

# CLASP

Policy solutions that work for low-income people

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Income and Work Supports

## Unequal States: Medicaid Waivers

October 2018

# Roadmap

- What is a “work requirement?”
- Racially loaded history of tying receipt of benefits to “work requirements”
- Nature of low-wage work
- Current landscape of Medicaid waivers
- Negative impact of waivers on people

# What is a “work requirement?”

- Rules that take away cash, food or health care from people by conditioning eligibility on
  - working or participating in other “qualifying activities,” such as volunteering or attending school, for a minimum number of hours per month and
  - accurately, timely reporting of those hours.
- Depending on the program, people who lose benefits may not be allowed to re-enroll, and family members may also lose benefits.

# Proposals are based on dog whistles and stereotypes

Invokes racialized stereotypes that date at least as far back as Reagan's fictitious "welfare queen"



1996 "welfare reform" added work requirements to cash assistance, now called "Temporary Assistance for Needy Families" and limited food assistance receipt by non-working childless adults to 3 months/36 month period

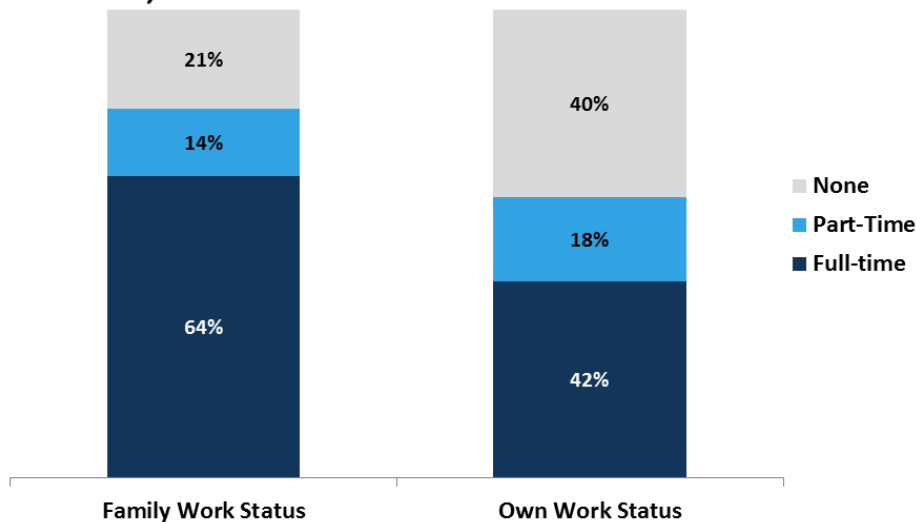
# Continues today

- White Americans were more likely to support cuts to benefit programs when “primed” by being told that they would be a racial minority within 50 years, or when told that programs benefit minorities more.
- <https://www.washingtonpost.com/news/wonk/wp/2018/05/30/white-americas-racial-resentment-is-the-real-impetus-for-welfare-cuts-study-says/>



# The reality is that most recipients who can work are already working

Figure 1  
**Work Status of Non-SSI, Nonelderly Adult Medicaid Enrollees, 2016**

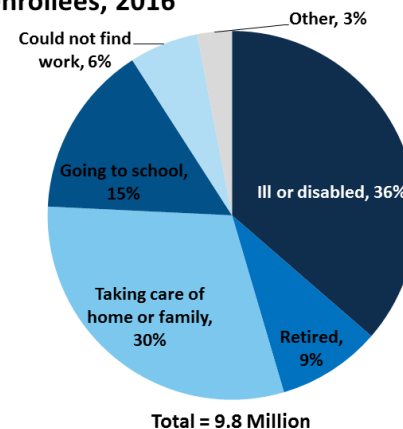


**Total = 24.6 Million Non-Elderly Adults without SSI**

NOTE: Totals may not add due to rounding. Includes nonelderly adults who do not receive Supplemental Security Income (SSI).  
 SOURCE: Kaiser Family Foundation analysis of March 2017 Current Population Survey.



Figure 6  
**Main reasons for not working among non-SSI, adult Medicaid enrollees, 2016**



NOTE: Includes nonelderly adults who do not receive Supplemental Security Income (SSI).  
 SOURCE: Kaiser Family Foundation analysis of March 2017 Current Population Survey.



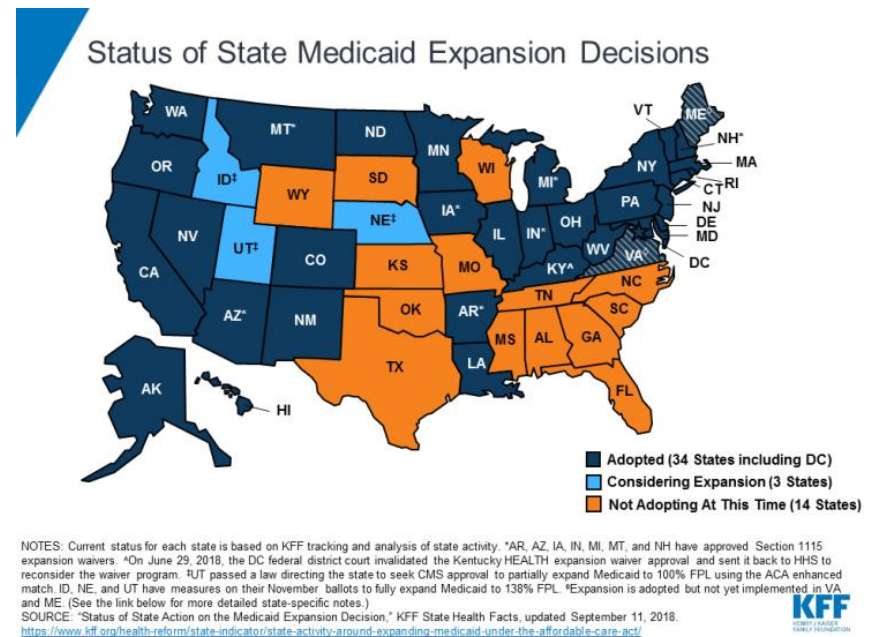
# Medicaid Waivers

- Medicaid does not allow work requirements as a condition of eligibility
- But, in this Administration, CMS has encouraged states to apply for “waivers” including work requirements
  - CMS issued letter encouraging such waivers on January 11
    - <https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf>
  - So far, waivers have been approved in Kentucky, Indiana, Arkansas, and New Hampshire
  - About ten other states have submitted requests; more likely to follow
  - Litigation invalidated KY’s approval; similar lawsuit has been filed in AR

