

Guest Editorial

Medicaid work requirements harm health and make financial self-sufficiency unlikely



In January 2018, the Trump administration issued new policy guidelines allowing states to apply for Center for Medicare and Medicaid Services (CMS) waivers imposing work requirements as a condition for receiving Medicaid ([Centers for Medicare & Medicaid Services, 2018a](#); [Centers for Medicare and Medicaid Services, 2018b](#)). As of January 1, 2019, 15 states have applied for or received these waivers and more states want to follow suit ([Kaiser Family Foundation, 2019](#); [National Academy for State Health Policy, 2018](#)).

Although the specific requirements vary by state, all mandate that adults who are not pregnant, elderly, or disabled must document that they have been working (paid or unpaid), searching for work, or engaged in vocational training or educational programs as a condition for receiving Medicaid insurance. Proponents of Medicaid work requirements defend this approach as an innovation that will save money, improve population health, and promote financial self-sufficiency. Presenting policy in this way makes it a compelling strategy, especially given the remarkable rise in Medicaid's popularity and the increased number of states expanding their Medicaid programs to include low-income working-age adults ([Goldman & Sommers, 2019](#); [Kirzinger, Wu, & Brodie, 2018](#)).

Yet requiring work to be eligible for Medicaid has not been demonstrated to save money, improve population health, or promote financial self-sufficiency. In fact, these policies could lower overall use of preventive health care services, increase health care expenditures, and make it far more difficult for families to become financially self-sufficient ([Gross & Slade, 2018](#)).

Nursing has been a steadfast advocate for health equity and strengthening the safety net for those in poverty ([Berkowitz, 2017](#); [Mason, 2014](#); [Swider, Berkowitz, Valentine-Maher, Zenk, & Bekemeier, 2017](#)). We need to take a stand against policies that impose work requirements for health care. Here's why.

Medicaid Work Requirements Will Not Save Money—The Right Way

The majority of nonexempt Medicaid beneficiaries are already working. According to a recent economic analysis ([Goldman, Woolhandler, Himmelstein, Bor,](#)

[& McCormick, 2018](#)), only 2.8% of Medicaid enrollees, or 2.1 million adults, would be considered unemployed and nonexempt from work requirements. Dropping these nonworking individuals from Medicaid would save only 0.1% of Medicaid spending. In fact, this may be an over estimate of savings because it does not include the administrative cost to states for ensuring enrollees comply with the work requirements.

Unfortunately, the "savings" will most likely come from the many thousands of qualifying Medicaid enrollees who will fail to report their compliance, either because they could not navigate the bureaucratic reporting system or they were unaware of the policy change. In many states, enrollees are only able to report compliance online, yet 30% of adults receiving Medicaid report that they never use a computer, 28% do not use the internet, and 41% do not use email ([Garfield, Rudowitz, Musumeci, & Damico, 2018](#)). As a result, many will not know about the policy requirements, how to set up an account, or how to document their compliance online.

Arkansas, the first state to impose mandated work policies, requires Medicaid beneficiaries to demonstrate their compliance on a monthly basis to maintain coverage. During the first several months of implementation, 16,932 people who had been enrolled in Medicaid lost their health insurance ([Rudowitz, Musumeci, & Hall, 2018](#); [Wilson & Thompson, 2018](#)). It is unknown how many lost their coverage because they either did not know about the work requirements or they failed to document their compliance. However, Arkansas ranks 48th in the country in internet connectivity ([Broadband Now, 2018](#)) and the state's online-only reporting system was only accessible from 7 a.m. to 9 p.m. Moreover, once individuals lose their coverage, they must wait until the following year to reapply for Medicaid.

In the interim, we can expect that the cost of uncompensated care will rise, creating ripple effects throughout the health care system ([Khullar, Song, & Chokshi, 2018](#)). Safety-net hospitals may be unable to survive the influx of uninsured patients, leaving more rural areas without health care. Nurse practitioners, who have committed themselves to providing primary care and chronic care management to underserved populations, are at particular risk as more of their patients will be unable to pay for their care.

Medicaid Work Requirements Will Not Improve Health

Advocates of Medicaid work requirements say that participation in paid work is associated with better health. Research supporting this argument centers on the negative health effects following a job loss and the beneficial effects of returning to work following unemployment (Rueda et al., 2012; Strully, 2009; Waddell & Burton, 2006). However, many adults from low-income populations have limited education and vocational skills, and are in poor health, making it more difficult for them to find and sustain employment. While we don't argue that the pain of cycling in and out of work has adverse effects on health, there is no evidence that losing health care coverage, or living with the threat of losing health care coverage, improves employment prospects or health.

Chronic illness and functional impairments negatively affect one's ability to work and maintain employment. Many of the jobs available to individuals with limited education and vocational skills (such as construction work, housekeeping, janitorial services, and caregiving) require physical strength, agility, and endurance and may not be feasible for those who struggle with health challenges. Indeed, Medicaid work requirements could encourage more beneficiaries to seek disability exemptions to avoid losing their coverage; an unintended consequence that may encourage more, not less, dependency on government support.

Medicaid Work Requirements Will Not Promote Financial Self-Sufficiency

Rather than promoting financial self-sufficiency, work requirements threaten it. Compared to no insurance or commercial insurance plans purchased through the Marketplace, Medicaid has substantially reduced financial hardship and out of pocket expenses that previously devastated low-income families (Kominski, Nonzee, & Sorensen, 2017; Nowak, Eibner, Adamson, & Saltzman, 2014), leading to beneficiaries' increased ability to achieve financial self-sufficiency.

However, many adults on Medicaid struggle to find or keep employment because they have limited access to reliable transportation, a history of incarceration or substance use, unstable housing, or lack of affordable childcare. All of these factors limit employability. For example, a single mother receiving Medicaid benefits may have difficulty meeting the work mandate if she cannot find affordable childcare (National Women's Law Center, 2017). However, if she finds work that provides sufficient income to cover childcare costs, that income may exceed Medicaid eligibility, and nearly not enough to cover health insurance and basic necessities like food and rent. This "catch 22" is not unusual;

for many, it is the reality of being poor in this country (Hastings, Taylor, & Austin, 2005; Schohl, 2016).

What Should Our Response Be as Nurses?

Imposing burdensome, complicated work requirements that make it harder for people to obtain or keep their Medicaid coverage is inconsistent with nursing values and the original goals of the Medicaid health insurance program. We urge the American Academy of Nursing and the American Nurses Association to partner with other health professional societies, including the American Medical Association, to recommend to CMS an immediate end to disenrolling individuals from Medicaid because of noncompliance with work requirements. As currently implemented, the policies are unfair, harmful, and counter to the original intent of Medicaid programs. We need to further recommend an immediate pause in granting any additional waivers to states that condition Medicaid on meeting work and reporting requirements until we better understand how these policies are affecting health and opportunities for financial self-sufficiency. Congress, state Medicaid Directors, and the public need to understand the substantial risks these policies pose to population health.

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Supplementary Materials

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