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Basic Needs

Medicaid requirements threaten health care access

Hundreds of thousands at risk

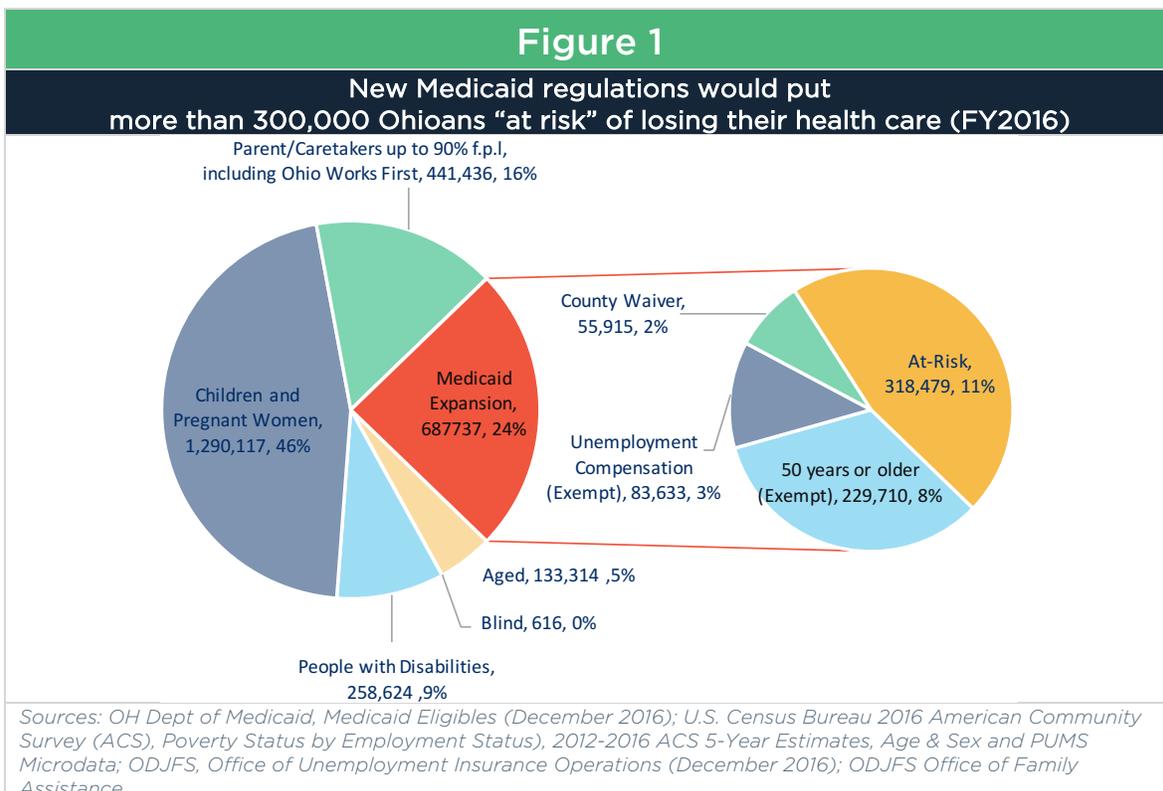
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In this policy brief, Policy Matters Ohio examines Ohio’s request to the federal government to drop hundreds of thousands of Ohioans from Medicaid if they cannot get enough work or prove they should be exempt from the state’s newly proposed requirements.

Under Governor Kasich’s leadership, Ohio took advantage of the federal government’s offer in 2014 to cover nearly the full cost of significantly expanding Medicaid. As a result, more than 700,000 previously uninsured Ohioans gained access to health care—preventive care, treatment for chronic conditions and mental health services, among other things. Even though this expansion brings \$5 billion in federal funds to Ohio each year, supporting jobs and the economy, Medicaid expansion efforts have been under continual assault ever since. The most recent attack adds new hurdles to receiving care that will enable the state to drop many of the newly insured from coverage if they do not meet certain requirements. If implemented, the state will require Medicaid expansion enrollees to prove they work 80 hours per month or that they are engaged in a county-run work or volunteer program, unless they meet one of several exemptions. We estimate these requirements could strip more than 300,000 Ohioans of their health care.

