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Projected Impacts of Medicaid Work Requirements: An Overview of Current State Proposals

As of January 2019, 14 states have submitted proposals to the federal government requesting permission to establish work requirements in their Medicaid programs. To date, the U.S. Centers for Medicare and Medicaid Services (CMS) has approved Medicaid work requirements for seven states, and two states (Arkansas and Indiana) have begun implementing these requirements for Medicaid beneficiaries.

In June 2018, Michigan enacted work requirements for many enrollees in the Healthy Michigan Plan (HMP), Michigan's expanded Medicaid program for low-income adults. Beginning in January 2020, HMP enrollees under age 63 will be required to report 80 hours of work per month or obtain an exemption (see CHRT's previous fact sheet, [Proposed Medicaid Work Requirements in Michigan](#)). The Michigan House Fiscal Agency initially estimated that approximately 80 percent of enrollees would be subject to the requirements, while 20 percent would qualify for an exemption.¹ More recently, an independent analysis by Manatt Health projected that 39 percent of HMP enrollees would be automatically exempt (based on age, pregnancy, medically frail, or incarceration status; or because they are already meeting SNAP/TANF work requirements), while 61 percent would be required to report work hours or obtain an exemption. This analysis estimated that 9 to 27 percent of all HMP enrollees could lose coverage over a one-year period.²

Most of the 14 states that have requested federal permission to establish Medicaid work requirements have projected that some current Medicaid enrollees will lose coverage as a result of these changes. While estimates vary, states have projected that anywhere from 5 percent to 50 percent of the populations subject to work requirements (i.e., those who are not currently working and do not qualify for an exemption) are estimated to lose coverage. The Kaiser Family Foundation has estimated that, if a work requirement were implemented at the national level, approximately 1.4 to 4 million enrollees (6-17 percent of non-elderly, non-disabled adult Medicaid enrollees) would lose coverage.³

Early experience from Arkansas indicates that administrative or structural barriers may prevent individuals from complying with work requirements. According to a recent report from the Kaiser Family Foundation, many Medicaid enrollees were unaware of the new requirements and unable to navigate the state's online-only reporting system. In addition, enrollees may face a lack of jobs (especially in rural areas), transportation, and/or internet access to obtain information about job and volunteer opportunities.⁴



	Waiver status	Target Medicaid populations	Projected impacts on target population, as documented in state reports
Michigan	Approved, not implemented	Healthy Michigan Plan (Medicaid expansion) enrollees age 19-62	<p>Approx. 670,000 enrollees in target population:</p> <ul style="list-style-type: none"> - 130,000 (20%) exempt - 540,000 (80%) non-exempt <p>5 to 10% of non-exempt population (approx. 27,000 to 54,000 enrollees) estimated to lose coverage⁵</p> <p>Independent analysis estimates that 61,000 to 183,000 people (9 to 27% of total HMP population) would lose coverage after one year⁶</p>
Alabama	Pending	Traditional Medicaid adult enrollees (parents earning less than 18% FPL) under age 60	<p>Approx. 75,000 enrollees in target population⁷</p> <p>Approx. 14,700 enrollees (20% of target population) would lose coverage after five years⁸</p>
Arizona	Approved, not implemented	Medicaid expansion adult enrollees under age 50	<p>Approx. 399,000 enrollees in target population:⁹</p> <ul style="list-style-type: none"> - 129,000 (32%) exempt - 270,000 (68%) non-exempt
Arkansas	Approved, implemented	Medicaid expansion adult enrollees age 30-49 (in 2018); beginning in 2019, requirement will apply to those age 19-49	<p>60,680 enrollees subject to work requirements as of Dec. 2018:¹⁰</p> <ul style="list-style-type: none"> - 54,593 (90%) exempt - 6,087 (10%) non-exempt <ul style="list-style-type: none"> o 4,776 (78%) did not report required amount of qualifying activities o 1,311 (22%) reported required amount of qualifying activities <p>18,164 individuals have lost Medicaid coverage since September 2018¹¹</p>
Indiana	Approved, implemented	Medicaid expansion and traditional Medicaid adult enrollees under age 60	<p>Approx. 438,000 enrollees in target population:¹²</p> <ul style="list-style-type: none"> - 308,000 (70%) exempt - 130,000 (30%) non-exempt <p>Approx. 32,500 enrollees (25% of non-exempt population) estimated to lose coverage¹³</p>
Kentucky	Approved, not implemented	Medicaid expansion adult enrollees under age 65	<p>Approx. 454,000 enrollees in target population:¹⁴</p> <ul style="list-style-type: none"> - 104,000 (23%) exempt - 350,000 (77%) non-exempt¹⁵ <p>Approx. 95,000 enrollees (27% of target population) estimated to lose coverage after 5 years¹⁶</p>
Mississippi	Pending	Traditional Medicaid adult enrollees (parents earning less than 27% FPL) under age 65	<p>Approx. 56,000 enrollees in target population¹⁷</p> <p>Approx. 32,500 enrollees (36% of target population) estimated to lose coverage after 5 years</p>
New Hampshire	Approved, not implemented	Medicaid expansion adult enrollees under age 65	<p>Approx. 53,000 enrollees in target population:¹⁸</p> <ul style="list-style-type: none"> - 38,000 (72%) exempt and/or currently working - 15,000 (28%) non-exempt and not currently working¹⁹