# Non-Expansion States

Several states that have not expanded Medicaid are seeking waivers that would take coverage away from poor parents if they don't meet work requirements

- Creates a catch-22: parents who manage to comply with the requirement would lose coverage since their incomes would rise above states' low eligibility limits.
- CMS has not yet approved Medicaid work requirement waivers from non-expansion states.





# What we know from TANF and SNAP

- Work requirements make it harder for people to access and keep benefits.
- Mandatory work programs have little effect on employment or earnings, and use up resources that could be used to provide high quality training and supportive services.
- Most participants continue to work in poverty jobs that offer low pay, unsteady hours, no health coverage, no advancement; others are destitute.

# Who loses benefits?

- People who can't find work
- Workers in jobs with not enough or irregular hours
- People who can't keep up with the paperwork (or if the state messes it up)
- People with disabilities or other medical conditions
- Depending on state policies, students and people with caregiving responsibilities may also be affected

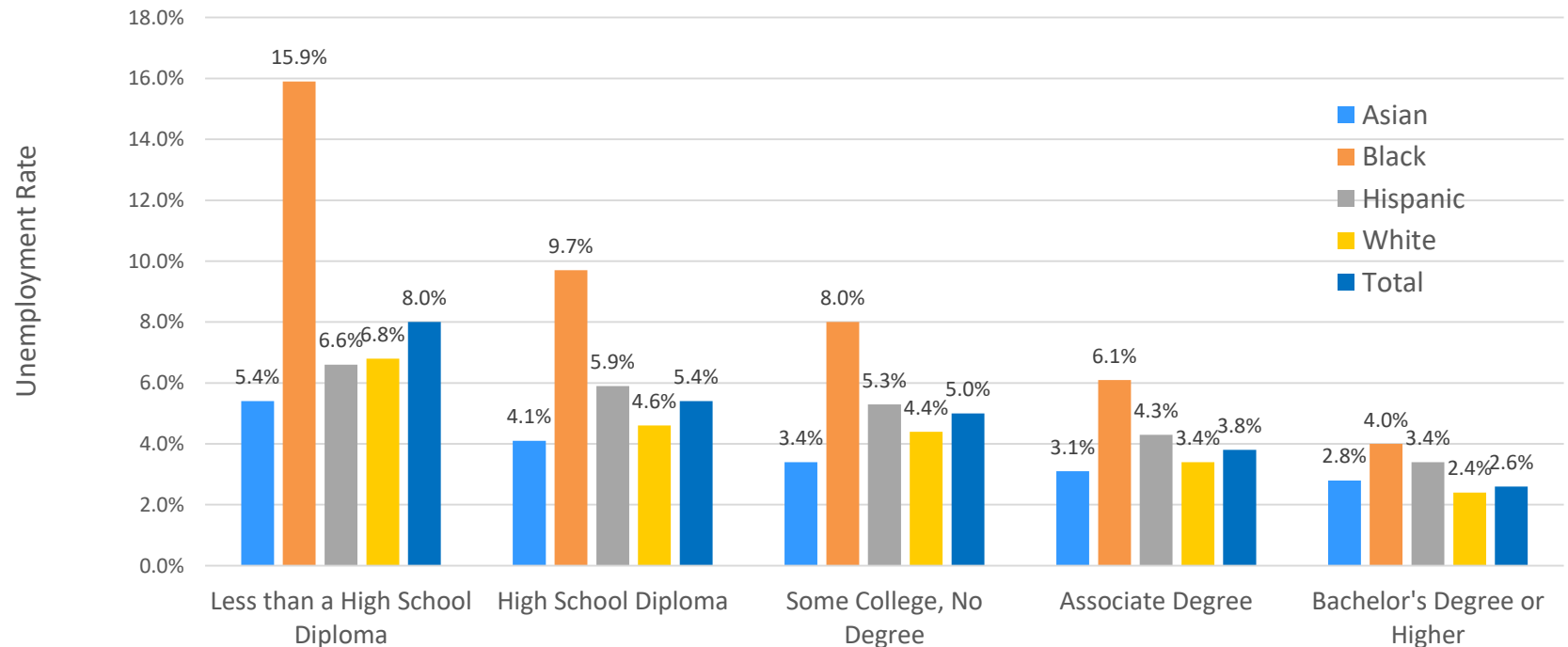
# People who can't find work

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- During local or national recessions
- Areas of high unemployment
- People with previous histories of justice involvement