Hundreds of thousands of Ohio residents risk losing their health care due to proposed state requirements. Figure 1 shows the makeup of Ohio’s Medicaid population. Most recipients of Medicaid are children and their primary caretakers. Expansion enrollees represent 24 percent of Ohio Medicaid enrollees, more than 300,000 of whom will be at risk of losing access to health care.



We estimate more than 300,000 Ohioans will be at risk of losing their health care if the Kasich administration implements proposed requirements. Not everyone “at risk” will ultimately lose their health care. **Table 1** demonstrates our approach. We removed from risk people likely to qualify for exemptions that are relatively easy to verify, and not subject to varying interpretations by state and county administrators.

Table 1		
More than 300,000 Ohio residents at risk of losing health care (estimated)		
Categories		#Enrolled ¹ / (Exempt)
Total Medicaid Enrollment – Children, Adults, Elderly & Disabled		2,971,645
Non-Elderly Adults – Target for New Requirements		1,388,444
Listed as exempt from work requirements (largely applies to non-expansion enrollees): ²	Adults with a severe disability	(259,240)
	Caretakers under 90% of poverty level, pregnant women, & those in Ohio Works First program for cash assistance. ³	(441,436)
Medicaid Expansion Enrollees (2016)		687,768
Listed as exempt from work requirements (applies to expansion enrollees): ⁴	People over 50 years of age ⁵	(229,710)
	Meeting Unemployment Compensation requirements ⁶	(83,633)
	Enrollees exempt due to county-level waivers ⁷	(55,915)
Ohioans “at risk” of losing health care		318,479
(Those not meeting straightforward, easily verifiable exemptions from new requirements.)		

SOURCES AND METHODOLOGY

1. Enrollment numbers come from OH Dept. of Medicaid, Medicaid Eligibles (December 2016).
2. The State of Ohio’s proposed new requirements include exemptions for people with severe disabilities, pregnant women, parents, caretakers, and Ohio Works First recipients of cash assistance. Nearly all enrollees meeting these descriptions, however, are enrolled in Medicaid’s Healthy Families program or Medicaid for the Aged, Blind and Disabled, programs not subject to the requirements.
3. The Kasich Administration estimates 95,767 Medicaid expansion patients will qualify for an exemption based on their parent/caretaker status, in addition to the numbers listed here. However, there is currently no system in place to verify whether any of the Medicaid Expansion patients qualify for this exemption. We are not sure how the state arrived at these estimates and unable to get additional information upon request. It is likely that some of the Medicaid expansion group will indeed qualify for this exemption, but we believe they remain at risk given lack of existing capacity to identify them.
4. People over the age of 50 and those participating in the Unemployment Compensation (UC) program will be exempt. Unlike others, these two exemptions should be relatively easy to verify and not subject to varying interpretations by state or county administrators.
5. The over-50 population estimate is based on percentages from 2012-2016 American Community Survey (ACS), 5-Year Estimates, Age & Sex, of people between the ages of 50 and 65.
6. Unemployment compensation exemption estimates were calculated by taking December 2016 enrollment numbers from ODJFS, Office of Unemployment Insurance Operations and using data from U.S. Census Bureau 2016 ACS, *Poverty Status by Employment Status*, to determine how many UC recipients were likely to meet Medicaid expansion income limits. This number likely overestimates the number exempt since not everyone who qualifies will apply for Medicaid.
7. There are 26 counties exempted entirely from the proposed requirements. As John Corlett, Executive Director of Community Solutions and former Medicaid Director points out, the counties being exempted by the Kasich Administration are disproportionately white. By design, the county-level exemption amplifies the implicit racial bias underlying these requirements—cracking down on residents of urban areas with significant minority populations while showing empathy for white rural Ohioans. This is racism and it leaves Ohio vulnerable to a lawsuit over whether the requirements are a violation of basic civil rights due to their disparate impact on people of color.

More Ohioans are in danger of losing their health care, as a result of these requirements, than is asserted by the Ohio Department of Medicaid. The Kasich Administration estimates 95 percent of the current Medicaid Expansion population will either be exempt from the requirements or are already meeting them.¹ Of the roughly 700,000 Ohioans accessing care through Medicaid expansion, the state estimates approximately 36,000 will need to increase their work hours to comply with the new regulations and half will be successful in doing so.

