

The Evidence Builds: Access to Medicaid Helps People Work

Untreated illness can make it hard to work. Health insurance is a key work support and tool that provides working-age adults with access to care that helps them get and keep a job. Reports from Ohio¹ and Michigan² provide compelling new information about the ability of Medicaid expansion enrollees to seek and maintain employment. These reports add to the growing body of research confirming the benefits of Medicaid expansion.³

Under the Affordable Care Act (ACA), states are incentivized to expand Medicaid to provide affordable health insurance to people with incomes below 138 percent of poverty (\$16,400 for a single person). A geographically diverse mix of 32 red and blue states⁴ took advantage of the ACA's provision to expand Medicaid. As a result, millions of low-income adults in those states now have access to affordable care, resulting in better health, greater financial, physical, and mental stability, and fewer deaths.

Most Adult Medicaid Enrollees are Working

Nationwide, the majority of non-disabled working-age adults who are insured through Medicaid are working or living in a family with a worker. In fact, 60 percent of adult recipients are employed and 79 percent live with someone who is working. Furthermore, among Medicaid recipients who are employed, more than half (51 percent) work full-time for the entire year.⁵ However, their positions often offer low wages and/or are in small businesses that do not provide health benefits. Only 12 percent of workers earning the lowest wages had employer-provided health insurance in 2016.⁶ Medicaid expansion enrollees typically hold physically demanding jobs⁷ clustered in employment settings such as restaurants, construction sites, retail stores, and gas stations.⁸

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Key findings from Ohio and Michigan confirm that providing access to affordable health care helps people maintain employment. **More than half of Ohio Medicaid expansion enrollees report that their health coverage has made it easier to continue working.**⁹ **In Michigan, 69 percent of enrollees said that Medicaid helped them do their job better.**¹⁰ Without the support of Medicaid, health concerns would threaten employment stability.

Medicaid Expansion Reduces Barriers to Employment

Disability and illness are among the main reasons why working-age adults may not be employed. An analysis by the Kaiser Family Foundation found that 36 percent of adults enrolled in Medicaid cited illness or

disability as the primary reason for not working.¹¹ Similarly, a July 2016 report from the American Enterprise Institute found that for working-age adults without children, illness and disability were the primary barriers to employment.¹² The Ohio report confirms that access to Medicaid reduces these barriers to employment. **The majority of unemployed Medicaid enrollees in Ohio (74.8 percent)¹³ and Michigan (55 percent)¹⁴ reported that having Medicaid made it easier to look for employment.**

Ohio study participants noted that Medicaid allowed them to get treated for chronic conditions that previously had prohibited them from working. Additionally, about one-third of enrollees screened positive for depression or anxiety disorders, which can limit employment and other routine activities. Enrollees with depression and anxiety reported greater improvement in access to care and prescriptions—key resources needed to stay in the workforce.

Another way Medicaid expansion supports employment is by eliminating the so-called “cliff effect”—the sudden loss of health insurance if earnings exceed Medicaid eligibility limits. For example, prior to Medicaid expansion, a parent with one child who worked 30 hours per week at the minimum wage with annual earnings of \$12,000 was eligible for Medicaid in Ohio. But if that parent worked 35 hours per week and earned \$14,000, he or she was not eligible.¹⁵ With Medicaid expansion, parents are now incentivized to continue increasing their earnings, because they no longer risk losing their health care due to additional income. Should their income rise above the Medicaid limit, they become eligible for subsidized private health insurance through the ACA's exchange. By contrast, in non-expansion states, parents can still fall into a coverage gap, where they earn too much to qualify for Medicaid but too little for exchange subsidies. Eliminating the cliff effect by expanding Medicaid allows parents to best provide for their families by continuing to improve their employment prospects.

Supporting Work Leads to Better Financial Stability

Prior studies have shown that financial stress is reduced under Medicaid expansion because it provides clear physical and mental health benefits. The Ohio report found that enrollees were more than twice as likely to note improvements in their financial situation. Medicaid enrollment allowed participants to meet other basic needs. More than half of enrollees reported that health coverage made it easier to buy food; about half stated that it was easier to pay their rent or mortgage, and 44 percent said it was easier to pay off other debts.¹⁶ When families are able to meet their basic needs, they can turn their energy to engaging in the workplace.

