

Key House Republicans and Trump agree to Medicaid block grants, work requirements

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The House Republican health care plan picked up an important endorsement Friday from leaders of an influential bloc of ultra-right representatives after President Trump agreed to proposals to impose work requirements on Medicaid beneficiaries and to allow states to accept federal block granting of the program.

The American Health Care Act (AHCA), the House Republican legislation aimed at replacing the Affordable Care Act (ACA), is tentatively scheduled for a vote in the full House on Thursday, the seventh anniversary of President Obama signing the ACA into law.

Trump met with 13 congressional Republicans on Friday at the White House, including members of the Republican Study Committee, a caucus that includes most of the House Republicans. Rep. Mark Walker, Republican of North Carolina, the current leader of the group, said that with commitments from the president to back block grants and work requirements for Medicaid, the committee was able to move “from undecided, or no, to a positive yes” on backing the AHCA.

While the Republicans currently hold a 237-193 majority in the House, every Democrat is expected to vote against the Obamacare repeal, meaning that 22 defections among Republicans would defeat the bill. At this point, there are far more than that number either opposed or publicly uncommitted, some because they want even more draconian legislation, like the so-called Freedom Caucus, others for the opposite reason—they are fearful of the popular reaction to the elimination of coverage for millions of people, particularly those on Medicaid.

Obamacare’s “individual mandate” forces uninsured individuals to purchase insurance from private insurers or pay a tax penalty. It also expands eligibility for

Medicaid, the existing government health insurance for the poorest families, financed by the federal government but run by the states, although many Republican-controlled state governments have refused the expansion.

Medicaid provides insurance coverage to roughly 60 million recipients, including the poor, the disabled, pregnant women and some elderly people. Under Obamacare, Medicaid was expanded to allow 11 million previously uninsured “able-bodied” adults without children to enroll in the program.

The House bill proposes to end this expansion, which was implemented in 31 states, by 2020, with some Republicans calling for it to end as soon as January 1, 2018. The additional provisions endorsed this week by Trump, adding work requirements and allowing states to turn the program into a block grant rather than an entitlement, would force even more people off the program or limit their benefits.

Rep. Gary Palmer, Republican of Alabama and a member of the far-right Freedom Caucus, voted against the bill in the Budget Committee last week. But he emerged from the meeting with Trump having reversed his position. “We’ve never had an opportunity to do anything like this,” he enthused later. “This will be the most significant entitlement reform that we’ve seen.”

Block-granting Medicaid has long been sought by Republicans and some Democrats, and would mark a fundamental change in how Medicaid is administered. Under current law, states receive a certain percentage of Medicaid funding, which grows as more recipients are added to the rolls. The original draft of the AHCA calls for giving states a set amount of money per enrollee, known as a per capita cap system.

Under a block grant, states would receive a fixed amount of federal funding each year, regardless of how

many people enroll, forcing states either to cut benefits or remove people from the program altogether. Pushed as a measure that would allow states more “flexibility” in administering the program, it would mark the de facto ending of Medicaid as an entitlement program that grows automatically with need.

Health and Human Services (HHS) Secretary Tom Price and Seema Verma, the administrator of the Centers for Medicare and Medicaid Services (CMS), sent a letter to state governors Tuesday saying they are open for states to apply for waivers to add work requirements, as well as premiums and co-pays for Medicaid to ration care. Such waiver requests were denied under the Obama administration.

Appearing on ABC News’ “This Week with George Stephanopoulos” Sunday morning, Secretary Price, a long-time supporter of block-granting Medicaid and imposing work requirements, cynically claimed such measures were in the interests of Medicaid beneficiaries. “Work requirements are important,” he said. “They’re something that is restorative to people’s self-worth, sense of themselves about working.”

Backing up such reactionary views are two falsehoods: (1) that without a work requirement Medicaid recipients will not look for work, because if they earned more they might no longer be poor enough to qualify for benefits; and (2) that imposing work requirements will “transition” enrollees to the labor market.

The reality is that the main “disincentive” to looking for work is the lack of decent-paying jobs. Moreover, among the Medicaid recipients targeted by the ACA’s Medicaid expansion, nearly 8 in 10 are living in working families, and a majority are working themselves. According to the Kaiser Family Foundation (KFF), nearly half of working Medicaid enrollees are employed by small companies with low rates of employer-sponsored insurance (ESI).

In 2015, the industries with the largest number of workers covered by Medicaid included: restaurant and food services, 1,399,000; construction, 956,000; elementary and secondary schools, 397,000; hospitals, 383,000; grocery stores, 367,000; and home health care services, 329,000. In other words, people are working, but do not receive insurance from their employers and they are earning so little that they qualify for Medicaid.

Kaiser research also shows that Medicaid expansion

has not negatively affected labor market participation. Some research actually shows that Medicaid coverage supports work by helping people transition into new careers. For example, receiving medical treatment through Medicaid for a debilitating condition like asthma or rheumatoid arthritis can be critical in supporting people’s ability to find a job.

Contrary to right-wing claims that Medicaid enrollees are not working because they are lazy spongers, most beneficiaries report major impediments to their ability to find work. According to KFF, of the 9.8 million Medicaid enrollees in 2015 not working and not receiving Supplemental Security Income (SSI), more than one-third report illness or disability as the primary reason for being unemployed.

Twenty-eight percent reported that they were taking care of home or family. Eighteen percent were in school, 8 percent were looking for work, and another 8 percent were retired. Women accounted for 62 percent of Medicaid enrollees who were not working in 2015. These are the poor and low-income Medicaid beneficiaries that are being targeted by the Republican proposals for work requirements to be thrown off benefits.



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