

Work Requirements in Medicaid: Policy Goals and Evidence

LEAD
the **WAY**

Building a People-Centered Health System



Goal

Trinity Health is committed to public policies that support better health, better care and lower costs to ensure affordable, high-quality, people-centered care for all. As Trinity Health assesses federal and state-led changes to the Medicaid program, it is important to review the pros and cons associated with proposals and to evaluate the impact on coverage and access to affordable, high-quality, people-centered care.

Background & Purpose

In recent years, more states have proposed or considered implementing work requirements to tie employment to Medicaid benefits through Section 1115 demonstration waivers. One approach that appears in several pending waivers is a paid work, job training, or volunteer work requirement for certain categories of Medicaid beneficiaries (e.g. non-disabled adults). While the previous Administration chose not to approve waivers with work requirements, the current Administration and some state governors have voiced support for work requirements going forward. The table below provides the “pros” and “cons” of implementing work requirements in select Medicaid populations, based on available research and evidence.

Examples of Work Requirements

American Health Care Act – Would allow states to require that adults ages 19 to 64 either gain employment or participate in a designated job search or training program to qualify for Medicaid. Certain beneficiaries would be exempt from the requirement including those who are disabled, pregnant or parents of young children.

Kentucky’s pending section 1115 waiver requires that, after 3 months in the program, beneficiaries work or volunteer. To continue to receive benefits, members will need to work or volunteer for at least 20 hours per week after the first year.

Policy	Pro ¹	Con ²
Implementing Work Requirements in Medicaid subpopulations	<ul style="list-style-type: none"> Work requirements may increase engagement and incentivize financial security, encouraging transitions out of the Medicaid program. Mandatory work requirements, such as those instituted in the Temporary Assistance for Needy Families (TANF) program in the 1990s, led to increased employment for five years, though the effect did not persist long term. 	<ul style="list-style-type: none"> Work requirements have not been approved in section 1115 waivers to date and may not have intended effects as 60 percent of non-elderly Medicaid enrollees are already working, and most of the remainder report being ill/disabled, are taking care of home/family, or are going to school. Nearly half (46 percent) of the 11M beneficiaries who could lose coverage under a work requirement have at least one serious chronic disease (e.g. mental health condition), or report being in poor or fair health.
<ul style="list-style-type: none"> Overall Takeaway – In order to be effective, work requirements must address existing barriers to employment. These policies are untested in Medicaid and could result in unintended consequences and coverage losses for vulnerable beneficiaries whose poor health is a barrier to employment. Trinity Health Supports protecting access to coverage despite life changes, such as job loss or caregiving needs. 		
<p>Supporting Research: 1. Consequences of Welfare Reform: A Research Synthesis. Center for Children and Families: Office of Planning, Research, and Evaluation. July 15, 2002. 2. Garfield, Rachel, et al. “Understanding the Intersection of Medicaid and Work” Kaiser Family Foundation, Feb 15, 2017; Brantley, Erin and Ku, Leighton. Medicaid Work Requirements: Who’s At Risk? Health Affairs. April 12, 2017.</p>		

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Core Values: Reverence • Commitment to Those Who Are Poor • Justice • Stewardship • Integrity