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Conclusion

The reports from Ohio and Michigan add to the growing body of research showing that Medicaid expansion improves lives by increasing access to health care, reducing financial burden on low-income families, and supporting employment. A recent survey found that 84 percent of Americans support continuing the funding for Medicaid expansion.¹⁷ Congress should avoid any changes that would roll back these gains or undermine the fundamental structure of Medicaid.

Endnotes

- ¹ The Ohio Department of Medicaid, "Ohio Medicaid Group VIII Assessment: A Report to the Ohio General Assembly," January 2017, <http://medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Assessment.pdf>.
- ² Renuka Tipirneni, Jeffrey Kullgren, John Ayanian, Edith Kieffer, Ann-Marie Rosland, Tammy Chang, Adrienne Haggins, Sarah Clark, Sunghye Lee, and Susan Goold, "Medicaid Expansion Helped Enrollees Do Better at Work or in Job Searches," University of Michigan, June 2017, <http://ihpi.umich.edu/news/medicaid-expansion-helped-enrollees-do-better-work-or-job-searches>.
- ³ Larisa Antonisse, Rachel Garfield, Robin Rudowitz, and Samantha Artiga, "The Effects of Medicaid Expansion under the ACA: Findings from a Literature Review," Kaiser Family Foundation, June 20, 2016, <http://kff.org/medicaid/issue-brief/the-effects-of-medicaid-expansion-under-the-aca-findings-from-a-literature-review/>.
- ⁴ Maine adopted the Medicaid expansion through a ballot initiative in November 2017; the ballot measure requires a state plan amendment to be submitted within 90 days and implementation of expansion within 180 days of the effective date. Maine is not included in this count. Maine's Governor has announced his intent to block implementation of expansion.
- ⁵ Rachel Garfield, Robin Rudowitz, and Anthony Damico, "Understanding the Intersection of Medicaid and Work," Kaiser Family Foundation, December 2017, http://kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/?utm_campaign=KFF-2017-Medicaid&utm_content=46331383&utm_medium=social&utm_source=twitter.
- ⁶ United States Department of Labor, "Table 9. Healthcare Benefits: Access Participation and Take-Up Rates, Civilian Workers," Bureau of Labor Statistics, March 2016, <https://www.bls.gov/ncs/ebs/benefits/2016/ebb0059.pdf>. Lowest wages is defined as average wage falling in the bottom 10 percent.
- ⁷ Leighton Ku and Erin Brantley, "Myths About The Medicaid Expansion And The 'Able-Bodied'," Health Affairs Blog, March 6, 2017, <http://healthaffairs.org/blog/2017/03/06/myths-about-the-medicaid-expansion-and-the-able-bodied/>.
- ⁸ Dustin Pugel, "Many Kentucky Workers Have Gained Insurance through the Medicaid Expansion and Are Now at Risk," Kentucky Center for Economic Policy, December 8, 2016, <http://kypolicy.org/many-kentucky-workers-gained-insurance-medicaid-expansion-now-risk/>.
- ⁹ The Ohio Department of Medicaid et al.
- ¹⁰ Tipirneni et al.
- ¹¹ Understanding the Intersection of Medicaid and Work.
- ¹² Angela Rachidi, "America's Work Problem: How Addressing the Reasons People Don't Work Can Reduce Poverty," American Enterprise Institute, July 2016, <https://www.aei.org/wp-content/uploads/2016/07/Americas-Work-Problem.pdf>.
- ¹³ The Ohio Department of Medicaid et al.
- ¹⁴ Tipirneni et al.
- ¹⁵ Policy Matters Ohio, "Ohio Should Say Yes to Medicaid Expansion," September 13, 2012, <http://www.policymattersohio.org/medicaid-sept2012>.
- ¹⁶ The Ohio Department of Medicaid et al.
- ¹⁷ Ashley Kirzinger, Elise Sugarman, and Mollyann Brodie, "Kaiser Health Tracking Poll: Future Directions for the ACA and Medicaid," February 24, 2017, Kaiser Family Foundation, <http://www.kff.org/health-reform/poll-finding/kaiser-health-tracking-poll-future-directions-for-the-aca-and-medicaid/>.