In developing these estimates, the administration did not consider the effect of adding new hurdles to accessing care. Some advocates believe these new hurdles put every Ohioan enrolled in Medicaid expansion at risk. Medicaid expansion enrollees face multiple barriers to employment, including chronic health conditions, mental health issues, and a lack of access to reliable transportation. More than one in three lack a high school diploma. These barriers not only make it difficult for these patients to meet strict requirements on work, they also make it hard to prove they are in compliance with the rules or that they should be exempt from them. What might seem like a small errand to those who own cars and computers can be a time and money drain for a low-income person who depends on Medicaid. Patients would have to understand the requirements and procedures, chase down paperwork, navigate sub-par transit systems and more to get needed documentation. In this sense, these new barriers threaten all Medicaid expansion enrollees. Plus, some exemptions will likely require medical evidence that people who currently lack access to health care will have difficulty obtaining.

The biggest difference between our numbers and state estimates are how Ohioans with chronic conditions are treated. The proposal the Kasich administration submitted to the federal government does not categorically exempt people with chronic conditions from the new requirements. However, the state's calculations of the negative impact these requirements will have on the expansion population act as if they are exempt. The Kasich administration estimates 257,332 or 37 percent of the Medicaid expansion group have a chronic condition and will be exempt from the new requirements. However, there is NO exemption for people with chronic conditions. In its proposal to the federal government, the state alludes to the idea people with chronic conditions will be exempt because they will be considered "physically or mentally unfit for employment." While Medicaid beneficiaries with illnesses are much more likely to be unemployed, work less than full time, or be employed sporadically, not everyone with a chronic condition will be considered unfit for employment, or even consider themselves to be so.²

Under the Supplemental Nutrition Assistance Program (SNAP), individuals must be medically certified as physically or mentally unfit for employment and exempt from SNAP work requirements.³ Given that Medicaid requirements were designed to align with SNAP requirements "to minimize confusion and administrative burden," one can expect that county Jobs and Family Services administrators will look to existing SNAP standards to determine how and when to apply the same exemptions to recipients of Medicaid. Under these high standards, few people with chronic conditions are likely to prove themselves exempt (especially if they have no access to a doctor).⁴

¹ Ohio Dept. of Medicaid, Figure 1. Ohio Medicaid Expansion Proposed Work Requirement at <http://healthtransformation.ohio.gov/portals/O/ohio%20medicaid%20work%20requirements%20final%202-16-2018.pdf>

² Ohio Dept. of Medicaid, Ohio Medicaid Group VIII Assessment: A Report to the General Assembly at <http://medicaid.ohio.gov/Portals/O/Resources/Reports/Annual/Group-VIII-Assessment.pdf> states that 39 percent of enrollees were diagnosed with chronic conditions such as diabetes, heart disease, hypertension, high cholesterol, emphysema and depression. See also Center on Budget and Policy Priorities, *Harm to People with Disabilities and Serious Illnesses From Taking Away Medicaid for Not Meeting Work Requirements* (2018)."

³ Ohio Dept. of Job and Family Services, Program Enrollment & Benefit Information (p.7).

⁴ The waiver request to the federal government does suggest, however, that the Department of Medicaid will release its own rules defining these standards, and that Medicaid enrollees will be able to "self-attest" to being unfit for

While chronic conditions may represent a barrier to full employment, if managed properly, people with chronic conditions are often employable in some capacity. Thanks to Medicaid expansion, many people with previously undiagnosed chronic conditions are now receiving treatment and managing their conditions, making it easier to work.⁵ Even with treatment for chronic conditions, however, patients may find it challenging to keep a consistent 20 hour per week schedule when symptoms of their disease act up. These new requirements will put many people with chronic conditions at risk of losing their health care. Taking away care, and treatment for chronic conditions, will not help these workers maintain employment. In this sense, work requirements will actually impede employment.

The numerical analysis produced by the Kasich Administration jumps to problematic conclusions not only about who will be subject to requirements, but also people’s ability to meet them. First, we believe far more individuals will be subject to these new requirements than the administration estimates (almost double). Second, the state makes an unfounded assumption about who will qualify for SNAP-related exemptions, estimating 87,985 enrollees “are not yet enrolled in SNAP/ABAWD but likely to qualify for an exemption under those programs.” They give no explanation of why they believe they are likely to qualify, we see no basis for it, and we were unable to secure additional information as to how they arrived at this figure.

