

## Medicaid Works: No Work Requirement Necessary

Several states have submitted Medicaid waivers to the Centers for Medicare and Medicaid Services (CMS) to implement work requirements, and three states (KY, IN, AR) have been approved. These waivers require that certain enrollees work or participate in other “qualifying activities,” such as volunteering or attending school, for a minimum number of hours to stay enrolled in Medicaid have been approved and several states have pending waivers under review at CMS. In January 2018, CMS issued guidance to states outlining considerations for waivers requesting a work requirement.

While work requirements are new to health programs, we have decades of experience with such requirements in Temporary Assistance for Needy Families (TANF) and the Supplemental Nutrition Assistance Program (SNAP). We know from these programs that work requirements are a solution in search of a problem. They act as a barrier to health coverage and make it harder for people to find and keep work. They are ineffective and burdensome.

### Work requirements lead to people losing health coverage

- While the sequence of steps varies, under all the proposals, people will be disenrolled from Medicaid for not meeting the work requirements (or not completing the paperwork to prove they met the requirements).
- Some states include a “lock-out” period from coverage, meaning that people who lose coverage could not re-enroll until a specified time, even if they started working or participating in training.

### Work requirements are unnecessary

#### Most Medicaid enrollees already work, but their jobs don’t provide health insurance.

- Sixty percent of working-age adults on Medicaid are working and 79 percent are in families with at least one worker.
- Others on Medicaid are likely unable to work due to illness or disability or have another valid reason for not working.
- Low-wage workers are particularly likely to work in industries which do not offer employer-sponsored insurance. In 2017, only 24 percent of workers with earnings in the lowest 10 percent of wages were offered employer insurance, and only 14 percent received coverage through their employer.

#### Work requirements are ineffective in connecting people to work.

- Work requirement policies do little to help people find and keep work.
- Work requirement policies are not effective in connecting people to living-wage jobs that provide affordable health insurance and other work support benefits, such as paid leave.
- Medicaid waivers provide no new funding to support education and training activities. Existing job training programs only serve a small share of those who are unemployed or in low-wage jobs, and they have little capacity to serve a new population of recipients.

#### Access to insurance makes it possible for people to get and stay healthy enough to work.

- People must be healthy in order to work, and consistent access to health insurance is vital to being healthy enough to work.

- Studies show that having Medicaid makes it easier to look for employment and stay employed.
- Making Medicaid more difficult to access would make it more difficult for people to work.

### **Work requirements create unnecessary red tape and increase administrative costs.**

- Work requirement enforcement systems are so cumbersome and bureaucratic that people are likely to lose coverage due to the complexity of the system, not because they are ineligible.
- For every additional piece of paperwork required, fewer people are able to get or keep coverage.
- Failing to submit paperwork—even when they are working and meeting the requirements—would cause people to lose their Medicaid coverage.

## **Who will lose coverage?**

### **People who can't find work**

- Under several proposals, work requirements would still be in place during local or national recessions, causing many people to lose their health care if they lose their job.
- Nothing would require states to provide job search or training programs to help enrollees meet the work requirement.
- States are encouraged, but not required, to provide recipients with child care or other services needed to work. Under TANF and SNAP, states cannot sanction someone for not participating if they cannot obtain appropriate or affordable child care. This rule does not exist for Medicaid.

### **People who are working in jobs with irregular hours**

- Seasonal workers may have a period of time each year when they are not working enough hours to meet a work requirement.
- Many low-wage jobs are subject to last-minute scheduling, meaning that workers do not have advance notice of how many hours they will be able to work.
- The red tape people will have to go through, such as regularly submitting information about hours worked, will be overly burdensome and cause many people to lose coverage for not keeping up with paperwork.

### **People with disabilities or other medical conditions**

- So far, all the states applying for waivers have stated in their applications that people with disabilities and “medically fragile” persons will be exempt from work requirements.
- However, we know from experiences with SNAP and TANF that many people with disabilities who should be exempt do not receive an exemption, often due to a complicated process of validating their disability to the state.
- Persons with disabilities may also face additional struggles navigating the paperwork processes and bureaucracy to prove they are disabled.
- Although CMS guidance states must make “reasonable accommodations” for persons with disabilities it is unclear exactly what standard states will be held too, and highly likely persons with disabilities will be at risk of losing their health care due to the amount of paperwork and documentation required.

## **Resources**

- For citations and more information, read our Medicaid work requirements FAQ: [www.clasp.org/WorkRequirementsFAQ](http://www.clasp.org/WorkRequirementsFAQ)
- CMS guidance: <https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf>
- See our other resources on work and public benefits: [www.clasp.org/work-and-public-benefits](http://www.clasp.org/work-and-public-benefits)
- Contact Suzanne Wikle at [swikle@clasp.org](mailto:swikle@clasp.org)