	Waiver status	Target Medicaid populations	Projected impacts on target population, as documented in state reports
Ohio	Pending	Medicaid expansion adult enrollees under age 50	<p>Approx. 710,000 enrollees in target population:</p> <ul style="list-style-type: none"> - 674,000 (95%) exempt and/or currently working - 36,000 (5%) non-exempt and not currently working <p>Approx. 18,000 enrollees (50% of non-exempt, non-working population) estimated to lose coverage²⁰</p>
Oklahoma	Pending	Traditional Medicaid adult enrollees (parents earning less than 45% FPL) age 50 & under	<p>Approx. 102,000 enrollees in target population:²¹</p> <ul style="list-style-type: none"> - 96,000 (94%) exempt - 6,000 (6%) non-exempt
South Dakota	Pending	Traditional Medicaid adult enrollees (parents earning less than 50% FPL) under age 60 in Minnehaha and Pennington counties	<p>Approx. 12,750 total low-income adult Medicaid enrollees statewide, smaller number in two-county pilot area:²²</p> <ul style="list-style-type: none"> - 1,300 enrollees in two-county pilot area would be non-exempt 15% of non-exempt population is estimated to lose coverage²³
Tennessee	Pending	Traditional Medicaid adult enrollees (parents earning less than 98% FPL) under age 65	<p>Approx. 300,000 enrollees in target population:</p> <ul style="list-style-type: none"> - 214,000 (71%) exempt - 86,000 (29%) non-exempt²⁴
Virginia	Pending	Medicaid expansion and traditional Medicaid adult enrollees under age 65	<p>Approx. 305,000 enrollees in target population (mostly adults projected to enroll in VA's new Medicaid expansion in fiscal years 2019 and 2020):</p> <ul style="list-style-type: none"> - 113,000 (37%) exempt - 192,000 (63%) non-exempt, of which nearly 69,000 enrollees are estimated to be not currently working <p>Approx. 22,500 enrollees (33% of the non-exempt, non-working population) estimated to lose coverage after FY2020²⁵</p>
Wisconsin	Approved, not implemented	Traditional Medicaid adult enrollees (childless adults earning less than 100% FPL) under age 50	<p>Wisconsin's proposal called for a 48-month limit on Medicaid eligibility for certain individuals. After a person reaches 48 months of Medicaid coverage, they are ineligible to re-enroll for six months. However, any month where an individual is engaged in 80+ hours of work or other qualifying activities would not count toward their 48-month eligibility limit.</p> <p>Approx. 148,000 enrollees in target population²⁶</p> <p>Approx. 4,200 individuals estimated to lose coverage after five years as a result of the 48-month time limit²⁷</p>

