Health Law Daily Wrap Up, HEALTH CARE REFORM NEWS—Medicaid work requirements may be counterproductive, undo reform efforts, (Jul. 18, 2016)

Health Law Daily Wrap Up

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An analysis of proposed changes to state Medicaid programs, which include restructuring funding and implementing a work requirement, suggests that eligibility and access to health care would be diminished. The Center on Budget and Policy Priorities (CBPP) believes that such a requirement would not result in much long-term employment gain and argued that families in programs imposing a work requirement are more likely to end up in deep poverty, with neither assistance nor wages.

**Work requirements.** The CBPP researched programs with work requirements and found that although employment increased modestly in the short-term, work requirement programs had the same or lower employment compared to programs without such requirements at the five-year mark. The portion of those with incomes below half of the poverty line, known as deep poverty, ended up rising in seven of 11 programs studied that had work requirements. This resulted in many participants ending up with no cash assistance and no employment.

Those who can work, do. The CBPP found that three-fourths of non-elderly and child Medicaid enrollees live in a family where at least one person works. In California, for example, Medicaid covers 10 percent of the population that works full time, and 20 percent of those employed part time. The report also indicated that states providing supportive employment services to those with disabilities have been successful in helping enrollees find and keep jobs.

CBPP’s analysis finds that many Medicaid enrollees do not work because they have health or family-related barriers to maintaining employment. These barriers include a role as a primary caregiver, behavioral health issues, limited education, and a criminal history. In 2012, the unemployment rate for those experiencing mental illness hovered at 17.8 percent, but the National Alliance for Mental Illness (NAMI) estimated that many could be successfully employed if they received supportive services. CBPP believes that it would be difficult work programs to identify those who could not work in order to exempt them from work requirements.

**Counterproductive.** The CBPP found that the work requirement would target unemployed parents or those with the aforementioned barriers to working. Losing coverage due to the inability to work would result in loss of access to primary and preventive care gained under the Patient Protection and Affordable Care Act (ACA) (P.L. 111-148). Hospitals would lose payment for treating the newly covered in states that have expanded Medicaid, and enrollees who are obtaining care that may ultimately better their chances of obtaining and sustaining employment could lose access to that care.

Companies: Center on Budget and Policy Priorities