



COALITION ON HUMAN NEEDS

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August 17, 2018

Re: Mississippi's revised demonstration project, the Mississippi Medicaid Workforce Training Initiative, to implement workforce training requirements for Medicaid-eligible non-disabled adults, including low-income parents/caretakers and individuals eligible for Transitional Medical Assistance (TMA)

To the Centers for Medicare and Medicaid Services:

On behalf of the Coalition on Human Needs (CHN) I am commenting on Mississippi's revised demonstration project, the Mississippi Medicaid Workforce Training Initiative, to implement workforce training requirements for Medicaid-eligible non-disabled adults, including low-income parents/caretakers and individuals eligible for Transitional Medical Assistance (TMA). We understand that this updated proposal would allow an additional 12 months of Transitional Medical Assistance for those participating in work as required by the demonstration, for a total of 24 months. We believe that this change does not substantially alter the proposal. It does delay the loss of Medicaid benefits, but it does not avoid their eventual loss. We strongly oppose this outcome. Since the proposal is directly contrary to the basic purpose of Medicaid, which is to provide health coverage to low-income people, we urge CMS to reject this waiver request.

The Coalition on Human Needs has long been concerned with the need to expand access to health care by low-income people. CHN is an alliance of more than 100 [national organizations](#), including human service providers, faith groups, policy experts, labor, civil rights, and other organizations that for nearly 40 years has focused on improving federal services for low-income and vulnerable people. Our member organizations include experts on health care and many other anti-poverty services. We have also strongly supported effective routes to employment for low-income people. The proposal advanced by the state of Mississippi will not make stable employment more likely for its current Medicaid enrollees; in fact, the loss of Medicaid coverage will stand in the way of steady work.

These comments provide evidence for the following points: (1) Mississippi's eligibility rules for Medicaid exclude all but extremely poor parents; the proposed work requirements are a Catch-22 that will make it impossible for parents to continue receiving Medicaid except for a temporary period; (2) Medicaid can help people maintain employment; (3) The basic premise of the work requirement – that it will be an incentive to increase work participation – is largely incorrect; (4) Many poor adults do work, but are not able to sustain 20 hours each week; (5) The Mississippi waiver request does not provide the supports needed to help people find and keep stable jobs, but other approaches can increase stable work; (6) If people find new employment, they are unlikely to be in jobs that provide affordable health insurance; and (7) The monthly documentation requirements will be very difficult for Medicaid enrollees to satisfy, causing even eligible people to lose assistance.

- (1) Mississippi’s eligibility rules for Medicaid exclude all but extremely poor parents; the proposed work requirements are a Catch-22 that will make it impossible for parents to continue receiving Medicaid except for a temporary period.** Mississippi has not expanded its Medicaid program under the Affordable Care Act. Parents or caregivers of children must have income of less than 27 percent of the federal poverty line to qualify for Medicaid. For a mother and child, income could not exceed \$84 per week. However, working 20 hours a week at the minimum wage would bring in \$145 per week. Therein lies the Catch-22. The parent who fails to work 20 hours per week will be denied Medicaid. The parent who does work 20 hours per week will earn too much to qualify for Medicaid. The proposal allows the parent or caregiver to work for free for 20 hours per week, but such unpaid work would be contrary to the Fair Labor Standards Act. Parents and caregivers can remain in Transitional Medicaid for the 24 months allowed by the amended proposal. But at the end of that period, there is little likelihood that these adults will be able to secure jobs that offer affordable health insurance to replace the lost Medicaid. Evidence cited below makes it clear that the vast majority of people losing Medicaid will go uninsured, which is the opposite of Medicaid’s objectives.
- (2) Medicaid can help people maintain employment.** Mississippi and the Trump Administration justify the work requirements to be imposed as a means of encouraging work. We strongly favor effective means of making it possible for people to increase and stabilize their work hours and to increase their pay. In fact, about [60 percent of Medicaid enrollees](#) who might be subject to the work requirements do work, although not all of them are able to work 20 hours per week consistently. In Mississippi, 66 percent of Medicaid enrollees who are not receiving disability benefits have a worker in their family (including 57% with a full-time worker), according to an analysis by the [Kaiser Family Foundation](#).

Studies show that Medicaid itself makes it easier for people to sustain work. A survey in Ohio found that more than half (52.1 percent) of enrollees from that state’s expansion of Medicaid reported that their new coverage made it easier to “secure and maintain employment,” as described by the [Georgetown Center for Children and Families](#). Nearly three-quarters of those unemployed at the time of the survey expected their health coverage to help them get and keep work.

