

# Medicaid Work Requirements: Who Will the New State Policies Impact?

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Early in 2018, the Trump administration approved four states (AR, IN, KY, and NH) to implement Medicaid work requirements, a controversial policy requiring non-disabled adults to spend at least 20 hours a week working, volunteering, attending school or job training, or searching for employment in order to receive Medicaid. In October, Wisconsin's Medicaid work requirement was also approved, and there are 10 states with pending applications. While the Centers for Medicare and Medicaid Services' Administrator described work requirements as "a policy that makes Medicaid a path out of poverty,"<sup>1</sup> the Obama administration rejected the policy because reducing health care access was viewed as inconsistent with the objectives of Medicaid.<sup>2</sup> In June, Arkansas was the first state to begin implementing Medicaid work requirements. The other four states are scheduled to begin implementation in 2019, though Kentucky may face a second legal challenge (the first halted implementation shortly before the scheduled July 2018 start) and Wisconsin's newly elected Democratic governor may not implement the policy.<sup>3</sup>

Recent analyses have found many Medicaid recipients already work. Ku and Brantley found that 87% of adults covered by Medicaid's expansion either work, are in school, or are seeking work.<sup>4</sup> Another analysis found that 28% of Kentucky Medicaid recipients did not work and were not exempt from the requirement, but three quarters of them reported serious health issues or other limiting circumstances.<sup>5</sup>

This study uses a national survey of non-working adults to identify Medicaid recipients who would be potentially subject to the initial four approved states' work requirements, which differ in inclusion and exemption criteria, and to examine their demographic characteristics and attitudes towards working.

## METHODS

We analyzed a November 2014 national telephone survey of non-working adults aged 25–54 conducted by the Kaiser Family Foundation, New York Times, and CBS News ( $n = 1002$ ).<sup>6</sup> Based upon each state's work requirement eligibility rules, we

identified the percentage of Medicaid respondents who were likely exempt, possibly exempt, and not likely exempt.

The following groups were considered likely exempt: recipients of Supplemental Security Income or Social Security Disability Insurance, full-time students, parents or guardians of children under age 6 (NH), 7 (IN), or 18 (AR, KY) living in the household. In Kentucky and Indiana, only one parent can be exempt, and we assumed the mother would use the exemption.

Also exempt are people who are medically frail, which is determined by each state. We considered those in fair or poor physical or mental health, and those with a disability as possibly exempt, as were part-time students. The rest were considered not likely exempt. The survey, notably, was not able to identify those meeting other exemption criteria like pregnancy or caring for a disabled adult.

## RESULTS

Under the four states' policies, two-thirds or more of non-working Medicaid recipients would likely be exempt from work requirements (Table 1). Based on the states' policies, as many as 14–27% more could possibly be exempt. In Arkansas and Kentucky, only 3% and 4% of non-working Medicaid recipients were respectively not likely exempt, and in Indiana and New Hampshire, the rates were 7% and 8%.

Of those potentially subject to the work requirement (possibly exempt and not likely exempt), more than three quarters in each state reported being in fair or poor health or having a disability (Table 2). Approximately 90% had a high school degree or less, and over a quarter had a criminal history. The majority, however, reported currently wanting a job and that it was very or somewhat likely that they would be working within a year.

## DISCUSSION

The vast majority of non-working Medicaid recipients will be exempt from Medicaid work requirements because of disabilities and parenting responsibilities. If states are generous in granting medically frail exemptions, only a small percentage (approximately 3%–8%) of non-working Medicaid recipients will be subject to the policies,

**Table 1 Percentage of Non-working Adults with Medicaid Who Would Be Exempt, Possibly Exempt, or Not Likely Exempt from Medicaid Work Requirement Programs in Arkansas, Indiana, Kentucky, and New Hampshire**

	State Medicaid work requirement policies			
	Arkansas (n = 161)	Indiana (n = 231)	Kentucky (n = 231)	New Hampshire (n = 231)
Likely exempt*	137 (83%)	165 (66%)	188 (78%)	168 (67%)
Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI)	84 (43%)	136 (48%)	136 (48%)	136 (48%)
Parent or guardian of child under the age of 6 (NH)/18 (AR) living in the household <sup>†‡</sup>	71 (49%)	–	–	30 (15%)
Single parent or guardian of child under the age of 7 (IN)/18 (KY) living in household <sup>†‡</sup>	–	12 (7%)	33 (17%)	–
Woman parent or guardian of child under the age of 7 (IN) /18 (KY) living in household with spouse/partner <sup>†‡</sup>	–	12 (6%)	29 (16%)	–
Full-time student	19 (15%)	19 (12%)	19 (12%)	19 (12%)
Possibly exempt*	19 (14%)	52 (27%)	34 (18%)	48 (25%)
Fair/poor physical health	15 (10%)	42 (22%)	28 (14%)	39 (21%)
Fair/poor mental health	12 (7%)	31 (15%)	19 (6%)	29 (14%)
Disability	12 (8%)	32 (16%)	24 (12%)	30 (15%)
Part-time student	1 (2%)	3 (2%)	1 (1%)	1 (1%)
Not likely exempt*	5 (3%)	14 (7%)	9 (4%)	15 (8%)

All analyses were weighted to adjust for survey sampling. While this survey data does not include people younger than 25, the work requirement policies in all four states include 19–24-year-olds. In KY and NH, the upper age for inclusion is 64, and in IN it is 59, though this survey data includes only people up to age 54. AR does not include adults over 49 years old in the work requirement, so survey respondents aged 50 and older are excluded from analysis.

