

Medicaid Work Reporting Requirements Will Cause Significant Harm in WV

Medicaid Is Crucial to Our Health and Economy in West Virginia

Almost 1 in 3 West Virginians receives health care through Medicaid. Medicaid improves health, provides vital services to seniors and people with disabilities, has long-term benefits for children, and improves financial security. The uninsured rate for non-elderly adults has dropped by more than half since West Virginia adopted Medicaid expansion in 2014. This federal and state partnership, in which the federal government pays more than three-quarters of West Virginia's Medicaid costs, makes the program vital to the social and economic health of our communities, providing significant revenue for our hospitals, clinics, and other medical providers and is major source of employment.

Medicaid Work Rules Will Hurt People and Communities

Proposals to force people who do not report a set number of hours worked per month would cause thousands of West Virginians to lose their Medicaid health coverage. The vast majority would become uninsured. This would lead to poorer health outcomes, more financial insecurity for low-income people, and reduced revenues for hospitals while raising health care costs for everyone because of increased emergency room visits and hospitalization. Arkansas is the only state to implement a Medicaid work requirement and over 18,000 people (or about a quarter of those subject to the requirement) lost coverage in six months. Most became uninsured. The requirement did not boost employment or improve health outcomes, research shows. Studies also show between 23 and 45 percent of low-income adults subject to Medicaid work requirements will lose coverage within a year because they cannot meet the work requirements or have difficulty completing the necessary paperwork. This means **between 38,000 and 71,000 West Virginia adults enrolled in Medicaid expansion would lose coverage.**

Medicaid work requirements are ineffective, burdensome, and harmful because:

People will fall through the cracks

- Many people with disabilities and serious illnesses will fall through the cracks because they will not qualify for an exemption or won't be able to overcome the red tape and paperwork to prove that they do.
- When parents lose access to needed health care and their physical and mental health needs go untreated, it's harder for them to care for their children.

Work requirements create unnecessary red tape and increase costs

- Work reporting enforcement systems can be so burdensome and bureaucratic that even **eligible** people are likely to lose coverage. People struggling with substance use disorders are especially poorly positioned to meet reporting requirements, which will reduce the number of people receiving treatment.
- New layers of red tape and new technology will cost West Virginia tax payers millions of dollars.

"Work requirements" DO NOT promote work

- There is no empirical evidence work requirements help people find or keep jobs. A 2019 study of Arkansas's Medicaid work requirement found no effect on employment. Medicaid waivers provide no funding for training or education.
- In West Virginia, more than half of adults on Medicaid are working, but mostly in low-wage jobs with volatile work hours and no access to paid sick time off, making it difficult to meet a monthly work requirement.
- Taking away coverage hurts a person's ability to treat long- and short-term medical issues which impacts getting and keeping a job. Access to Medicaid makes it easier to look for employment and stay employed.

There are proven ways to promote work for low-income individuals

- Adopting a refundable West Virginia Earned Income Tax Credit and/or expanding child care assistance would help low-income workers stay in the workforce. Also, linking Medicaid recipients to job training, education opportunities, transportation assistance, and transitional Medicaid coverage to help avoid the "cliff effect" can boost employment.

In June 2019, there were 163,428 people enrolled in Medicaid expansion in West Virginia. Based on conservative estimates from the experience in Arkansas, approximately 38,000 enrollees (or 23% of those with expansion coverage) in West Virginia would lose their Medicaid coverage within the first year if a work requirement was in place. This would not only increase the number of uninsured but would lead to over \$200 million in lost federal dollars for health care in West Virginia. Below is a breakdown of the lost Medicaid coverage and federal dollars (expressed in millions) by county. These figures do not include adults on traditional Medicaid that could also lose coverage under a Medicaid work requirement.