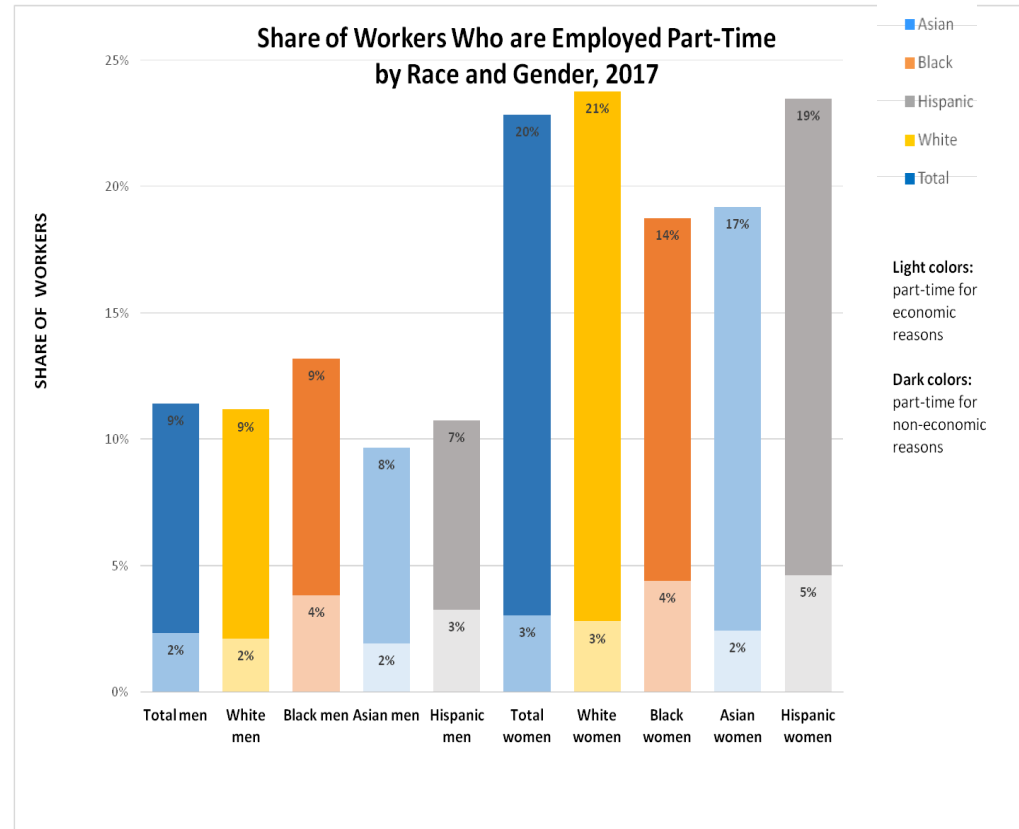
# Disproportionate impact

**Unemployment by Educational Attainment and Race**  
**Adults 25 and Up, 2017**  
Current Population Survey, Table 7



# People working in jobs with not enough or irregular hours

Proposals to take away health care from people who don't meet work requirements do not reflect the realities of today's low-wage jobs, including seasonal jobs, involuntary part-time work, and unpredictable scheduling.



Current Population Survey, Table 8

# PAPERwork Requirements

- People may lose benefits due to failure to submit paperwork to document their hours of work—*even when they are meeting the work requirements.*
  - Nationally, an estimated 1.4 million to 4 million people would lose Medicaid coverage
  - 62 percent would lose coverage because of red tape, not a change in eligibility (Kaiser Family Foundation, June 2018)

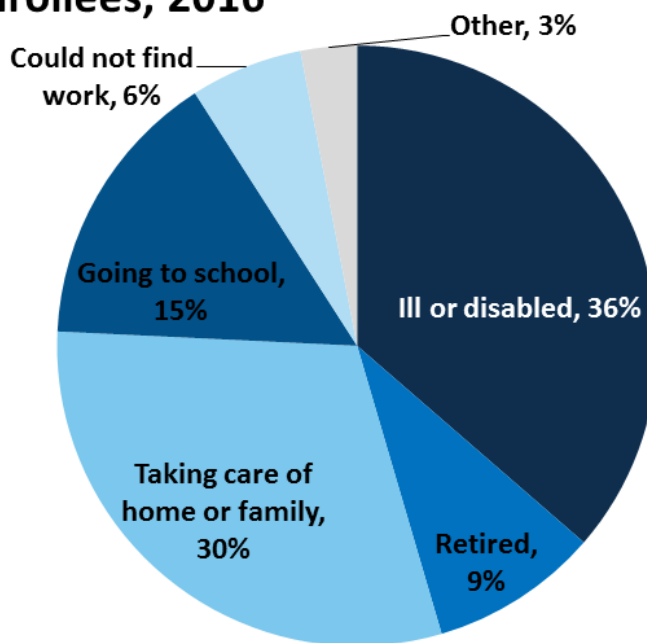
# Evidence of Bureaucratic Barriers: Work Requirement Implementation in Arkansas

- Arkansas became the first state in the country to implement work requirements in Medicaid.
  - Arkansas' new Medicaid waiver requires people to report their hours online by the 5th of the month.
  - As of September 1, over 4,300 Arkansas Medicaid beneficiaries lost their coverage because they didn't report at least 80 hours of work for June, July, and August.
  - These individuals who lost coverage represent nearly 1 in 5 (17% percent) people in the first cohort subject to work requirements.
  - Similar number at risk of losing benefits in October.

# People with disabilities who do not qualify for SSI

Figure 6

## Main reasons for not working among non-SSI, adult Medicaid enrollees, 2016



Total = 9.8 Million

NOTE: Includes nonelderly adults who do not receive Supplemental Security Income (SSI).  
SOURCE: Kaiser Family Foundation analysis of March 2017 Current Population Survey.



<https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>



# People want to work

- Many people desperately want to work and just need the opportunity



# Mandatory programs are wasteful

- When states are under pressure to serve lots of participants, they are more likely to operate low-touch job search programs, less likely to focus on career pathways and other strategies that have been proven effective.
- One study of TANF caseworkers found that they spent more than half their time documenting participation, not helping clients get jobs.

