



# Medicaid Work Requirements Will Harm Children

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Medicaid is a powerful anti-poverty tool that helps struggling parents get ahead by providing access to health coverage that can help them provide and care for their families. It ensures coverage to 37 million low-income children and children with disabilities. Nearly half of all births are covered by Medicaid. Despite Medicaid's success, the growing number of never-before allowed waivers allowing states to require recipients to work will harm children as parents and caregivers lose the health coverage they need to work and care for their children.

In January of 2018, the Department of Health and Human Services (HHS) encouraged states for the first time ever to require work as a condition of eligibility for Medicaid, despite the fact that most adults on Medicaid who are able to work are already working. These new work requirements, when implemented by states, will hurt families and result in significant coverage losses, pushing vulnerable children and families deeper into poverty. The HHS guidance, issued without opportunity for public comment, urged states to require non-disabled adults to work in order to be eligible for Medicaid coverage, and gave states great latitude in defining who would be subject to these work requirements. The work requirements threaten gains made in coverage and will rob some parents and other caregivers of the health coverage they need to care and provide for their families, harming both children and their parents.

Although court challenges to the work requirements remain underway, seven states (AR, AZ, IN, KY, MI, NH, WI) have had Medicaid 1115 demonstration waivers approved to impose Medicaid work requirements, and most of these specify a number of Medicaid recipients projected to lose coverage as work requirements are implemented. According to the Kaiser Family Foundation, eight other states (AL, MS, OH, OK, SD, TN, UT, VA) have work requirement waiver applications pending before CMS. A number of additional states are also considering adding work requirements as a condition for Medicaid coverage.

In states that move forward with implementation of work requirements, Medicaid recipients, including those already working, will need to document their work hours, requiring an expensive and administratively complex monitoring system be established that will likely result in wrongful termination of coverage for some portion of working recipients due to inability to report in a timely fashion, monthly variation in work hours, or administrative errors.

Although children themselves will not be subject to work requirements, states may apply to require work of families with young children and school-age children, and when parents and other caregivers lose Medicaid, their children will be harmed as well.

## Children will be harmed by the new work requirements in three major ways:

### 1. Healthier parents are better parents. When work requirements lead to a loss of Medicaid coverage and access to health care for parents, children will be harmed as well.

- Medicaid helps parents address their underlying health concerns so they can be physically and mentally able to work and care for their children, and maintain stable employment. For example, Medicaid provides health coverage to 26 percent of adults with serious mental illness, and the expansion of Medicaid to low income parents has helped those struggling with opioids and other addictions to get the health care they need to work. Children benefit when their parents are healthy, can work and help meet their needs.

- When parents have health coverage, their children are more likely to be covered and to have their health care needs met. By causing parents to lose coverage, work requirements will also lead to a decrease in stability of child health coverage and well-being, and an increase in uninsured children. Even short breaks in child coverage can have consequences by disrupting provider relationships and ongoing care.

## **2. Parents who lose Medicaid coverage are more likely to experience greater household financial stress and suffer poor health.**

- Medicaid is an effective poverty reduction program, especially for children and people of color. Parents who gain Medicaid coverage under the Affordable Care Act (ACA) expansion have greater financial security than those who are uninsured; they have less trouble paying medical bills and are less likely to declare bankruptcy. Family financial stress affects every member of a household, including children, with potential long term consequences: children who experience persistent stress in childhood are at higher risk for developmental delays and serious health conditions into adulthood.

## **3. The new work requirements fail to recognize the nature of low wage employment and the challenges it already creates for families.**

- States may require parents of young children or children with disabilities to work, yet states would not be allowed to use Medicaid funds to provide parents with the supports they need to be able to work, such as access to affordable child care.
- The structure of employment in today's economy has changed significantly over the last few decades, and a full or part time job with relatively stable hours is now the exception rather than the rule for low wage workers. Many low wage jobs are characterized by erratic or seasonal schedules, subject to last minute changes that do not guarantee a stable number of working hours per week, making it at times impossible to meet inflexible work requirements.
- Some parents and caregivers who will lose Medicaid coverage will be those who work regularly, but are not able to report hours in a timely manner or in a mode acceptable under state rules, for example by requiring that information be submitted through an online portal even for families with no home internet access or computer. The demands of daily living can be a challenge for many low income families, and parents with children with disabilities face even greater demands.
- Parents who lose coverage as a result of new work requirements will not be able to simply switch to an alternative form of coverage, such as employer-sponsored insurance, but rather are likely to remain uninsured. Employer-sponsored insurance is an anomaly for minimum wage jobs, with rates in the teens for most states.

**For more information, contact CDF's Deputy Director for Child Health,  
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