



States Are Quietly Pushing To Take Medicaid Away From The Unemployed

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With the House passage of a bill to get rid of Obamacare, everyone interested in the fate of the American health care system is watching the Senate to see what its version of the American Health Care Act will look like. Meanwhile, a less-noticed change to federal health care rules could pull insurance from some of the most vulnerable people in the country without any congressional action at all.

A growing number of states, in collaboration with the Trump administration, are pushing to deny Medicaid benefits to many people who don't have jobs.

"The work requirements are important. They're something that is restorative to people's self-worth," Tom Price, President Donald Trump's Health and Human Services secretary, said in March. "We believe it's important for folks to have a job, that they contribute not just to society but they contribute to their own ... well-being."

HHS has let states know that it's open to offering waivers that allow for work requirements and other changes to Medicaid rules. Maine recently became the sixth state to take a look at the idea, joining Arizona, Florida, Kentucky, Ohio and Wisconsin.

But lots of evidence shows that, far from discouraging people from working, health benefits make work possible for many people.

Non-working, able-bodied adults are a sliver of Medicaid enrollees

Of the 77 million people getting Medicaid benefits in 2016, most were children, seniors, or people who were certified as blind or disabled under the federal Supplemental Security Income program.

Of the remaining 28 million adults, 59 percent were working — at a low-wage job where they couldn't get health insurance — and only 22 percent lived in a household where no one worked.

What about the 11 million working-age adults who weren't on SSI and weren't working? A 2015 Kaiser Family Foundation survey found that 18 percent were going to school, 28 percent were taking care of home or family, and 35 percent were ill or disabled. It's particularly noteworthy that there are so many people who are too sick to work but haven't gone through the long, complicated process of qualifying for disability benefits.

“It’s a very stringent standard to get SSI,” said MaryBeth Musumeci, associate director of the foundation’s Program on Medicaid and the Uninsured.

Many people get approved only after an application process that takes up to two years — and only if they can pull together a lot of complicated documentation, Musumeci said.

More requirements mean more red tape

If states add new demands for Medicaid enrollees, they have to find ways to make sure people are meeting them. That can mean dealing with a lot of tricky questions. Is a McDonald’s worker whose shifts vary from week to week meeting the state minimum for hours worked? Is someone who cares for a disabled parent qualified for an exemption? Does attending the local community college qualify as job training for the purposes of fulfilling the work requirement?

“I think there is some risk that people who would qualify for an exemption many not be appropriately recognized,” Musumeci said.

Administering the new rules also adds extra costs to state Medicaid programs, Musumeci said. That’s one reason the state waiver proposals don’t generally anticipate saving much money, even if they take coverage away from thousands of people.

In general, making benefit programs more complicated tends to mean lots of people fall through administrative cracks. A [2002 study](#) found that the most common reasons people were cut off from cash benefits — a program particularly rife with red tape — were missing meetings and not filing paperwork.

This was a particular problem for people with poor health, low education levels and other barriers that made it hard to navigate the welfare bureaucracy.

Christine B. Hastedt, public policy director at Maine Equal Justice Partners, said she’s watching Maine’s Medicaid waiver application with trepidation based on the state’s experience tightening work requirements for food stamp recipients in 2014. Hastedt, whose group provides legal aid to low-income Mainers, said it can be prohibitively difficult for people with health problems, limited access to transportation, and other barriers to prove that they qualify for an exemption.

“We’ve seen lots and lots of people who should remain eligible under those provisions who just can’t navigate them,” she said.

Work requirements ignore the barriers created by poverty

To some supporters of work requirements, Medicaid, like other government benefits, can make it too easy for people to opt out of working.

“[A]ble-bodied adults should not be able to live entirely at the expense of others,” Michael Cannon, director of health policy studies at the Cato Institute told me by email.

Cannon said work requirements can help enrollees reach a state of self-sufficiency where they can afford to buy insurance themselves, rather than keep using Medicaid.

But Musumeci and Hastedt argue that Medicaid provides an essential support for people who face serious barriers to getting and keeping a job. In some rural parts of Maine, Hastedt said, unemployment remains in the double digits, and some people don’t have transportation or access to child care.

“To say that you’re going to lose your health care if you can’t find a job just ignores the reality of people’s lives that are living in real poverty,” she said.

In fact, Hastedt said, some people who lost their Medicaid coverage under previous changes to Maine’s program ended up having greater difficulty working.

“We talked to a lot of them after they lost benefits,” she said. “Their lives went into chaos. They lost the ability to manage their health conditions.”

In Ohio, a government report found the same thing in reverse when that state expanded its Medicaid program. Among unemployed people who gained coverage through the expansion, three-quarters said Medicaid made it easier to look for work. More than half of those who were working said it made it easier to stay employed.

“I think everyone can agree that anyone who is able to work should work,” Muscumeci said.

“The concern happens when you think about, are you doing it as an incentive or are you doing it as a penalty, and are people going to get lost in the process?”