# Effective programs are intensive and higher costs

- The most effective job training programs cost \$5,000 to \$10,000 per recipient and serve relatively small numbers of recipients, but pay off in long-term earnings gains.

# Thank you

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For more information:

<https://www.clasp.org/work-and-public-benefits>

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# Unequal States: Medicaid Policy, Practice, and Politics

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# FRAGMENTED DEMOCRACY

MEDICAID, FEDERALISM,  
AND UNEQUAL POLITICS

JAMILA MICHENER



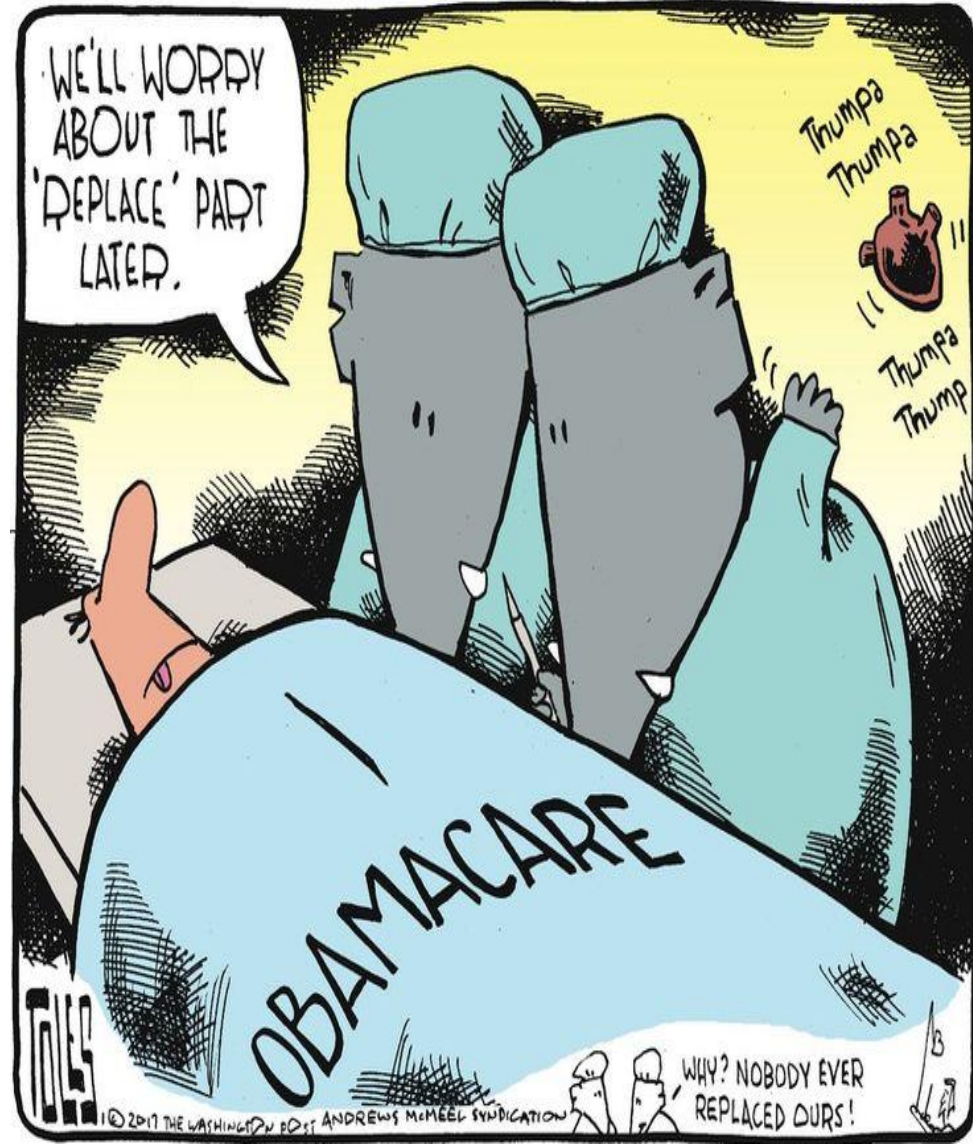
# Best of Times, Worst of Times



APPROVED

MAR 23 2010

Barack Obama



The American dream [loud sigh]...I don't know nothing about no American dream. The American nightmare is still a fact. I have to go to the doctor every three months and I have to have pills every damn day. Sometimes you have to choose between medicine and food. Medicaid, I went and it was just so much I left there... But its looking like I'm gonna have to go and stand in somebody's line to get some medical help. That's why when you ask me about the government I say I don't know what's going on there. I don't approve...I'm sure there's something we can do. Like vote. Its supposed to be making a difference if you vote...

