

# Work Requirements in Medicaid: Evidence and Policy Safeguards

**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 2018, CMS released guidance to states seeking to submit Section 1115 demonstration waivers that include work or community engagement requirements for Medicaid beneficiaries. The agency also approved its first Section 1115 demonstration waivers with work requirements. Several other states are expected to follow suit given the support from the new Administration and several Governors.

Approaches that appear in several pending waivers include requirements for paid work, job training, community engagement or volunteer activities for certain categories of Medicaid beneficiaries (e.g. non-disabled adults). The table below provides the “pros” and “cons” of implementing work requirements in Medicaid, based on available research and evidence, followed by Trinity Health’s policy positions that will help guide engagement on the issue with Federal and state policymakers and stakeholders. Overall, 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.

## State Approaches to Work Requirements

**Kentucky’s approved Section 1115 waiver** requires non-exempt adult beneficiaries (19-64 years) to complete 80 hours per month of community engagement activities, including employment, education, job skills training, and community service. Medicaid eligibility will be suspended for beneficiaries that fail to demonstrate compliance until they complete 80 hours of community engagement in a 30-day period or a state-approved health or financial literacy course.

**Indiana’s Section 1115 waiver** would require participation in the Gateway to Work program, which integrates Indiana’s work training and job search programs with the Healthy Indiana Plan (HIP). Able-bodied, working age adult HIP beneficiaries that are unemployed or students, or working less than 20 hours per week must participate as a condition of eligibility.

Pro <sup>1</sup>	Con <sup>2</sup>
<ul style="list-style-type: none"> <li>• Work requirements may increase engagement and incentivize financial security, encouraging transitions out of the Medicaid program.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• 60% of non-elderly Medicaid enrollees are working; most of the remainder report being ill/disabled, taking care of home/family, or are in school.</li> <li>• Nearly half of the 11M who could lose coverage under a work requirement have at least one serious chronic disease or report being in poor or fair health.</li> <li>• In Ohio, most unemployed expansion beneficiaries reported Medicaid coverage made it easier to seek work, and over half of those working reported that coverage made it easier to continue in employment.</li> <li>• Analysis from Ohio estimates that implementing work requirements will increase administrative burden and have significant upfront costs due to new case management services and other capabilities.</li> <li>• Among TANF enrollees, services to address employment barriers still leave the majority of participants unemployed likely due to complex needs these individuals experience – which are not addressed by these programs.</li> <li>• In some states, obtaining minimum wage employment could make beneficiaries financially ineligible for Medicaid – and without other insurance options.</li> </ul>

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## Trinity Health Policy Safeguards

Trinity Health supports protecting access to coverage despite life changes, such as job loss or caregiving needs. We believe that testing any work, job training, or community engagement requirements must address existing barriers to employment and engagement, must be accessible to beneficiaries and not undermine their access to care, and must be supportive – and not punitive in nature.

### Ensure Seamless Coverage

#### *Policy Recommendations:*

- Align income eligibility requirements across coverage programs, including the Marketplaces.
- Adopt 12-month continuous eligibility and implement annual eligibility re-determinations and retroactive coverage if/when re-enrolled to reduce churn as a result of new policies.

### Support Beneficiary Engagement

#### *Policy Recommendations:*

- Provide up-front education for beneficiaries and families that may be impacted by the new requirements, including resources for accessing or linking to job placement or training services, funding programs to address transportation barriers, and providing educational materials to increase health coverage literacy.
- Ensure providers and community-based organizations have resources to support linkages to work and job training, and community engagement and volunteer opportunities.

### Develop Evidence-Based on Impacts

#### *Policy Recommendations:*

- Develop robust reporting, analysis, and evaluation of testing any work or community engagement requirements on coverage, enrollment in the program, health status and outcomes, and financial impacts on beneficiaries and communities.
- Include clearly identified metrics of success and regular measurement and reporting on progress as well as barriers – and end demonstrations early if they are not achieving intended goals or are creating impediments to care.
- Ensure data from other relevant state departments (e.g. Departments of Labor) are integrated and inform development of new requirements and assess impacts on broad range of employment and other variables.
- Examine impacts of work requirements on administrative burden on Medicaid agencies and physicians—especially primary care providers—and their ability to be responsive to the needs of beneficiaries.

Sources: 1. [Consequences of Welfare Reform: A Research Synthesis](#). Center for Children and Families: Office of Planning, Research, and Evaluation. July 15, 2002. 2. Garfield, R. & Rudowitz, Rl. “[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; Musumeci, M. & Zur, J. [Medicaid Work Requirement Waiver Analysis Budget Neutrality](#). The Center for Community Solutions, March 13, 2018. [Medicaid Enrollees and Work Requirements](#): Lessons from the TANF Experience. August 18, 2017; Antonisse, L., Garfield, R., & Rudowitz, R. [The Effects of Medicaid Expansion Under the ACA: Updated Findings from a Literature Review](#). September 25, 2017; Musumeci, M., Garfield, R., & Rudowitz, R. [Medicaid and Work Requirements: New Guidance, State Waiver Details and Key Issues](#). January 16, 2018.

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**Mission:** We, Trinity Health, serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities.

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

