



*Who Benefits From  
Medicaid and Why Work  
Requirements Jeopardize  
Their Health Care*

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# *Who Benefits From Medicaid and Why Work Requirements Jeopardize Their Health Care*

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## **Introduction**

The Medicaid program is especially important in providing access to health care for traditionally underserved communities, including low-income people, people of color, women, seniors, and people with disabilities. In 2010, Congress passed the Patient Protection and Affordable Care Act (ACA), which was designed to expand access to health coverage. One of the ways the ACA accomplished this was by expanding Medicaid. As a result, the number of uninsured Americans has been reduced by approximately 20 million people.<sup>1</sup> Medicaid serves as a critical source of health coverage for many low-income individuals, now insuring one of every five people in the United States, including one of every three children.

The ACA's Medicaid expansion alone has contributed to the reduction of uninsured low-income people and brought this number down to historic lows. It did so by raising the eligibility level for Medicaid to 138 percent of the poverty line for non-elderly, non-disabled adults, resulting in increased access to quality health care for approximately 12 million people.<sup>2</sup> As of February 2018, 31 states and the District of Columbia have adopted the Medicaid expansion. Medicaid expansion has also improved access to care, utilization of services, affordability of care, and most importantly, health outcomes.<sup>3</sup>

Many of the adults who have gained health care through the Medicaid expansion work in low-paying jobs that do not provide access to affordable health insurance. Indeed, 79 percent of non-disabled, non-elderly adults with Medicaid coverage are working or in families with full- or part-time working people.<sup>4</sup> Before the Medicaid expansion, 81 percent of these working people did not have access to affordable health care through their employers.<sup>5</sup> People without health insurance often forgo regular doctor's appointments, don't take necessary pre-

scription medication, and delay care, resulting in more untreated health problems, emergency room visits, and in-patient hospital stays – all of which is often avoidable and more expensive than preventative care.<sup>6</sup>

In the 19 states<sup>7</sup> that have not yet expanded Medicaid, many adults with incomes below the poverty line are caught in a “coverage gap,” with incomes too high to be eligible for Medicaid but too low to qualify for subsidized marketplace coverage through the ACA. Many of these states, which have large populations of people of color, would benefit from the coverage that the Medicaid expansion provides.

Medicaid is crucial for providing access to health care for low-income people in America. In 2018, as the Medicaid program faces ongoing efforts by members of Congress and the Trump administration to reduce health care coverage and services, it is essential that we understand the harmful impacts of any potential cuts or rollbacks for the most vulnerable communities among us.

## **Who benefits from access to Medicaid?**

- **People of color represent 57 percent of Medicaid enrollees.<sup>8</sup>**
  - African Americans comprise 21 percent of Medicaid enrollees.<sup>9</sup>
  - Latinos comprise 25 percent of Medicaid enrollees.<sup>10</sup>
  - More than 10 percent of Asian Americans and 14 percent of Native Hawaiians and Pacific Islanders are currently enrolled in Medicaid.<sup>11</sup>
  - People of color are more likely than White non-Hispanics to lack insurance coverage



- and are more likely to live in families with low incomes that fall in the Medicaid gap.<sup>12</sup>
- For people of color, restrictions on Medicaid could mean vastly reduced access to necessary health care, increased medical debt, and persistent racial disparities in mortality rates.<sup>13</sup>
  - **Women represent 53 percent of Medicaid enrollees.**<sup>14</sup>
    - Black women aged 15-44 represent 31 percent of Medicaid enrollees.<sup>15</sup>
    - Hispanic women aged 15-44 represent 27 percent of Medicaid enrollees.<sup>16</sup>
    - Asian American Pacific Islander (AAPI) women represent approximately 19 percent of Medicaid enrollees.<sup>17</sup>
    - 20 percent of women of reproductive age, and 48 percent of all low-income women of reproductive age, are enrolled in the Medicaid program.<sup>18</sup>
    - Medicaid is the leading source of public financing for family planning services, accounting for 75 percent of all public funds spent on contraceptive services and supplies.<sup>19</sup>
    - Medicaid is a critically important source of pregnancy coverage, paying for 40 percent of all births in the United States. Thirty-seven (37) states provide the full Medicaid benefit package to pregnant women, thus ensuring that these women have comprehensive health insurance during their pregnancy.<sup>20</sup>
  - **People with disabilities represent 15 percent of Medicaid enrollees.**<sup>21</sup>
    - Medicaid provides home and community-based services enabling people with disabilities to live and participate in their communities. These services are generally unavailable through private insurance and too costly to afford out-of-pocket.<sup>22</sup>
    - People with disabilities often need long-term services and supports to address their chronic health conditions and their desire to live as independently as possible. These long-term services and supports include assistance with activities of daily living, such as getting dressed, taking medication, preparing meals, and managing money.<sup>23</sup>
    - Because people with disabilities have

greater health needs and generally require more intensive services, they account for 33 percent of Medicaid program spending.<sup>24</sup>

- **Seniors represent 9 percent of all Medicaid enrollees.**<sup>25</sup>
  - Medicaid can cover gaps in Medicare benefits and makes Medicare affordable for low-income seniors.<sup>26</sup>
  - About 9 million people in the U.S. are dual eligible beneficiaries, meaning they qualify for both Medicaid and Medicare, including low-income seniors and younger people with disabilities.<sup>27</sup>
  - Medicaid is particularly important for seniors in need of long-term care, which is not covered by Medicare.<sup>28</sup> Long-term care costs represent 69 percent of Medicaid spending for these seniors.<sup>29</sup>

### **Creating Barriers to Coverage – Medicaid Work Requirements**

The objective of the Medicaid program is to provide access to health care for low-income individuals who may otherwise be uninsured. The federal government has the authority to approve demonstration projects proposed by states that promote the objectives of the Medicaid program.<sup>30</sup> In 2018, for the first time in the program's more than 50-year history, the Centers for Medicare and Medicaid Services (CMS) has officially informed states that they are permitted to apply for federal approval to impose work requirements as a condition of eligibility for Medicaid.<sup>31</sup> CMS, in its guidance, claims that work requirements are designed "to improve Medicaid enrollee health and well-being."<sup>32</sup> However, research and evaluations suggest that work requirements are ineffective in connecting people to long-term employment and reducing poverty.<sup>33</sup> CMS has already approved waivers for Kentucky, Indiana, and Arkansas to make participation in work or work-related activities in those states a requirement for Medicaid eligibility.<sup>34</sup> Several other states have similar requests pending with CMS.<sup>35</sup> The relationship between mandatory work requirements to advancing the goals of the Medicaid program as legally required is disputed and court challenges are pending.<sup>36</sup>

These new work requirements generally exempt certain populations, including seniors, people receiving Supplemental Security Income (SSI) disability benefits, pregnant women, those taking care of a young child or disabled adult, and full-time students. However, a large number of Medicaid enrollees could be subject to these new eligibility requirements, putting their access to health care at risk. Approximately 25 million people nationally could be subject to work requirements in

order to access Medicaid.<sup>37</sup>

Despite the exemptions noted above, many individuals, even if they already work, could end up in a situation where their state government takes away their access to health care. While 60 percent of adults receiving Medicaid (excluding elderly adults and those receiving SSI disability benefits) are already working, they tend to work in jobs with fluctuating hours and schedules, particularly in restaurant/food services and construction work.<sup>38</sup> As a result, they could face significant barriers in complying with monthly reporting requirements, including falling below the required work hours.<sup>39</sup>

Additionally, the exemption for people with disabilities is limited, only covering persons receiving SSI. The Kaiser Family Foundation estimates that persons who are ill or disabled comprise 15 percent of those who will be subject to work requirements.<sup>40</sup> The documentation and paperwork required to secure an exemption for people with disabilities but not receiving SSI may prove to be an insurmountable barrier. Individuals enrolled in benefits programs including the Supplemental Nutritional Assistance Program (SNAP) and the Temporary Assistance for Needy Families (TANF) are burdened with proving their eligibility for an exemption; simultaneously, administrative agencies are tasked with implementing these burdensome requirements. With TANF specifically, work requirements and sanctions have substantially reduced the number of needy families that receive assistance.<sup>41</sup>

Finally, despite CMS claims that work requirements will “help individuals and families rise out of poverty and attain independence,” the evidence suggests otherwise. The most comprehensive study of TANF work requirements showed modest increases in employment in the first five years, with gains fading over time primarily because far more individuals were working already than was realized.<sup>42</sup> In some cases, individuals subject to work requirements remained poor or fell even deeper into poverty.<sup>43</sup> Moreover, CMS has made clear that Medicaid funds cannot be used for education and training and other supports, which are necessary for securing employment by those who face significant mental and physical barriers.<sup>44</sup>

What does help working families with achieving economic security? Access to health care. Studies from Ohio and Michigan show that making more low-income adults eligible for Medicaid coverage, as 19 states did in accepting the ACA’s Medicaid expansion, made it easier for non-working adults to look for work and made those who were working better at their jobs.<sup>45</sup> Unquestionably, health coverage itself is an important work support. Lack of adequate health coverage or paid

sick time are two causes of job loss.<sup>46</sup>

Erecting barriers to Medicaid eligibility and coverage negatively affects all communities. Such proposals would reduce the number of people with health coverage and make it difficult for people not only to access necessary health care, but also, in some instances, to keep their jobs. According to research and evaluations of the 1996 welfare law, work requirements in cash assistance programs are ineffective in connecting people to long-term employment and reducing poverty.<sup>47</sup> Work requirements and other barriers to access to health care will likely result in fewer low income people, people of color, people with disabilities, and seniors with access to affordable, quality health care.



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