Because a large proportion of adults enrolled in Medicaid have chronic conditions such as diabetes, heart disease, or depression ([69 percent of expansion enrollees in Michigan](#), for example), the continued treatment provided through Medicaid makes it possible for people to work. In Mississippi, nearly half (48%) of adult enrollees not receiving disability benefits said that illness or disability kept them from working, according to the [National Health Law Program](#). Further data suggests that illness and poor health are the main factors keeping individuals from working. While many of these individuals may not be able to respond to treatments, and therefore will continue to be unable to work regularly, successful treatments may allow steadier employment. On the other hand, denial of Medicaid coverage ensures that no treatments are available to alleviate the health conditions standing in the way of work.

The Mississippi waiver request and the Trump Administration’s [Council of Economic Advisers](#) point to better health among people who work and cite that finding to justify work requirements. However, the Kaiser Family Foundation, in a [review](#) of related research, distinguished between health outcomes for workers across all income categories and outcomes for the poorest workers

compelled to work in order to receive health benefits. In Mississippi, most workers would only receive health benefits temporarily. It is likely that their lack of access to treatment, combined with high levels of chronic health conditions, will not result in improved health.

- (3) The basic premise of the work requirement – that it will be an incentive to increase work participation – is largely incorrect.** Large numbers of adults without disabilities do work. Many would work longer hours if their employers offered them. The low-wage labor market is volatile, and many workers do not receive predictable hours from their employers. Many businesses require their workers to be on call, ready to accept employment with little notice, making it impossible for them to take a second job. Only about one-quarter of low-income workers get paid sick days ([27 percent](#)), meaning that ill-health can lead to loss of a job. According to the Economic Policy Institute, one in 10 workers earning \$10 or less moves in and out of work each month. These factors mean there are relatively few individuals who are in a position to increase their work effort. Some may be able to get more stable employment if (1) they can overcome health problems; (2) they can increase their education or training; or (3) if they have access to reliable child care and transportation. Work requirements, because they can lead to loss of health care, can result in health problems worsening. There is no funding for expanded education or training, and no additional support for child care or travel to work. Under these constraints, people faced with loss of benefits will not be able to increase work hours at will. They will simply lose benefits. The work requirements in a set of [TANF demonstration programs](#) increased work effort by less than one percentage point by the fifth year of operation.
- (4) Many adults enrolled in Medicaid do work, but are not able to sustain 20 hours each week.** Both the large numbers of Medicaid enrollees with chronic health conditions and the erratic nature of low-wage work mean that many workers will not be able to work 20 hours a week every week. An analysis by the [Center on Budget and Policy Priorities](#) found that among 19-64 year olds not receiving disability assistance and with incomes low enough to qualify for Medicaid, 46 percent worked fewer than 80 hours in at least one month. Even among those who averaged 80 hours a month over the course of a year, one-quarter did not reach 80 hours in at least one month. Such fluctuations in low-wage employment are common, and would leave thousands in Mississippi without health coverage. The state’s [waiver plan](#) assumes that starting in the first year, there would be a decrease of nearly 59,000 “member months,” for an annualized loss of more than 4,800 people.
- (5) The Mississippi waiver request does not provide the supports needed to help people find and keep stable jobs, but other approaches can increase stable work.** For those required to work who have young children, it is clear that compliance for parents will only be possible if child care is available. Similar requirements in the Temporary Assistance for Needy Families (TANF) program were accompanied by child care funding. The Mississippi waiver request does not include any increase in child care funding. The [state’s request](#) does discuss the need for more workforce training resources, saying “Therefore, DOM is also seeking to garner enhanced federal funding designed to assist with workforce training activities.” In fact, CMS’ Medicaid work requirements [guidance document](#) indicates that federal Medicaid funds may not be used for child care, employment services, transportation, or other supports: “However, this demonstration opportunity

will not provide states with the authority to use Medicaid funding to finance these services for individuals.” So there is no likelihood Mississippi will be able to fund its additional “workforce training” with new federal dollars.