Third, the state claims more than 60,000 Medicaid expansion patients have incomes indicating they work at least 20 hours a week. The state calculates this number by dividing individual incomes by minimum wage to determine how many hours they worked. Presumably, some of these workers earn more than minimum wage, and none of them fewer. That means if the state had used the average wage of these workers, which would be more appropriate, they would have found fewer workers to be already meeting the requirements. Lastly, the state estimates half of the remaining 36,000 patients will be able to increase their work hours in order to meet the requirements, another unfounded assumption.

While many Medicaid expansion patients already work, they work in low-wage jobs, for companies like Wal-Mart and McDonald’s, with little control over schedules that vary wildly. The Center on Budget and Policy Priorities calculates that irregular schedules and inflexibility of low-wage employers—ALONE—could put 46 percent of low-wage workers at risk of losing coverage because they would likely fail to average 80 hours a month at least one time during the year.⁶ In addition to being at the mercy of the scheduling whims of low-wage employers, low-wage jobs tend to have little flexibility around time off for family health emergencies, leading to greater likelihood of job loss. Furthermore, as noted earlier, many Medicaid patients also face multiple barriers to employment that impede their ability to meet strict requirements on work. More than one-third of working-age Ohioans on Medicaid have a disability or chronic condition. Some do work, largely because their treatment enables it, but may not work enough to meet requirements. Many Medicaid patients also lack access to reliable transportation or affordable child care.

employment. First, people with chronic conditions may be uncomfortable signing a sworn statement saying they are unfit for employment when they may already be working or feel that they could be working, especially with proper treatment for their condition. Second, it would be very confusing to county administrators and beneficiaries if the Department of Medicaid passes rules for Medicaid with different standards from SNAP for what it takes to qualify for an exemption as “unfit for employment,” defying the entire logic of aligning Medicaid and SNAP requirements. In any case, SNAP standards will likely color the viewpoint of county administrators of what constitutes unfitness.

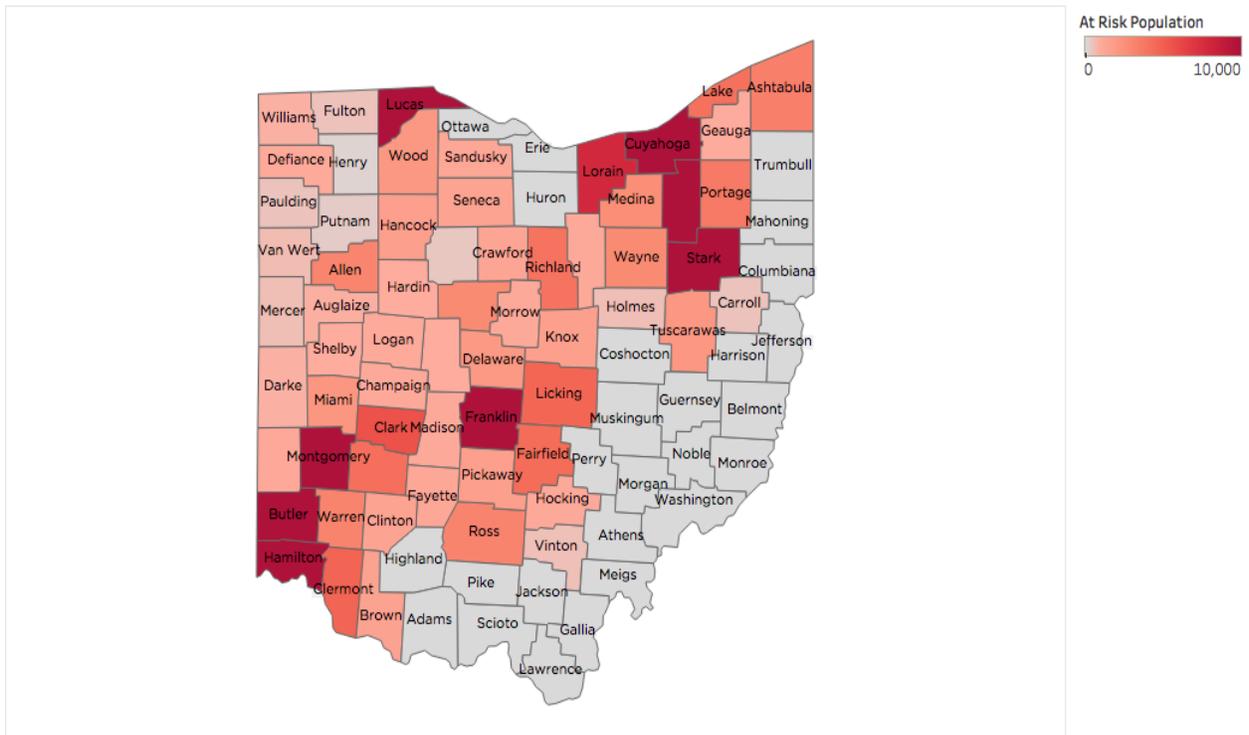
⁵One Medicaid expansion patient is quoted by the Department as saying newfound access to medical care via Medicaid “meant that [she] can treat [her] Type 2 diabetes correctly, have it under control, which allows [her] to feel better, and work, and ...[her] quality of life has improved.

