and dwellings	255,000
Child day care services	253,000
Nursing care facilities	<u>247,000</u>
Total for Listed Industries (34% of adult Medicaid enrollees who are workers)	4,897,000

NOTE: Includes nonelderly adults who do not receive Supplemental Security Income (SSI).

SOURCE: Kaiser Family Foundation analysis of March 2016 Current Population Survey.

Figure 5

# Main Reasons for Not Working among Non-SSI, Adult Medicaid Enrollees, 2015



**Total = 9.8 Million**

NOTE: Includes nonelderly adults who do not receive Supplemental Security Income (SSI).

SOURCE: Kaiser Family Foundation analysis of March 2016 Current Population Survey.

Figure 6

# Research on the ACA Expansion and Work Participation

- Research on the ACA Medicaid expansion finds no negative effect on:
  - Employment rates
  - Job switching
  - Transition from full-time to part-time employment
  - Labor force participation
  - Usual hours worked per week
- Some research finds positive effects on employment rates among people with disabilities

Figure 7

## Current Medicaid Activity around Work Requirements

- Seven states (AR, AZ, IN, KY, ME, UT, WI) have developed waiver requests that would require work as a condition of eligibility
  - 3 are pending at CMS (IN, KY, WI)
  - AR limits the work requirement to expansion adults, but other states apply it to expansion and traditional adults
- Three states (IN, MT, NH) currently have voluntary, state-funded work referral programs separate from their waivers
- Waiver requests range in scope of required hours and countable activities, but common provisions include:
  - At least 20 hours of work-related activity required
  - Exemptions for certain groups, such as students, dual eligibles, caregivers to young children, or people with disabilities/medically frail
  - Lock-out of Medicaid coverage for failure to comply (ranging from one month to one year)

Figure 8

## Medicaid Work Provisions in AHCA and BCRA

- Establishes state option to require work as a condition of eligibility for nondisabled, nonelderly Medicaid enrollees as of October 1, 2017, by participating in work activities as defined in the TANF program for a period of time as determined by the state and as directed and administered by the state
- Exempts:
  - Pregnant women through 60-days post-partum
  - Children under 19
  - Individuals who are the only parent/caretaker relative in family of child under age 6 or child with disability
  - Individuals under age 20 who are married or head of household and maintain satisfactory attendance at secondary school or equivalent or participate in education directly related to employment
- Provides 5 percentage point increase in the federal administration matching rate to implement the work requirement

# Key Questions about Medicaid and Work Requirements

- How will work requirements affect Medicaid administration?
  - Experience from TANF indicates that exemption process can be complex and difficult to navigate
  - Administrative costs related to a work requirement may pose a challenge for states
- Will work requirements promote work?
  - Evidence on work outcomes under TANF mixed but generally finds no effect on work or income, especially in absence of additional resources and work supports
  - Data indicates work requirements likely to affect a small share of enrollees
- How closely should Medicaid policy mirror TANF (welfare) policy?
  - Medicaid and welfare were officially “delinked” with creation of TANF in 1996
  - TANF provides cash assistance to help parents meet children’s basic needs and is a temporary program with a goal of promoting work
  - Medicaid provides health insurance to help low-income people access health care; health coverage may be a precursor or support for work