-Mabel



# How Medicaid Matters Politically



# A Broad Story

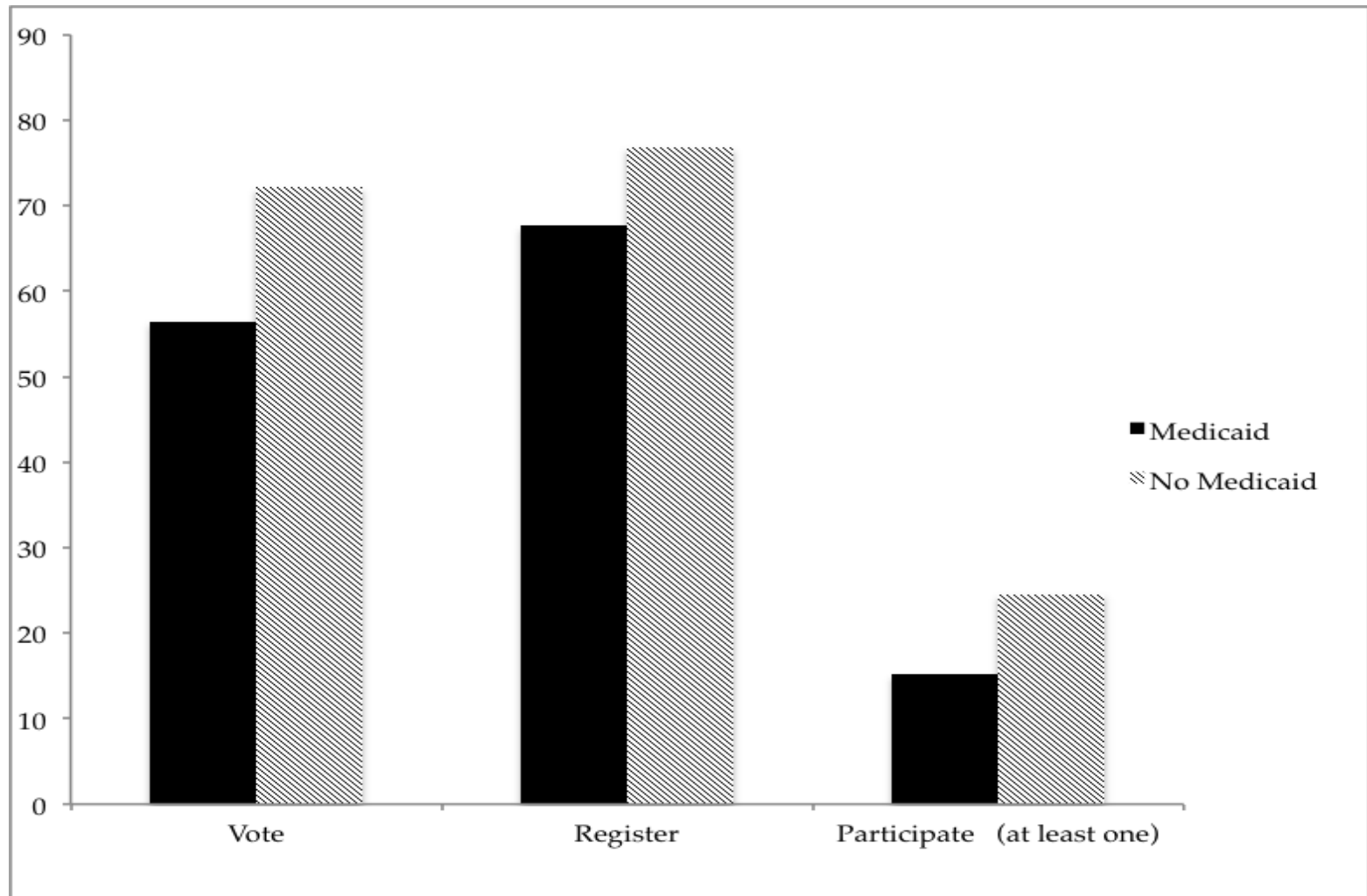
## Stigma

- *Louisa*: “you feel embarrassed”
- *Ahmad*: “they treat us like we are stupid animals, we don't know anything... This is what I feel... I feel like shit. I feel like I'm nothing, because when you are in Medicaid, they do whatever. You have to be on their rules.”
- *Daphne*: “I think it does come with a negative stigma. Like they talk about it at school in economics and stuff, just in my business classes, and just hearing my classmates talk about it...”

## Negative Bureaucratic Interactions

- *Kris*: “I distinctly remember taking the binder... they gave us a binder and said, ‘Start working on this.’ And it was the Medicaid application, and it was so complex and there were so many pages, and I was like, it can't be this difficult.”
- *Nessa*: “And they so rude and nasty that's why I try not to come up to them 'cause they are rude and they're nasty... I just hate it and so I try not to go up there”
- *Katrina*: “the people that are working in these offices... there's sometimes a respect issue, and there's sometimes just a – I don't know. When I say it felt like they were stupid, part of that is coming from a place of real frustration, and part of it is just the way they talked, which was irritating to me because it felt like the future of my health is in your hands right now so don't talk to me like this...”

# Medicaid Utilization & Political Behavior



# Analysis

## Standard Regression

- **Outcomes:** vote, register, participate
- **Controls:** age, education, employment, income, sex, race, nativity, TANF, civic attitudes, church attendance, health
- **Main Predictor:** Medicaid (parent or child)

## Expanded Models

- **Variables:** Drug and Alcohol dependence, depression, incarceration, number of kids, marital status

## Matching (Coarsened Exact)

- **Variables:** Age, Education, Race, Marital Status  
Income

## Seemingly Unrelated Regression

- **Variables:** medication use, emergency room visits, drug and alcohol dependence, federally supported community health centers, number of for profit hospitals, proportion of state residents receiving Medicaid.

So Medicaid is bad for Democracy?



## Terrie

“My name is Terrie and I have a 16-year-old son, he’ll be 17 soon. I have traveled a lot so the difference between state to state with Medicaid and what it offers and the programs and how consistent they are; I have a lot of experience with that. Being in [Medicaid] 17 years, you know, it has just been a whirlwind with keeping [my son] safe and healthy.”

## Terrie

“Ohio is the easiest, they care about their people.”

“California, their process is probably faster, but there are so many people and it’s so rapid that it is out of control.”

“In Georgia, there are limitations in everything that they offer...you can only go to this doctor on this day at this time.”

## Terrie

“When I knew I was going to meet you, I got upset a little bit thinking about it, because I’ve got a lot to say about Medicaid. Like for instance, my grandmother was here from Chicago just this past week. She went to the doctor and to the hospital. We got some prescriptions we needed to fill for her. So we go to the pharmacy and we can’t fill this prescription because Medicaid is non-transferable state to state...and her prescription was a \$190, so we really had to find \$190 for her prescription. That was amazing...and for something that’s provided by the government...you’re limiting the use of something meant to make people better.”

