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Does Requiring Work, Work? The Data on Medicaid Work Requirements

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Medicaid work requirements force enrollees to report a minimum number of hours of employment, or other acceptable activities, to access health coverage. Those who fail to comply are removed from Medicaid. Arkansas, along with other states, has implemented such work requirements for its residents on Medicaid. In only four months, over 18,000 Arkansas residents have already lost access to health care due to noncompliance.[1] Similar purges from Medicaid are expected as work requirements are implemented across the country. This will have alarming public health consequences.

As of December 2018, the Centers for Medicare and Medicaid Services (CMS) has approved work requirements in seven states, including Arkansas, with eight additional states with pending waivers.[2] A letter from CMS in January 2018 justified its reasoning in approving state's Medicaid work requirements. One of their claims is that the requirements encourage people to work and lift themselves out of poverty – and eventually off of Medicaid.[3]

The evidence does not support this. Most Medicaid enrollees who work still have low enough incomes to qualify for Medicaid.[4] It has also been found that those who work on Medicaid worry about financial insecurity at the same level as non-working adults on Medicaid.[4] Just requiring Medicaid beneficiaries to work will likely neither improve their financial situation nor raise their income a substantial amount.

Supporters of Medicaid work requirements also claim that employment improves health, and therefore, requiring Medicaid beneficiaries to work will make them healthier.[3] While unemployment is typically associated with poor health, the association may be in the opposite direction than what is assumed.[5] Instead of people being unhealthy because they do not work, unhealthy people may simply be unable to obtain or hold a job. In this case, it is unlikely we will see improved health among Medicaid enrollees just by regulating them to work, especially if they have health issues that prevent them from holding a steady job in the first place. Additionally, the justification that working will improve Medicaid enrollees' health also ignores the many social factors that these people may face that impact health.

If anything, Medicaid work requirements will have minimal impact. It is a misconception that Medicaid beneficiaries are purposefully not working. In fact, most Medicaid enrollees who can work are already doing so: more than six in ten adult Medicaid enrollees work.[6] Among those enrollees, the majority work full time, yet still have low-enough incomes to qualify for Medicaid.[6] It was additionally estimated that only 6% of adult Medicaid enrollees would actually be subject to the work requirements to continue their Medicaid benefits, not counting those who already work or would be exempt.[4] Implementing these work requirements would target only a small proportion of Medicaid beneficiaries who could work but do not. This makes the regulation somewhat ineffective, even if it were to improve people's health and financial status. It also may produce more administrative burden than results.

Additionally, to report work hours, many work requirement programs require enrollees to use a computer. Yet one in three Medicaid adults never use a computer or the Internet.[4] This means states with Medicaid work requirements are at risk of receiving inaccurate data about enrollees' work hours. Thousands of people could be removed from coverage just because they are unable to use the technology and report their hours correctly. This was seen in Arkansas, which originally required Medicaid enrollees to report their hours online. Of the 16,757 people who did not meet the work requirement in September 2018, only 222 of them even filed reports online.[7] This shows that people were unable to report their hours, either due to technology limitations or a lack of knowledge of the requirements. Luckily, in December 2018, Arkansas began allowing enrollees to report their work hours by phone.[8] It is yet to be seen if this will improve reporting

compliance and therefore allow people to keep their coverage. As Arkansas serves as a model for other states' work requirement programs, it must be ensured that any reporting system is set up to work effectively. If not, it is futile to have the work requirements in place.

Getting removed from Medicaid coverage, regardless of whether due to not working or not reporting, will harm people's health. People who are uninsured are more likely to delay or go without recommended care than those who are insured, often due to healthcare being unaffordable without coverage.[9] Studies have also shown that being enrolled in Medicaid improves health. In the landmark Oregon health insurance experiment, residents enrolled in Medicaid via a random lottery system had improved self-reported health and decreased risk of a positive screening of depression as compared to those who did not receive Medicaid.[10] Instead of requiring people to work through an ineffective system and claiming that it will improve their health, CMS should simply allow people to stay on Medicaid to help them access and afford healthcare.

Medicaid work requirements do not help people become more independent, nor do they make people healthier. Rather, they kick underserved populations who need health care off of their insurance. People are unable to comply with an ineffective data reporting system, will lose coverage, and are likely to suffer future health consequences of not having Medicaid.

Legal authorities agree – multiple lawsuits have already been filed against such work requirements in Arkansas and the attempt to implement them in Kentucky. In March, a federal judge struck down the work requirements, saying that they "undermined Medicaid's mission of providing health care for the needy."[11] This issue is likely to be an ongoing legal struggle and continue through the court system.

Medicaid work requirements are not the answer to improving people's health and will not help vulnerable Medicaid populations. As the data have started to show these negative anticipated effects in Arkansas and the number of people removed from coverage continues to increase,[1] we must use these lessons as other states consider implementing Medicaid work requirements.

About the Author

Elizabeth Sherman will graduate in December 2019 with an MPH from the Harvard T.H. Chan School of Public Health.

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