

Work Requirements Do Not Work And Have Harmful Consequences

The Trump administration has opened the door to “work requirements” in the Medicaid Program, reversing longstanding federal policy by allowing states to make Medicaid coverage dependent upon having or training for a job. These work requirements threaten coverage for many low-income individuals and families who may not be able to find a job or navigate complex bureaucratic rules to show they qualify for a work exemption. Some states, including Maine, have asked for approval to implement a Medicaid work requirement.

Medicaid is a basic safety net providing health insurance coverage for the most financially and medically vulnerable Americans. Cutting off Medicaid coverage for people who can’t work or find a job won’t improve their health or help them find or keep a job.

Here Are Five Things You Should Know about Work Requirements:

- 1. Work requirements aren’t necessary.** Nearly 80 percent of non-disabled Medicaid beneficiaries are working or live in a family with someone who works. Of those not working themselves:ⁱ
 - 36% report that illness or a disability is the main reason they aren’t working;
 - 30% report they are taking care of home or family;
 - 15% are in school;
 - 9% are retired; and
 - 6% can’t find work
- 2. Work Requirements Don’t Work.** There is *no* evidence to support claims that work requirements have any meaningful positive effect on employment or wages. To the contrary, two decades of studies show that these requirements increase hardship and severe poverty for many unable to comply with them. For those who lose coverage, poverty becomes compounded by the loss of needed assistance.
- 3. Maine’s own experience demonstrates that existing work requirements in the Temporary Assistance to Needy Families (TANF) and Supplemental Nutrition Assistance Programs (SNAP) fail to increase work rates; a large majority of those subject to these requirements remain poor, and some become even poorer:**
 - A study of Maine families unable to find employment at the end of their TANF time limit found that one-in-three had no wages throughout the entire five-year period following their loss of benefits; two-in-three had no earnings at all in that fifth year. ⁱⁱ
 - Similarly, a Maine SNAP study showed that employment increased by only four percentage points by the end of the year following termination from food assistance for those not meeting the program’s work requirement. Two-thirds of those terminated were unemployed at the end of that year with neither wages nor food assistance. ⁱⁱⁱ

4. **Strategies that give support to working families are most successful at sustaining employment and reducing poverty.** Research shows that states with the most effective anti-poverty results have a strong safety net, invest in education and training opportunities for adults with low incomes, and offer families and individuals essential work supports. Assisting with childcare, transportation and health care coverage allows more people to work and keep a steady job, moving them toward greater economic security. Maine’s Parents as Scholars program is one example of this kind of support.
5. **Medicaid already supports work without a ‘requirement.’** Medicaid helps thousands of Mainers stay healthy so that they can get jobs and remain employed. Making a health insurance program into a work program is not only inappropriate and ineffective, it would actually undermine Medicaid as a work support, causing thousands to lose coverage by making it harder for people with physical and mental health conditions, including substance use disorders, to get and keep jobs.

There is no evidence that today’s Medicaid Program discourages work. A comprehensive review of research in Medicaid Expansion states found that Medicaid did not have a negative effect on employment rates or on other measures of employment (such as transitions from employment to non-employment, the rate of job switches, transitions from full- to part-time employment, labor force participation, and usual hours worked per week). To the contrary, studies show that Medicaid coverage promotes and supports work.^{iv}

Rather than inserting work requirements in the Medicaid program where they will be counterproductive, or expanding them in programs where they have already been shown ineffective and harmful, policymakers should build a strong and smart safety net that supports families to make the transition to work. Providing families with the practical supports needed to take up opportunities for education, training and work experience will ensure more enduring success throughout their lives and those of their children.

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

ⁱⁱ <https://www.cbpp.org/research/family-income-support/research-note-contrary-to-maine-officials-claims-tanf-time-limit>

ⁱⁱⁱ http://www.maine.gov/economist/opm/pub/ABAWD_analysis_final.pdf

^{iv} For example, individuals report that receiving medication for conditions like asthma, rheumatoid arthritis or other chronic conditions through Medicaid is critical in supporting their ability to work. <https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>