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Consistent Care and Coverage

How Medicaid Work Requirements Disrupt Care and Harm Health

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Families need consistent health coverage so they can access quality care that responds to their individual needs as they change over time. Without reliable, continuous coverage and care, people cannot be well enough to go to school or work, care for their loved ones, or fully participate in their communities. Policies can promote consistent coverage and care or they can undermine it, and erect barriers to care that ultimately threaten the health and well-being of families and entire communities. As lawmakers contemplate imposing new work reporting requirements in Medicaid, which provides health coverage for one in five people living in the United States and two in five children, it is worth taking another look at the overwhelming evidence that work reporting requirements limit access to health insurance and other critical supports—disrupting the consistent care and continuous coverage that everyone needs to thrive.

The Problem with Tying Health Insurance to Work

Health coverage is something everyone needs to be healthy, and a necessary precondition for productive work, whether inside or outside the waged labor force. This is why other wealthy countries guarantee access to health care, and health coverage is not typically tied to work.[1] The American health care system, however, developed around employer-sponsored health insurance. While receiving coverage through an employer might work for some workers some of the time, it creates gaps in coverage that leave behind many people who are doing gig work or otherwise working part-time or between jobs, people who are older or disabled and unable to work, and people who are caring for loved ones or doing other unpaid labor. It also leaves behind the children who live in all of these households.[2] To fill these gaps, lawmakers created Medicare and Medicaid in the 1960s, the Children's Health Insurance Program (CHIP) in the 1990s, and Affordable Care Act marketplaces in the 2010s.

It is important to remember that Medicaid was created to solve some of the problems with linking health insurance to work in the first place—and ensure individuals and families with low incomes can access the health care they need at all times. Over the last decade, however, lawmakers have nonetheless proposed work requirements for Medicaid, requiring work as a condition of coverage for certain adults who are insured through the program. There are two main problems with this approach:

- The majority of adults insured through Medicaid are already working and the vast majority of those who are not working are unable to because of their own caregiving responsibilities, illness or disability, or school attendance. Requiring people to report work hours or activities does nothing to change these circumstances, but rather creates roadblocks to economic stability for individuals and families who are already struggling to cover their basic needs.
- Decades of research has shown that imposing work reporting requirements on programs that meet families' basic needs does not significantly increase employment or help people find or keep family-sustaining jobs. Instead, it takes away

assistance from people who need it by setting unrealistic minimum work hours or creating unnavigable reporting requirements. In practice, work requirements create gaps in assistance and coverage that undermine health and well-being and make it more difficult for individuals and families to lead fulfilling and productive lives.

Below, we examine the evidence on how work requirements interrupt the continuous health coverage—and the consistent care and support—that all families need.

Evidence from Arkansas and Georgia Medicaid Work Requirements

In 2018, Arkansas became the first state to implement work requirements in Medicaid. Under the policy, Medicaid enrollees were required to report 80 hours of work or other qualifying activities each month via an online portal or provide documentation that they were exempt. People could be exempt if, for example, they were a full-time student, caregiver for an incapacitated individual, pregnant, disabled or medically frail. In a state with one of the highest rates of poverty in the country, the impact of these new eligibility requirements were devastating. Research found that many families participating in Medicaid were unaware of the new requirements, struggled with the online reporting system, or did not receive an exemption despite qualifying for one. Ultimately, work requirements failed to increase employment, but caused an estimated 18,000 Arkansans to lose their health coverage before the policy was struck down in federal court.

Several years later, Georgia implemented work requirements when the state launched its Pathways to Coverage program in mid-2023. Georgia is one of ten states that has not fully expanded Medicaid since the passage of the Affordable Care Act. The Pathways to Coverage program was intended to be a limited form of Medicaid expansion for adults with incomes below the poverty line who reported 80 hours of work or more a month and, in some cases, paid a premium. Though similar to Arkansas's short-lived work requirement in some respects, Georgia requires applicants to report 80 qualifying hours of work at the time of application, before they can even receive Medicaid-funded healthcare services. This functionally shuts the front door for Medicaid-eligible individuals before they enroll in the program. Additionally, Georgia offered no exemptions for full-time caregivers, making the state's work requirements even more stringent and restrictive than Arkansas's policy. Setting up the infrastructure to administer this new program with a work requirement has cost the state and federal government an estimated $86.9 million, ProPublica has reported—three-quarters of which has gone to consultants. Despite initial estimates that 240,000 uninsured Georgians were eligible for the Pathways to Coverage program, the state only covered 6,500 people in the first 18 months of this program. Perhaps in response to the low uptake, the state has recently proposed softening these requirements to reduce the frequency of reporting and recognize caring for a young child as a qualifying activity.

Evidence from TANF and SNAP Work Requirements

The recent experience with work reporting requirements in Medicaid mirrors decades of experience with work reporting requirements in the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) , which has had work reporting requirements since its inception in 1996 and serves as the model for many Medicaid work requirement proposals. As this experience has demonstrated, requiring people to report work as a condition of receiving assistance does not promote work, but leads people to lose the support they need, in no small part because of the added administrative barriers and burdens that work requirements create.

CSSP's research on TANF has documented how work requirements add burdensome paperwork and logistical hurdles—making it difficult for families to begin receiving assistance in the first place, or to maintain assistance if they are able to enroll.

- Our 2018 study of TANF in Montgomery County, MD found that in order to begin receiving the benefit, families must navigate a series of complex administrative tasks stemming from the program's work requirement, including: attend an orientation within 10 days of applying for TANF, complete 40 hours of work activities per week while they await their first check, attend multiple mandatory workshops, and drop off their timesheets every Friday at their caseworker's

office. It is time consuming and confusing to manage these activities, and requires significant resources of families who are applying for support because they lack these resources. Many never complete enrollment as a result.

- Even families who are able to enroll in TANF often have their cash assistance disrupted because of administrative issues related to the work requirement. Our 2022 Study of families participating in CalWORKS, California's TANF program, found that many parents had their monthly cash assistance reduced or disrupted—or their cases closed—because of problems processing the work reporting paperwork. Sometimes the paperwork they filed to report their hours got lost in the system, at other times caseworkers failed to move the paperwork along in a timely manner, at other times professors or others who were required to sign off on the paperwork to document activities did not do so. In our interviews, parents talked about feeling exhausted and stressed by having to complete this paperwork, on top of their school assignments, work-study jobs, and caring for their children. And some lost assistance altogether. In our survey, 10 percent of respondents had their cash benefits disrupted because of problems processing the work reporting paperwork, and another 8 percent had their cash benefits disrupted because of difficultly completing work hours.

In SNAP, work requirements have similarly not increased employment, but led thousands of individuals to lose their food assistance due to reporting errors or minor procedural missteps, as well as difficulty meeting the work mandates. A recent study looking at Medicaid and SNAP enrollees in Connecticut found that SNAP enrollment declined 25 percent after work requirements were reintroduced in 2016. Those who were older, chronically ill, or had the lowest incomes were disproportionately affected by the implementation of SNAP work requirements.

Work Requirements Disrupt the Continuous Coverage and Consistent Care Families Need

Work requirements cause people to lose health insurance and other critical benefits that are foundational to good health and overall wellbeing. They also significantly increase health-related cost, stress, and time burdens for families forced to navigate the paperwork and logistical hurdles created by work requirements, while imposing significant cost and administrative burdens on the state agencies that implement and administer these rules.

There is no role for work requirements in Medicaid, which is a critical lifeline for families and communities all over the country. Rural communities, children, pregnant women, people with disabilities, and seniors all disproportionately depend on Medicaid for their health access. For young children from low-income families, Medicaid helps ensure they have the care that they need to meet their developmental milestones. Medicaid access has also been shown to reduce child welfare system involvement, and improve health outcomes for parents and young adults. Medicaid is also critical for the financial health of hospitals in rural and medically underserved areas, where hospitals not only provide invaluable health care but also employ many residents and drive economic activity.

Families and communities should be able to rely on Medicaid for consistent coverage and care. Instead of imposing burdensome and counterproductive work requirements that interrupt the consistent coverage and care that families need, lawmakers should support improvements to Medicaid that reduce administrative burdens for families on Medicaid and associated costs for state agencies, and improve consistency in coverage so that children and families can be healthy and thrive.

Endnotes

1 Among OECD countries where private health insurance is most common, employers are playing a growing role in sponsoring that coverage, but public coverage and delivery systems serve the majority of people. See Colombo, Francesca and Nicole Tapay. "Private Health Insurance in OECD Countries: The Benefits and Cost for Individuals and Health Systems." OECD Health Working Papers No. 15. Available at: https://www.oecd.org/content/dam/oecd/en/publications/reports/2004/01/private-health-insurance-in-oecd-countries_g17a1697/527211067757.pdf . See also "Private Health Insurance Spending." OECD, March 2022. Available at: https://www.oecd.org/content/dam/oecd/en/publications/reports/2022/03/private-health-insurance-spending_936ad24d/4985356e-en.pdf.

2 Other problems with employer sponsored health insurance include job lock and the fragmentation of health care finance. See Dolan, Ed. "What's Wrong with Employer Sponsored Health Insurance." Niskanen Center, November 6, 2018. Available at: https://www.niskanencenter.org/whats-wrong-with-employer-sponsored-health-insurance/.

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