⁶ Center on Budget and Policy Priorities, *Many Working People Could Lose Health Coverage Due to Medicaid Work Requirements* (2018).

Figure 2 demonstrates the varying degree to which these new requirements will affect counties across Ohio. Butler, Cuyahoga, Franklin, Hamilton, Lucas, Montgomery, Summit and Stark Counties each have more than 10,000 residents at risk of losing their health care if these requirements are implemented. As noted previously, 26 counties are exempt from the requirements entirely, largely in more rural areas of Ohio. Exempt counties are greyed out in the following map.

Figure 2
New Medicaid requirements will enable the state to cut significant numbers of urban residents from their health care coverage, while exempting many residents living in rural counties

At Risk Map



Map based on Longitude (generated) and Latitude (generated). Color shows sum of At Risk Population. The marks are labeled by County. Details are shown for SNAP Exempt Counties (26). The view is filtered on SNAP Exempt Counties (26), which keeps County Not Exempt and County Exempt.

The twenty-six exempt counties are more likely to be white, rural communities. In large part, the county-level exemptions are designed to narrowly protect the interests of white, rural communities while subjecting urban areas with a higher share of people of color to these new requirements. **Table 2** compares the racial demographics of exempt counties to non-exempt counties. It shows “at risk” Medicaid recipients in non-exempt counties are more than twice as likely to be people of color than their exempted counterparts. As a result of these county-level exemptions, roughly 56,000 Ohioans will not have to worry about losing their health care, 84 percent of whom are white. Alternatively, more than 115,000 people of color, 36 percent of Medicaid enrollees in more urban areas, will be put at risk of losing their health care once these requirements are implemented.

Table 2

County-level exemptions disproportionately hurt people of color

Enrollees exempt from requirements due to county-level waivers are whiter, on average

Non-Exempt counties have more than twice as many people of color enrolled in Medicaid, on average