Endnotes

- ¹ Michigan House Fiscal Agency Bill Analysis of Senate Bill 897 House Substitute (H-2), June 6, 2018: <http://www.legislature.mi.gov/documents/2017-2018/billanalysis/House/pdf/2017-HLA-0897-78EF78F9.pdf>
- ² C. Mann, A. Grady. Potential Enrollment Impacts of Michigan's Medicaid Work Requirements. Manatt Health, Feb. 6, 2019: <https://www.manatt.com/Insights/White-Papers/2019/Potential-Enrollment-Impacts-of-Michigans-Medicaid>
- ³ R. Garfield, R. Rudowitz, M. Musumeci. Implications of a Medicaid Work Requirement: National Estimates of Potential Coverage Losses. Kaiser Family Foundation, Jun. 27, 2018: <https://www.kff.org/medicaid/issue-brief/implications-of-a-medicaid-work-requirement-national-estimates-of-potential-coverage-losses/>
- ⁴ M. Musumeci, R. Rudowitz, B. Lyons. Medicaid Work Requirements in Arkansas: Experience and Perspectives of Enrollees. Kaiser Family Foundation, Dec. 18, 2018: <https://www.kff.org/medicaid/issue-brief/medicaid-work-requirements-in-arkansas-experience-and-perspectives-of-enrollees/>
- ⁵ Michigan House Fiscal Agency, 2018.
- ⁶ Mann and Grady, 2019.
- ⁷ State of Alabama Medicaid Workforce Initiative, Section 1115 Demonstration Application. Alabama Medicaid Agency, Jul. 31, 2018: http://www.medicaid.alabama.gov/documents/2.0_Newsroom/2.7_Special_Initiatives/2.7.5_Work_Requirements/2.7.5_Revised_Work_Requirements_Waiver_7-31-18.pdf
- ⁸ Public Notice: Notice of Intent to Submit Section 1115 Demonstration Proposal. Alabama Medicaid Agency, Jul. 20, 2018: http://www.medicaid.alabama.gov/documents/2.0_Newsroom/2.7_Special_Initiatives/2.7.5_Work_Requirements/2.7.5_Public_Notice_filed_7-20-18.pdf
- ⁹ Arizona Section 1115 Waiver Amendment Request: AHCCCS Works Waiver. Arizona Health Care Cost Containment System, Dec. 19, 2017: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/az/az-hccc-pa6.pdf>
- ⁰ Arkansas Works Program Report. Arkansas Department of Health and Human Services, Dec. 2018: https://humanservices.arkansas.gov/images/uploads/011519_AWReport.pdf
- ¹ R. Rudowitz, M. Musumeci, C. Hall. Year End Review: December State Data for Medicaid Work Requirements in Arkansas. Kaiser Family Foundation, Jan. 17, 2019: <https://www.kff.org/medicaid/issue-brief/state-data-for-medicaid-work-requirements-in-arkansas/>
- ² V. Dickson. CMS Approves Indiana's Medicaid Work Requirement Waiver. Modern Healthcare, Feb. 2, 2018: <https://www.modernhealthcare.com/article/20180202/NEWS/180209969>
- ³ Amendment Request to Healthy Indiana Plan (HIP) Section 1115 Waiver Extension Application. Indiana Family and Social Services Administration, Jul. 20, 2017: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/in/Healthy-Indiana-Plan-2/in-healthy-indiana-plan-support-20-demo-app-07202017.pdf>
- ⁴ Letter from CMS Administrator Seema Verma to Carol H. Steckel, Commissioner, Department for Medicaid Services approving Kentucky's 1115 waiver application. U.S. Centers for Medicare and Medicaid Services, Nov. 20, 2018: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ky/ky-health-ca.pdf>
- ⁵ A. Goodnough. To Get Medicaid in Kentucky, Many Will Have to Work. Advocates for the Poor Say They Will Sue. New York Times, Jan. 12, 2018: <https://www.nytimes.com/2018/01/12/health/kentucky-medicaid-work.html>
- ⁶ Projections are based on member months and are inclusive of other changes in Kentucky's waiver, such as new premiums and eligibility verification requirements, and may overestimate the number of coverage losses due to work requirements alone. <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ky/ky-health-pa3.pdf>
- ⁷ Section 1115 Demonstration Waiver Request for Kentucky Health. Kentucky Office of the Governor, Aug. 24, 2016: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ms/ms-workforce-training-initiative-pa.pdf>
- ⁸ Granite Advantage 1115 Waiver Amendment and Extension Application. State of New Hampshire, Office of the Governor, Jul. 23, 2018: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/nh/nh-health-protection-program-premium-assistance-pa4.pdf>
- ⁹ J. Moon. New Medicaid Expansion Work Requirement Could Apply to As Many As 15,000 People. New Hampshire Public Radio, Dec. 5, 2018: <https://www.nhpr.org/post/new-medicaid-expansion-work-requirement-could-apply-many-15000-people#stream/0>
- ²⁰ Group VIII Work Requirement and Community Engagement 1115 Demonstration Waiver Application. Ohio Department of Medicaid, Apr. 30, 2018: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/oh/oh-work-requirement-community-engagement-pa.pdf>
- ²¹ SoonerCare 1115(a) Research and Demonstration Waiver Amendment Request, Oklahoma Health Care Authority, Oct. 1, 2018: <https://okhca.org/WorkArea/DownloadAsset.aspx?id=22273>
- ²² South Dakota Medicaid Report, SFY 2018. South Dakota Department of Social Services, Nov. 2018: https://dss.sd.gov/docs/news/reports/2018_medicaid_report.pdf
- ²³ South Dakota Career Connector 1115 Waiver Application. South Dakota Department of Social Services, Aug. 10, 2018: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/sd/sd-career-connector-pa.pdf>
- ²⁴ Fiscal note: HB 1551 – SB 1728. Tennessee General Assembly Fiscal Review Committee, Feb. 12, 2018: <http://www.capitol.tn.gov/Bills/110/Fiscal/HB1551.pdf>
- ²⁵ Fiscal Impact Review, 2018 General Assembly Session, HB 338 (Committee Substitute). Virginia Joint Legislative Audit and Review Commission, Feb. 9, 2018: <http://lis.virginia.gov/cgi-bin/legp604.exe?181+oth+HB338JH1110+PDF>
- ²⁶ Request to Extend Wisconsin's Section 1115 BadgerCare Reform Demonstration Project. Wisconsin Department of Health Services, Jan. 12, 2018: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/wi/wi-badgercare-reform-pa2.pdf>
- ²⁷ Request to Extend Wisconsin's Section 1115 BadgerCare Reform Demonstration Project.