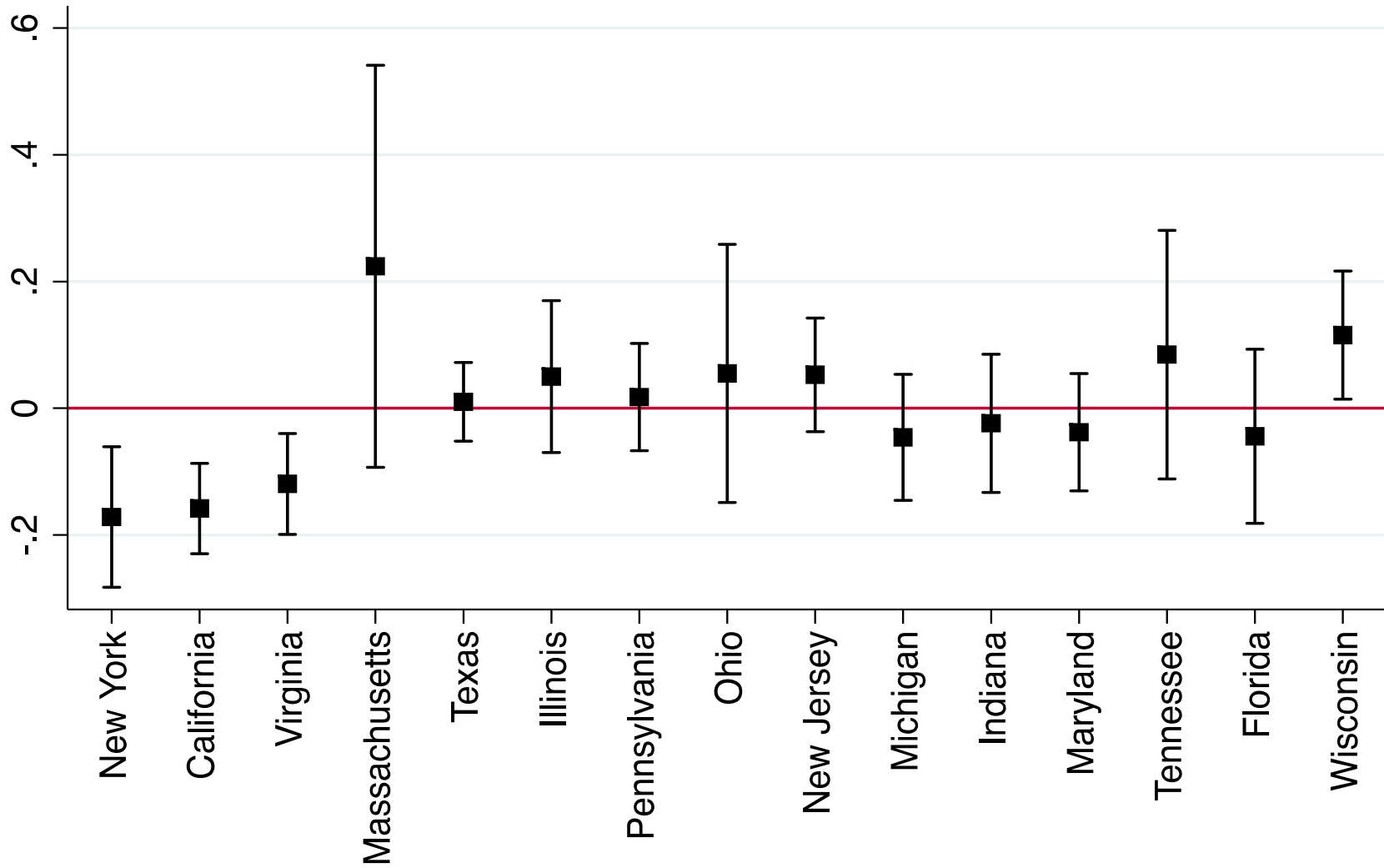


# It's Political...

“If it was about helping people, you would say yes, let *my state* be more productive and healthy so that we do not have people losing their lives [and] so that they can be productive citizens.”

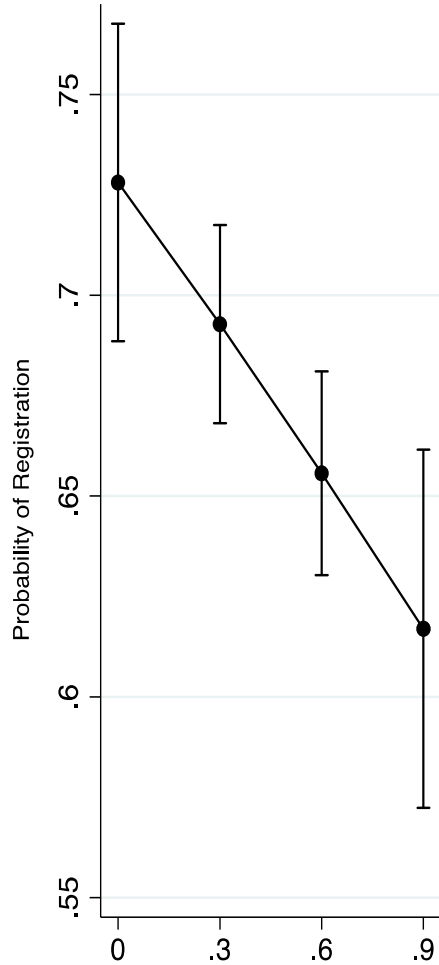
“White noise is the people that choose to say well, if they give it to me, they give it to me, if they don't, they don't...white noise also means that you feel *like in your world, you have no say, no say in the process if you don't agree with what is going on in Medicaid*. It's demeaning, you know, *the process*...I have never seen anyone really stand up about Medicaid...I don't know why we don't fight.”