\*The percent in the likely exempt category includes all those who meet one or more criteria below for being likely exempt. The possibly exempt percentage is also meeting one or more of the possible exempt criteria. The percent in the not likely exempt category includes those neither included in the likely exempt nor possibly exempt categories.

<sup>†</sup>IN and NH exclude those who are the parent or guardian of children under age 7 and 6 respectively from the work requirement, so based on analysis from the American Community Survey that indicated 40% of those with children under the age of 18 had children under aged 6 at home, we randomly selected 40% of those with children under 18 at home.

<sup>‡</sup>IN and KY only allow one parent with a child at home to be exempt from the work requirement. We assumed that it would be the female in a couple who would take the exemption, so we include only those single parent, and woman parent of child with partner/spouse in the household. For AR and NH, we included all parents or guardians of children in the household of the appropriate age.

**Table 2 Demographic Characteristics and Attitudes Towards Employment Among Non-working Medicaid Recipients Potentially Subject to Medicaid Work Requirements Under Each State's Rules**

	Non-working Medicaid recipients			
	Potentially subject to work requirement by state policies			
	Arkansas (n = 24)	Indiana (n = 66)	Kentucky (n = 43)	New Hampshire (n = 63)
Demographic characteristics				
Female	16 (73%)	44 (70%)	23 (57%)	43 (71%)
Age (in years)				
< 35	11 (48%)	24 (41%)	12 (32%)	23 (42%)
35–44	4 (18%)	11 (18%)	5 (14%)	10 (18%)
45–49	9 (34%)	15 (24%)	10 (28%)	14 (23%)
50–54	–	16 (17%)	16 (26%)	16 (18%)
Education				
Less than high school	8 (43%)	15 (32%)	11 (39%)	14 (31%)
High school	14 (50%)	42 (57%)	26 (53%)	42 (61%)
More than high school	2 (7%)	9 (11%)	6 (9%)	7 (8%)
Race/ethnicity				
White	13 (52%)	35 (47%)	24 (49%)	34 (48%)
Black	6 (23%)	13 (20%)	9 (19%)	13 (21%)
Latino	4 (22%)	13 (25%)	7 (24%)	11 (23%)
Other	1 (3%)	5 (7%)	3 (8%)	5 (8%)
Parent or guardian of child under 18 years of age at home	0 (0%)	27 (45%)	4 (13%)	24 (42%)
Health issue (fair/poor physical or mental health, or disability)	19 (80%)	51 (77%)	34 (80%)	48 (77%)
Criminal history	8 (25%)	20 (28%)	12 (25%)	19 (29%)
Employment attitudes & behaviors				
Currently wants a job				
Yes	16 (55%)	49 (72%)	30 (64%)	47 (72%)
Yes, but unable to work	1 (9%)	2 (5%)	2 (8%)	2 (5%)
No/do not know	7 (36%)	15 (23%)	11 (28%)	14 (23%)
Contacted someone about job				
In last month	8 (22%)	22 (32%)	12 (22%)	19 (28%)
2–5 months ago	4 (20%)	12 (20%)	6 (17%)	12 (21%)
Longer/never	12 (58%)	32 (48%)	25 (61%)	32 (51%)
Likely to be working in a year				

(continued on next page)

Table 2. (continued)

	Non-working Medicaid recipients			
	Potentially subject to work requirement by state policies			
	Arkansas (n = 24)	Indiana (n = 66)	Kentucky (n = 43)	New Hampshire (n = 63)
Very likely	9 (31%)	27 (41%)	14 (27%)	27 (43%)
Somewhat likely	6 (31%)	16 (27%)	10 (29%)	12 (22%)
Not too likely/not likely at all	9 (38%)	23 (32%)	19 (44%)	24 (35%)
Major reasons not employed				
Health problems or disability	13 (52%)	37 (54%)	24 (55%)	35 (54%)
Family responsibilities	6 (14%)	24 (35%)	10 (18%)	23 (35%)
Lack of education or skills	5 (15%)	19 (28%)	10 (22%)	15 (21%)
Lack of good jobs available	13 (46%)	34 (49%)	18 (36%)	31 (47%)

All analyses were weighted to adjust for survey sampling. Percentages may not add up to 100% due to rounding. Potentially subject to the work requirement includes those who are “not likely exempt” and “possibly exempt”

resulting in little employment gain. If states are not generous with exemptions, as many as 17%–34% will be subject to work requirements. While there may be greater employment gains under this scenario, transitioning many in this group into the workforce will be very challenging and those unable to meet the requirements will lose their health coverage. Most report wanting jobs; however, the vast majority report serious health issues, few have more than a high school education, and in Indiana and New Hampshire, over a third have a child aged 6–17 at home.

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**Compliance with Ethical Standards:**

**Conflict of Interest:** The author declares that she has no conflicts of interest.

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