Medicaid Work Requirements

Defining and Reviewing Medicaid Work Requirements — Results from the First Year in Arkansas
What are Medicaid Work Requirements?

“Under the Trump Administration, the Centers for Medicare and Medicaid Services (CMS) issued guidance for state Medicaid waiver proposals that would impose work requirements in Medicaid as a condition of eligibility, and several states have received approval for or are pursuing these waivers. Work requirement waivers generally require beneficiaries to verify their participation in certain activities, such as employment, job search, or job training programs, for a certain number of hours per week or verify an exemption to receive or retain Medicaid coverage.” — Kaiser Family Foundation
What Does This Look Like for Arkansas?

“Unless exempt, enrollees must engage in 80 hours of work or other qualifying activities each month and must report their work or exemption status by the 5th of the following month using an online portal; as of mid-December 2018, they also may report by phone.” — Kaiser Family Foundation²
The Study

- This study was conducted in two phases: A 2016 baseline survey from before the implementation of work requirements, and a 2018 telephone survey conducted with a different set of respondents after the implementation of work requirements with a goal of identifying changes associated with the work requirements.

- This same telephone method was also used when analyzing the comparison states: Kentucky, Louisiana, and Texas which were chosen because:
  - Kentucky planned to introduce work requirements in 2018 but was blocked by a federal judge before implementation.
  - Louisiana has expanded their Medicaid program, but has not planned to implement work requirements.
  - Texas has not expanded their Medicaid program or plan to implement work requirements.\(^3\)
Methodology

• This information was gathered through a telephone survey of the population being newly subjected to the Medicaid work requirements.

• The inclusion criteria were as follows
  • Must have U.S citizenship status
  • Must be 138% below the federal poverty level
  • Arkansas residents for variable group
  • Kentucky and Louisiana residents for control group

• The number of total respondents was 5,955 broken up into two categories
  • 3004 respondents from the 2018 survey
  • 2951 from the 2016 baseline data
Loss of Coverage

• Depending on the age group, the work requirements were put into place during early to mid 2018.

• By December of 2018 about 17,000 individuals were removed from Medicaid.
Age Group 30-49 Loss of Coverage Statistics

2016
- **70.5%** of Arkansans between the age of 30-49 had Medicaid coverage
- As of 2016 only **10.5%** of Arkansans were uninsured.

2019
- This number has declined to **63.7%** since the implementation of the work requirements.
- This number has increased to **14.5%** since the implementation of the work requirements.³
Figure 1 — Health Insurance Status According to Year, State, and Age Group⁴
Miscommunication

- Overall, nearly half (44.2%) of the population (30-49 years of age) was unsure if the work requirements applied to them.
  - Only 21.8% of those surveyed thought the new work requirements applied to them.
- Of those outside this age group 14.4% incorrectly assumed the requirements applied to them, and 50.2% were unsure.³
Reporting Confusion

• Out of the population that was told they needed to report their community engagement activities, **only 49.3% were doing so**. Reasons for this included:
  • A belief they did not meet the new requirements (40.4% of those surveyed)
    • Even though the entire 40.4% of this population DID meet the requirements
  • Lack of Internet Access (32.3% of those surveyed)
  • **Confusion about reporting** (17.8% of those surveyed)³
Impact

- The implementation of these work requirements has been correlated with a significant loss of coverage, but little to no change in employment status.

- Over 17,000 people lost coverage and 95% of the target population met the work requirements or qualified for an exemption most likely due to miscommunication.

- An astounding one-third of the population who were effected by this new policy was completely unaware of the changes.

- Another 44% were aware of the changes, but unsure if they applied to them.
Conclusion

• Within the first 6 months of the policy being implemented, there was a significant loss of Medicaid coverage and a steep increase of the uninsured population.

• Many were confused by or unaware of the work requirement changes which likely resulted in a significant loss of coverage for individuals that met the requirements but were unable to report correctly. ³
Moving Forward

• Arizona is currently developing its AHCCCS work program and is anticipating a start date no earlier than Summer of 2020, so what are the differences being planned for Arizona’s work requirements in comparison to Arkansas?

  • In contrast to Arkansas’s Medicaid work requirement policy where enrollees are terminated for lack of eligibility, Arizona will be the first in the nation to suspended individuals from coverage for 2 months, and then automatically reinstate them given they meet other eligibility criteria.

  • There are also a larger number of exemptions from these work requirements such as: former foster youth up to age 26, pregnant women up to the 60th day of post pregnancy, People who are medically frail, full time students, domestic violence survivors, homeless people, designated caretakers, and many more. One of the more notable exemptions specific to Arizona allows members of federally recognized tribes to be exempt.

• The primary reasoning behind legislative decision to implement Medicaid work requirements is the idea that it will incentivize people to enter the workforce.

  • It is important to recognize that about 44% of Medicaid recipients are working full time while another 19% work part time. This means most Medicaid recipients are already working.
References


4. AHCCCS. *CMS Approves Waiver Request to Add Community Engagement Requirement and Change Retroactive Coverage.*