## Medicaid and Political Participation Across States

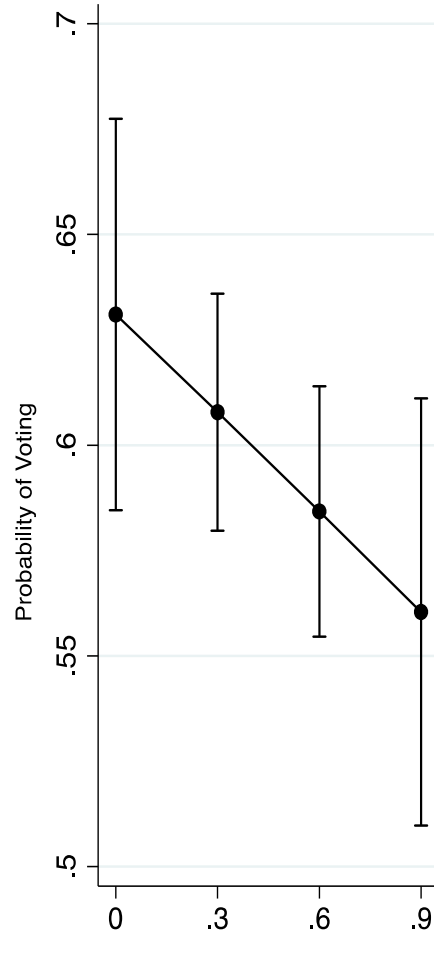


# State Medicaid Reduction Policies & Beneficiary Political Outcomes

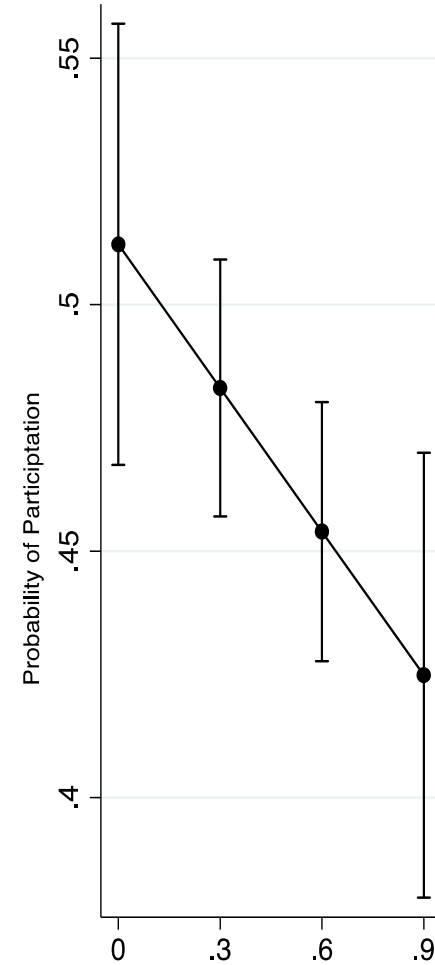
## Voter Registration



## Vote Turnout



## Political Participation



State Medicaid Reduction Policy Index

# What Can We Learn

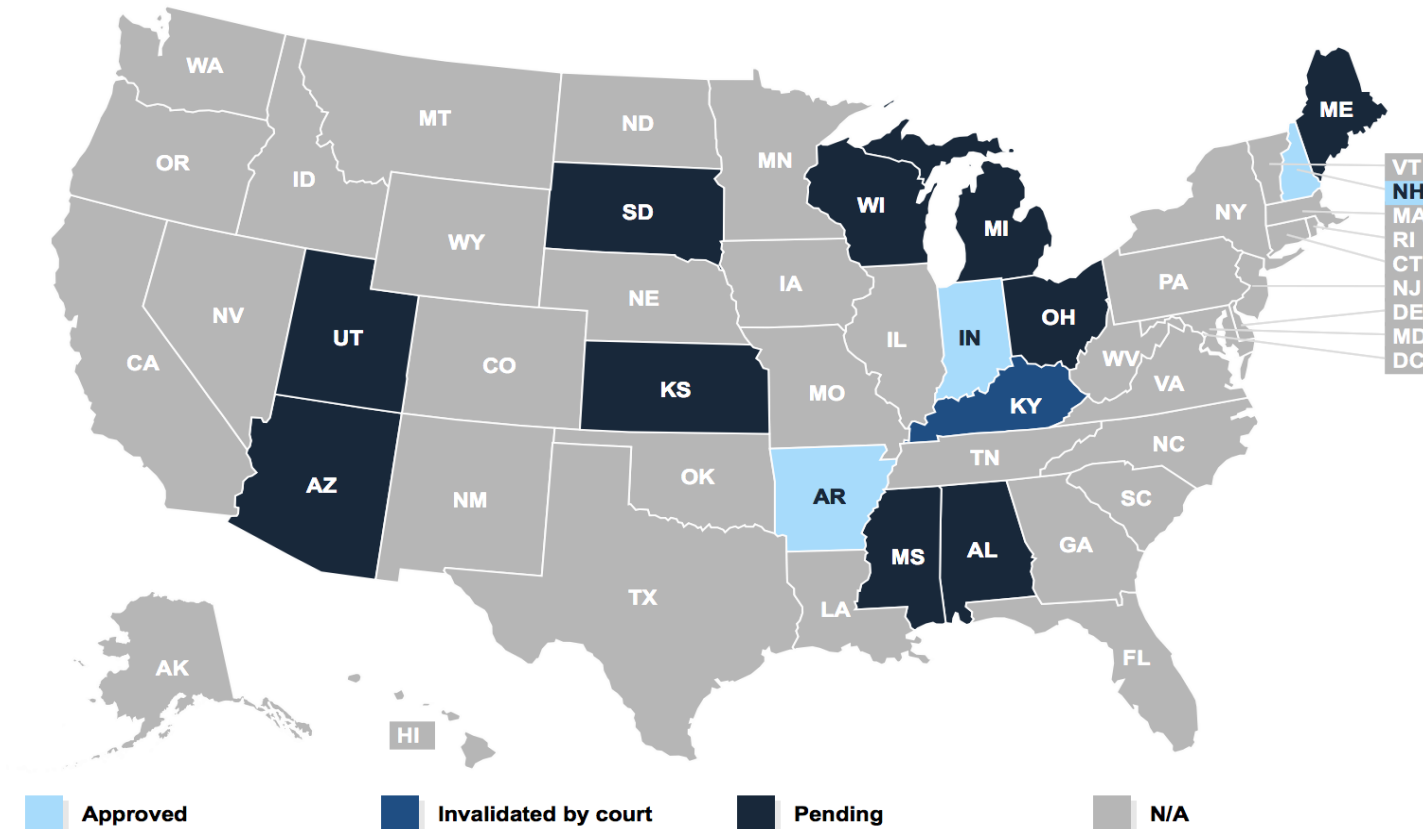
- Medicaid policy itself can create the political conditions that affect policy durability and future
- The most challenging contexts now can become increasingly so...cycle of disempowerment
- Unless there are efforts to mobilize those whose voices are dampened



