

Medicaid

Work requirements threaten coverage for thousands of Medicaid patients

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Good morning. My name is Wendy Patton. I am a senior project director with Policy Matters Ohio, a not-for-profit, non-partisan research institution with a mission of contributing to a more vibrant, equitable, inclusive and sustainable Ohio. Thank you for the opportunity to testify on the proposed 1115 waiver to allow work requirements as a condition of Medicaid eligibility. We oppose the waiver for the following reasons.

The work requirement will reduce health care for low-income people. The work requirements will reduce participation by more than 18,000 recipients during each year of the demonstration program. A core objective of the Medicaid program is to serve the health and wellness needs of our nation's vulnerable and low-income individuals and families, but the proposal itself admits that people will lose health coverage: "While Ohio will work with all individuals who are not otherwise deemed to be exempt or already meeting the Work and Community Engagement Requirement to ensure that they have the tools and supports they need to comply, we estimate that 50 percent of the 36,036 (or 18,018 individuals) subject to requirement will not comply and will lose their Medicaid eligibility."

The work requirement is unnecessary and potentially harmful: Most Medicaid enrollees already work, or are caregivers, disabled, students or job seekers. Seven of Ohio's 10 largest job categories are so low paying that the average worker with children qualifies for public assistance - like Medicaid. For working people enrolled in Medicaid the problem is this: many low wage jobs do not regularly schedule workers for 20 hours a week. People who hold these jobs may lose health care through no fault of their own if they don't get the required hours on their schedule.

The requirement's burden of proof on the enrollee increases risk for all. The waiver proposal allows for exemptions, but enrollees bear the burden of proof. What might seem like a small errand to those of us fortunate enough to own a car or computer can be a time and money drain for a low-income person who depends on Medicaid. They are unlikely to own a computer to apply for the exemption online. Many patients would have to chase down paperwork, buy the stamp to mail it and take a bus ride to central office to get a receipt. These new barriers would threaten all adult enrollees, compliant and exempted.

Many groups that should be exempted are not in the waiver proposal, such as workers with seasonal, intermittent, or flexible hours; those whose employers do not allow sick leave or family leave; self-employed workers; those who were denied unemployment; caregivers to a family member who does not live in their home; homeless people and others.

The history of work requirement programs in Ohio is troublesome, yet the waiver links to existing programs without a plan for improvement. Before work requirements were re-imposed, SNAP or federal food aid enrollment rose in most counties. Despite chronic high poverty in Ohio's urban counties, SNAP enrollment dropped after work requirements returned.¹ Franklin County officials found work requirements were imposed on a significant share who reported physical, mental and other limitations that affected their ability to work.² Ohio's counties, which administer the state's cash assistance program (Ohio Works First, or OWF), have long been under threat of penalty for not meeting work requirement goals during the last recession. To achieve compliance, counties reduced their caseloads.³ Today, OWF serves 13,000 adults, 69 percent fewer than before the recession even though the poverty rate is almost 10 percent higher. The state could provide additional relief, but has chosen not to. The 1115 waiver proposal links the Medicaid work requirement to these existing programs without a plan to address problems.

Work requirements are not effective at moving people out of poverty for the long-term. A review of research on work requirements in other programs found short term-gains vanished after five years. Wages did not rise to a level that helped people move out of poverty.⁴ Research does not support the hypothesis that work requirements move people into sustainable, well-paying jobs and improve their health.

The 1115 waiver proposed by the Ohio Department of Medicaid will reduce enrollment as people are unable to comply, fill out documents incorrectly or miss deadlines. Low-income people who need it could lose their health care because of inadequate assessment of a mental or physical disability, on a technicality, among other reasons. This contradicts the purpose of Medicaid and the 1115 demonstration projects.

¹ Policy Matters Ohio, "Stop the hunger games," June 30, 2015 at <https://www.policymattersohio.org/research-policy/pathways-out-of-poverty/basic-needs-unemployment-compensation/stop-the-hunger-games-ohio-should-maximize-access-to-food-aid>

² Ohio Association of Foodbanks, "A comprehensive assessment of able bodied adults without dependents..." 2015 at <http://ohiofoodbanks.org/wep/WEP-2013-2015-report.pdf>

³ The state "all family" work participation rate of 35.2 percent in 10/2011 jumped to 55 percent in 11/2012 due to a 45 percent drop in the "denominator" (total caseload): number of families served fell from 39,531 to 21,913. Public Consulting Group, "Ohio Works First Participation Improvement Project," 5/2013 (p.9). The first observation of the consultant's report: "An after effect of procedural and process changes at the county level is <that it> has had the impact on reducing the denominator <case load> to improve the work participation rate." Cited in Policy Matters Ohio, Shrinking aid for Ohio's neediest families, November of 2013 at <https://www.policymattersohio.org/research-policy/pathways-out-of-poverty/basic-needs-unemployment-compensation/shrinking-aid-for-ohios-poorest-families>

⁴ Center on Budget and Policy Priorities, Work requirements don't work, January 2018 at <https://www.cbpp.org/blog/work-requirements-dont-work>