The Mississippi approach, which penalizes people with loss of Medicaid if they do not comply with work and reporting requirements, and which offers no realistic supports to make work possible, will not appreciably increase work participation, and will not open doors to better jobs with affordable health insurance. CMS should consider recommending that Mississippi take the approach of Montana, which accompanied its Medicaid expansion with a voluntary work supports program. According to an [economic impact study](#), the voluntary program increased labor force participation among 18-64 year olds by 6-9 percentage points, an increase that did not occur in comparable populations in other states, or among higher-income Montanans.

It is also worth noting that the Trump Administration’s Council of Economic Advisers, in responding to criticisms of its report, [Expanding Work Requirements in Non-Cash Welfare Programs](#), acknowledges that “pro-work activities like job training or provision of childcare would increase their work effort even further and mitigate the risk of leaving some people worse off.” As noted above, the Mississippi and other waivers considered by CMS do not mitigate this risk, and many will be left worse off by losing their health care. (The CEA report claims that work requirements would increase “self-sufficiency and work effort,” but the evidence cited in these comments is illustrative of a body of evidence that disputes this claim.) In addition, the CEA response cites the earlier TANF work requirements and the incentive provided by the Earned Income Tax Credit to increase employment, reduce “welfare dependency” and reduce poverty. We agree that the Earned Income Tax Credit is an effective work incentive, and the Census Bureau’s Supplemental Poverty Measure provides annual evidence that it reduces poverty. The EITC is wholly different from work requirements, which deny assistance when requirements are not met, often for reasons difficult for the individual to control.

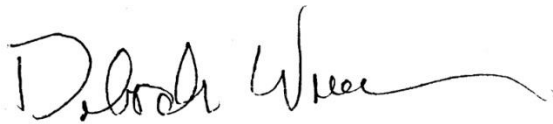
- (6) If people find new employment, they are unlikely to be in jobs that provide affordable health insurance.** Only 37 percent of full-time workers with family incomes below the poverty line are offered health insurance through their employers. Less than one-quarter of workers in the bottom income quartile make use of employer-provided health insurance, because they cannot afford the premiums, according to the [Center on Budget and Policy Priorities](#). If workers with family incomes below the poverty line are only working part-time, only 13 percent of them would be offered health insurance through work, according to a Kaiser Family Foundation [analysis](#).

Even if we assume that Medicaid work requirements will increase work by the same proportion that occurred in a group of TANF employment demonstrations (an increase of 0.9 percentage points in their fifth year), the minority that would be offered affordable health insurance through work would mean only a very small fraction of Mississippi parents forced off Medicaid would secure health coverage. Further closing off their access to health insurance, many are likely to remain in poverty. Under the Affordable Care Act, workers below the poverty line have incomes *too low* to qualify for subsidies in the insurance marketplace.

(7) The monthly documentation requirements will be very difficult for Medicaid enrollees to satisfy, causing even eligible people to lose assistance. Whenever reporting requirements for benefits are increased, people lose assistance. The Mississippi proposal's requirement of monthly reporting is sure to result in thousands of people being terminated from Medicaid, even if they are working the required hours. A [New York Times](#) piece about the impact of more frequent documentation requirements described a Washington State decision to require Medicaid enrollees to document their eligibility twice a year as opposed to the previous annual requirement. That plus more paperwork resulted in a reduction in the Medicaid caseload of more than 40,000 children. Another [study](#) of adults in the Medicaid program before the Affordable Care Act found that 29 percent of those who remained eligible nevertheless lost coverage because of the paperwork burdens at the time of the annually required redeterminations of eligibility. Clearly, monthly reporting will be extremely burdensome for people struggling to work, manage health problems or other crises, and care for their children, all without adequate income, subject to frequent moves and lacking transportation and other resources. If people lose Medicaid for these reasons, it is fairly certain that they will not be in a position to replace Medicaid with employer-sponsored or ACA marketplace health insurance.

We strongly urge CMS to disapprove the Mississippi waiver request. While work is certainly beneficial and we support incentives such as the EITC and Child Tax Credit as well as voluntary work programs such as the Montana program described above, the majority of non-exempt enrollees are working, and this proposal offers no adequate resources or supports to make it possible for them to increase their pay or hours. The barriers to continued coverage in this proposal will not lead to replacing Medicaid with other forms of health insurance in the vast majority of cases. The termination of health care for thousands of people is directly contrary to Medicaid's objectives. In reality, the Mississippi proposal would turn Medicaid into a temporary benefit for parents and caregivers. Such a change is well beyond the scope allowed for Section 1115 waivers and should be rejected.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Deborah Weinstein". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Deborah Weinstein
Executive Director