

Trump officials say states can impose Medicaid work requirements

Kate Randall
12 January 2018

The Trump administration on Thursday announced it would allow states to impose work requirements for Medicaid, the social insurance program for the poor, disabled and elderly jointly administered by the federal government and the states. Ten states have requested waivers to require work in exchange for benefits, with some exceptions.

The reactionary move will for the first time impose work requirements for a government program that for more than 50 years has provided health insurance on the basis of need. Medicaid currently covers one in five Americans, or about 74 million low-income and disabled people, including many with complex and costly health care needs.

The administration's not-so-transparent aim of imposing work requirements is to shrink and gut the program. Advocates for the poor warn that the change will result in forcing current recipients off the Medicaid rolls, if they can't meet the work requirements or because they can't jump through the bureaucratic hoops to meet them. The ultimate goal is to transform funding to the states into block grants and privatize the program.

Officials from the Centers for Medicare and Medicaid Services (CMS) claim that the work requirements will help people rise out of poverty. Speaking to reporters on Thursday, CMS administrator Seema Verma said, "This policy is about helping people achieve the American dream."

Acknowledging that the move would result in dumping recipients from the program, Verma said, "People moving off Medicaid is a good outcome because we hope that means they don't need the program anymore." However, booting people from Medicaid—because they can't find work, can't document it, or can't justify to the authorities that they are unable to work—in no way guarantees "they don't need the program." They may simply become jobless *and* uninsured.

The work requirements are mainly aimed at so-called "able-bodied" adults. Many of these individuals have qualified for Medicaid under the expansion of the program under the Affordable Care Act (ACA) that raised the threshold for eligibility to those earning up to 138 percent of the federal poverty line, or roughly \$16,600 for an individual and \$34,000 for a family of four.

President Donald Trump and the Republicans in Congress failed numerous times last year to repeal and/or replace the ACA, commonly referred to as Obamacare. They have tried to work around this failure by taking steps that do not require congressional authorization, such as the current Medicaid waivers to individual states, or by inserting provisions into legislation not specifically related to health care.

The recently passed tax overhaul, for example, eliminated the ACA's individual mandate, requiring those without insurance from their employer or a government program to obtain it. While the provision is itself regressive, funneling money into the pockets of the private insurance companies, the result will be more people losing their insurance and premiums skyrocketing for those who maintain it.

Ten states so far have submitted proposals for the work requirement waivers: Arizona, Arkansas, Indiana, Kansas, Kentucky, Maine, New Hampshire, North Carolina, Utah and Wisconsin. Many experts expect Kentucky to be the first state to gain approval.

The Trump administration and CMS claim that pregnant women, the disabled and the medically frail would be exempt from the work requirements. However, the guidance released by CMS Thursday merely urges states to exempt these populations. States are also urged to account for high unemployment in some areas that may make it harder to find a job, and to accommodate people in drug treatment for opioid addiction.

Similarly, states are *advised* to consider a range of

activities to fulfill the work requirements, such as actual employment, job training, volunteering or caregiving. But states will be given a loose rein on what satisfies the work requirement. CMS also suggests requiring 20 to 30 hours of work a week, similar to reactionary work requirements that have already been imposed for federal food stamps and cash welfare programs.

While the government is making these suggestions, states are also banned from using federal Medicaid dollars to design job training programs or to help fund addiction treatment programs. This means that cash-strapped states are likely to impose the work requirements while providing little assistance to Medicaid recipients to find a job, and no funding for treatment for those suffering from addiction.

The reality is that the majority of “able-bodied” adults on Medicaid are working, many of them at multiple jobs. According to a Kaiser Family Foundation (KFF) analysis, nearly 8 in 10, or 78 percent, of “able bodied” nonelderly adult Medicaid recipients live in working families, and 60 percent live in families where they are themselves working, either full- or part-time. Not surprisingly, adults with more education and who are in better health are more likely to work.

Among this population, 51 percent who work are working full-time for the full year (at least 50 weeks), but their wages are so low that their annual incomes are still low enough to qualify for Medicaid. The top six industries with the largest number of workers covered by Medicaid include restaurant and food services, construction, elementary and secondary schools, grocery stores and hospitals. These workers are not slackers who refuse to work, but work in industries with poverty wages and no insurance coverage (or lack affordable coverage).

Among adult non-elderly Medicaid enrollees who do not work, most report major impediments to their ability to find a job, according to KFF. According to their analysis, more than one third of those not working cited an illness or disability as the main reason for not working. Many of these individuals have significant physical and/or mental health disabilities but have not been able to qualify for Supplemental Security Income (SSI) under the Social Security government retirement program, whose criteria are stringent.

KFF reports that nearly 9 in 10 (88 percent) of non-SSI Medicaid adults who report not working have a functional limitation and more than two thirds (67 percent) have two or more chronic conditions, such as asthma or arthritis.

In those states that receive a waiver for the work

requirements, those currently working will be required to provide documentation that they are working, and those who are not will be required to prove that they should be exempted. This undoubtedly will result in a reduction in the Medicaid rolls and leave many low-paid workers and sick and disabled individuals without health coverage.

But CMS’s Verma would have us believe that this new policy will actually improve people’s health. In a press call on Thursday, she said that it is a good thing if people leave Medicaid and find coverage through employers. “People moving off of Medicaid is a good outcome because we hope that that means they don’t need the program anymore,” she said.

But there is little guarantee that those who “leave Medicaid” will find coverage through employers. The more likely scenario is that those who have jobs and cannot document it will be left in poverty-wage jobs with no insurance, and those sick and disabled who cannot document their disability will remain sick, jobless and uninsured.

Brian Neale, the director of the federal Medicaid office, defended the Medicaid work requirements, saying that “Productive work and community engagement may improve health outcomes,” and that researchers have found “strong evidence that unemployment is generally harmful to health,” while employment tends to improve “general mental health.”

This cynical claim is based on the bogus assumption that imposing work requirements will magically result in the creation of jobs with health care benefits. But as these CMS bureaucrats are well aware, as a result of these policies, increasing numbers of workers and sick people will be stripped of their health benefits and be plunged deeper into poverty.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact