The Daily Dish

Proposed Work Requirements in Medicaid

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Eakinomics: Proposed Work Requirements in Medicaid

Yesterday the Trump Administration released proposed guidelines for those states that wish to impose work requirements on Medicaid recipients. The reaction from the left suggested that Western Civilization itself was in peril. As quoted in the New York Times "Representative Frank Pallone Jr. of New Jersey, the senior Democrat on the House Energy and Commerce Committee, said that 'the Trump administration's action today is cruel and a clear violation of both the Medicaid statute and longstanding congressional intent' for waivers, which he said were meant to 'allow states to expand access to Medicaid, not restrict it.'" And Brad Woodhouse of Protect Our Care, an advocacy group that supports the Affordable Care Act, called work requirements "the latest salvo of the Trump administration's war on health care."

This seems a bit much. Actually reading the proposed guidelines reveals a proposal that is quite targeted in its scope, far from draconian in its requirements, and subject to effectiveness requirements in order to be continued. Specifically, the ability to impose a work requirement among working-age, non-pregnant Medicaid beneficiaries not eligible for Medicaid on the basis of a disability was sought by 10 states as part of their application for a broader set of Medicaid waivers. Most of those states (KY, IN, AZ, AR, KS, ME, NH, NC, UT, WI) have already undertaken an Affordable Care Act Medicaid expansion, thereby bringing into the program childless, able-bodied adults who are above the poverty line. Some of the remainder (e.g. Maine) have tried to expand Medicaid in the past and may try again in the future. In the remaining, only a small number of people will be subject to the requirements. The image of a wholesale work requirement in Medicaid is misleading.

Second, it is not really a work requirement. It is a "community engagement" requirement that may be satisfied by work, volunteer work, education, career planning, job training, and

other activities. In light of the opioid crisis, time spent on medical treatment may count for some people. If an individual already satisfies a work requirement in Supplemental Nutrition Assistance Programs (SNAP or "food stamps") or Temporary Assistance for Needy Families (TANF), then they will automatically satisfy the Medicaid requirement. This is a bit ironic because those welfare work requirements were loosened by President Obama, to the vocal dismay of his opponents.

Finally, the work requirements will be subject to an evaluation to determine their effectiveness. As stressed by the administration: "To achieve the objectives of Medicaid, state programs should be designed to promote better physical and mental health." In the data, there is a positive correlation between work and both physical and mental health; states that impose the work requirement will be required to show improvements in order to continue their programs.

The entire social safety net should promote work wherever possible. The new Medicaid proposals are a small step in this desirable direction.