County	% White Enrollees	% People of Color Enrolled	Total # Exempt	# People of Color Exempt	County	% White Enrolled	% People of Color Enrolled	Total # At Risk	# People of Color at Risk
Adams	96%	4%	1,039	44	Allen	64%	36%	3,107	1,131
Athens	90%	10%	2,637	270	Ashland	93%	7%	1,089	71
Belmont	87%	13%	2,055	264	Ashtabula	88%	12%	3,377	414
Columbiana	94%	6%	3,161	201	Auglaize	89%	11%	834	92
Coshocton	92%	8%	1,287	105	Brown	95%	5%	1,458	78
Erie	79%	21%	2,124	444	Butler	73%	27%	12,402	3,293
Gallia	95%	5%	1,230	59	Carroll	93%	7%	426	31
Guernsey	90%	10%	1,203	117	Champaign	89%	11%	1,033	114
Harrison	93%	7%	506	35	Clark	79%	21%	5,714	1,186
Highland	94%	6%	1,508	87	Clermont	91%	9%	4,809	444
Huron	85%	15%	1,333	206	Clinton	92%	8%	1,440	117
Jackson	95%	5%	1,085	58	Crawford	95%	5%	1,318	70
Jefferson	86%	14%	2,913	410	Cuyahoga	41%	59%	51,782	30,508
Lawrence	96%	4%	2,755	110	Darke	94%	6%	798	44
Mahoning	58%	42%	9,917	4,205	Defiance	79%	21%	971	202
Meigs	97%	3%	964	25	Delaware	77%	23%	2,010	469
Monroe	98%	2%	445	8	Fairfield	84%	16%	4,382	700
Morgan	93%	7%	312	21	Fayette	92%	8%	1,163	92
Muskingum	89%	11%	3,285	347	Franklin	51%	49%	45,141	22,283
Noble	88%	12%	230	28	Fulton	80%	20%	450	89
Ottawa	86%	14%	498	68	Geauga	88%	12%	952	115
Perry	96%	4%	1,364	57	Greene	76%	24%	4,226	1,005
Pike	94%	6%	1,242	72	Hamilton	49%	51%	33,828	17,260
Scioto	93%	7%	3,646	257	Hancock	79%	21%	1,682	350
Trumbull	79%	21%	7,429	1,536	Hardin	91%	9%	901	81
Washington	95%	5%	1,747	84	Henry	85%	15%	113	16
					Hocking	96%	4%	1,032	42
					Holmes	94%	6%	527	31
					Knox	94%	6%	1,631	95
					Lake	81%	19%	4,154	796
					Licking	89%	11%	4,712	535
					Logan	90%	10%	1,017	98
					Lorain	67%	33%	7,931	2,651
					Lucas	58%	42%	19,101	8,090
					Madison	87%	13%	1,058	134
					Marion	84%	16%	2,801	435
					Medina	89%	11%	2,666	295
					Mercer	89%	11%	536	58
					Miami	90%	10%	2,202	229
					Montgomery	61%	39%	21,651	8,485
					Morrow	97%	3%	1,032	36
					Paulding	89%	11%	429	48
					Pickaway	91%	9%	1,640	140
					Portage	82%	18%	3,666	673
					Preble	95%	5%	1,111	57
					Putnam	82%	18%	265	48
					Richland	83%	17%	4,045	671
					Ross	87%	13%	3,137	393
					Sandusky	79%	21%	1,167	244
					Seneca	86%	14%	1,416	202
					Shelby	89%	11%	905	97
					Stark	80%	20%	10,126	1,989
					Summit	64%	36%	18,466	6,667
					Tuscarawas	92%	8%	2,109	161
					Union	90%	10%	904	90
					Van Wert	85%	15%	577	86
					Vinton	96%	4%	496	21
					Warren	77%	23%	3,137	715
					Wayne	91%	9%	2,803	248
					Williams	89%	11%	802	91
					Wood	79%	21%	2,060	424
					Wyandot	93%	7%	361	27
STATEWIDE TOTAL			55,915	9,118	STATEWIDE TOTAL			318,479	115,360
EXEMPT COUNTIES:					NON-EXEMPT COUNTIES:				
Weighted average people of color				16%	Weighted average people of color				36%

Sources: OH Dept of Medicaid, Medicaid Eligibles (December 2016); 2012-2016 American Community Survey 5-Year Estimates

Recommendations

We expanded Medicaid in 2014 to better serve the over one million uninsured Ohioans who were using emergency rooms as their primary source of care. Since undertaking this expansion, we reduced the number of uninsured Ohioans by half and enabled people with chronic conditions, mental health issues, and substance abuse disorders to obtain preventive care, mental health services and drug addiction treatment. These health services make it easier for people to get and maintain employment. Healthy people are more productive. Plus, federal dollars coming into Ohio for Medicaid expansion put people to work in relatively good health care jobs, a win-win.

New requirements on work, if implemented, will put hundreds of thousands of Ohioans at risk of losing access to their newfound health care—reducing their access to preventive care and mental health services, and ultimately impeding their employment. Cuts to the number of people enrolled in Medicaid will mean fewer federal dollars coming into Ohio and fewer health care jobs.

We believe Ohio should be expanding Medicaid to cover the remaining number of uninsured Ohioans, not cutting people off from it. Ohio will be electing a new governor in November. We recommend Ohio's next governor withdraw the request to the federal government asking for permission to add these new requirements and that voters demand he do so. These requirements are bad policy and bad for Ohio. They may also be illegal.

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