# Democratic Implications of Waivers?

Approved and Pending Section 1115 Medicaid Waivers, as of September 28, 2018

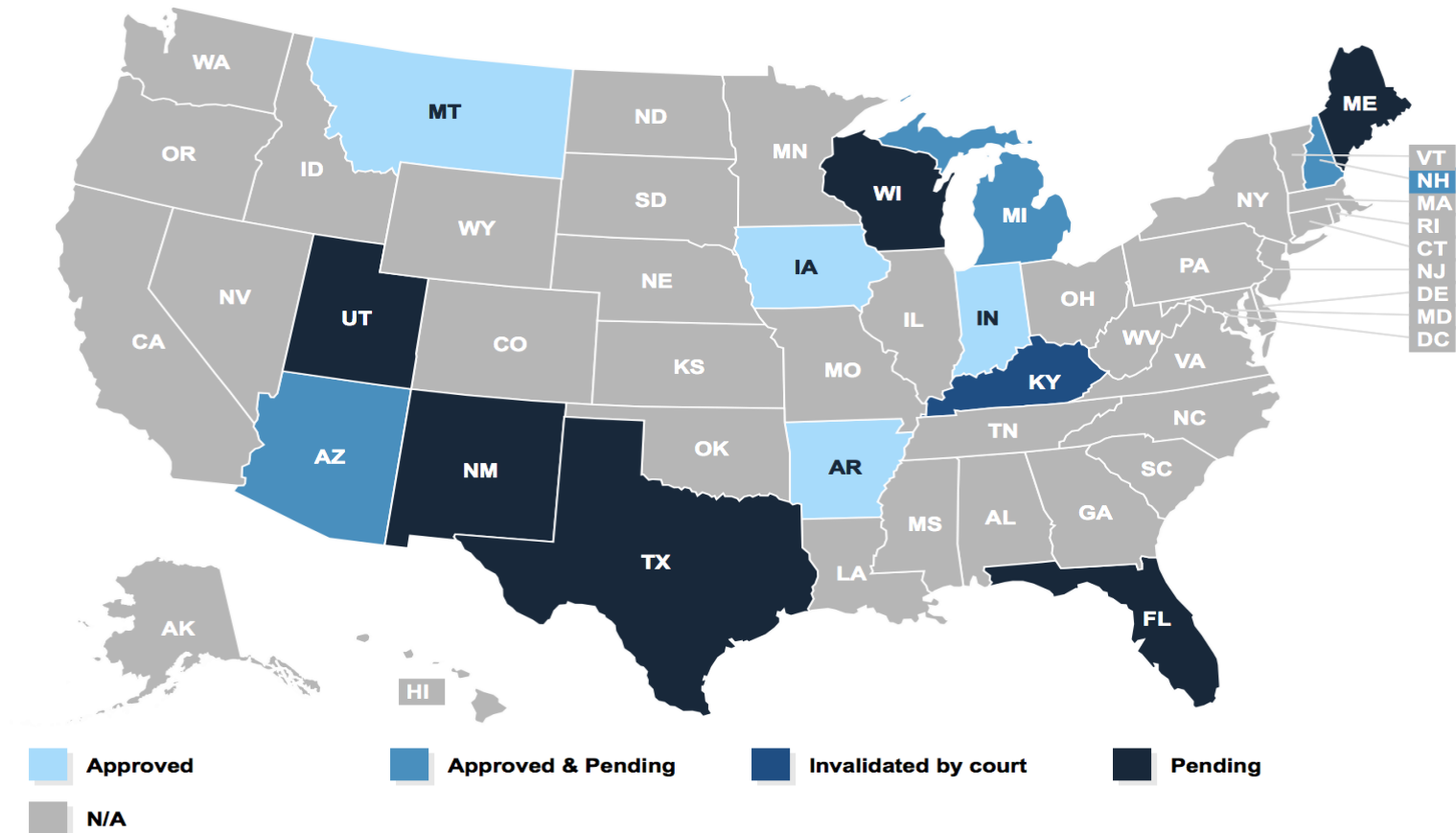
Work Requirements



# Democratic Implications of Waivers?

Approved and Pending Section 1115 Medicaid Waivers, as of September 28, 2018

Eligibility and Enrollment Restrictions



# Takeaway

- Your work matters for democracy
- Social policy can empower or disempower



**Thank You!**