County (\$ in Millions)	Medicaid Expansion Enrollees	23% Loss of Enrollees	Total Medicaid Dollars Lost	Federal Medicaid Dollars Lost
Barbour	1,608	370	\$2.3	\$2.1
Berkeley	8,557	1,968	\$12.4	\$11.2
Boone	2,773	638	\$4.0	\$3.6
Braxton	1,412	325	\$2.0	\$1.8
Brooke	71	16	\$0.1	\$0.1
Cabell	9,119	2,097	\$13.2	\$11.9
Calhoun	689	158	\$1.0	\$0.9
Clay	1,224	282	\$1.8	\$1.6
Doddridge	656	151	\$1.0	\$0.9
Fayette	4,648	1,069	\$6.7	\$6.1
Gilmer	648	149	\$0.9	\$0.8
Grant	953	219	\$1.4	\$1.2
Greenbrier	3,539	814	\$5.1	\$4.6
Hampshire	1,989	457	\$2.9	\$2.6
Hancock	3,621	833	\$5.3	\$4.7
Hardy	1,224	282	\$1.8	\$1.6
Harrison	5,381	1,238	\$7.8	\$7.0
Jackson	2,308	531	\$3.3	\$3.0
Jefferson	3,456	795	\$5.0	\$4.5
Kanawha	17,527	4,031	\$25.4	\$22.9
Lewis	1,656	381	\$2.4	\$2.2
Lincoln	2,692	619	\$3.9	\$3.5
Logan	4,806	1,105	\$7.0	\$6.3
Marion	4,679	1,076	\$6.8	\$6.1
Marshall	2,239	515	\$3.2	\$2.9
Mason	2,325	535	\$3.4	\$3.0
Mercer	7,451	1,714	\$10.8	\$9.7
Mineral	1,843	424	\$2.7	\$2.4

County (\$ in Millions)	Medicaid Expansion Enrollees	23% Loss of Enrollees	Total Medicaid Dollars Lost	Federal Medicaid Dollars Lost
Mingo	3,451	794	\$5.0	\$4.5
Monongalia	5,129	1,180	\$7.4	\$6.7
Monroe	1,021	235	\$1.5	\$1.3
Morgan	1,365	314	\$2.0	\$1.8
McDowell	2,596	597	\$3.8	\$3.4
Nicholas	2,915	670	\$4.2	\$3.8
Ohio	3,379	777	\$4.9	\$4.4
Pendleton	560	129	\$0.8	\$0.7
Pleasants	550	127	\$0.8	\$0.7
Pocahontas	854	196	\$1.2	\$1.1
Preston	2,511	578	\$3.6	\$3.3
Putnam	3,360	773	\$4.9	\$4.4
Raleigh	8,150	1,875	\$11.8	\$10.6
Randolph	2,418	556	\$3.5	\$3.2
Ritchie	892	205	\$1.3	\$1.2
Roane	1,347	310	\$2.0	\$1.8
Summers	1,453	334	\$2.1	\$1.9
Taylor	1,377	317	\$2.0	\$1.8
Tucker	535	123	\$0.8	\$0.7
Tyler	714	164	\$1.0	\$0.9
Upshur	2,375	546	\$3.4	\$3.1
Wayne	3,929	904	\$5.7	\$5.1
Webster	1,364	314	\$2.0	\$1.8
Wetzel	1,455	335	\$2.1	\$1.9
Wirt	562	129	\$0.8	\$0.7
Wood	7,629	1,755	\$11.1	\$10.0
Wyoming	2,443	562	\$3.5	\$3.2
Total	163,428	37,588	\$237.0	\$213.3

Methodology: Estimates for the number of WV Medicaid expansion members who would lose Medicaid coverage are derived from using the share of adults who were subject to the work requirement in Arkansas who lost coverage. Between June 2018 and December 2018, 18,164 adults – or 23 percent of those subject to the work requirement – lost Medicaid coverage in Arkansas. Important to note Arkansas’ Medicaid work requirement was less expansive as WV House Bill 3136 (2019) that subjected all non-elderly adults to the work requirement, not just the expansion population. Based on Arkansas’ experience, at least 37,588 (23%) people would lose Medicaid coverage in the expansion population alone in West Virginia based on June 2019 enrollment. To calculate federal dollars lost from the reduction in Medicaid enrollment, the above estimates used FY 2017 expenditure data from the Centers for Medicare and Medicaid Services (Medicaid Budget and Expenditure System) that shows total expenditures on the Medicaid expansion population (Newly eligible, VIII Group) in West Virginia were \$1,154,792,685 and that total enrollment was 183,100. This equates to a per member expenditure of \$6,307. The federal match rate of 90 percent (FY 2020) was applied to the per member expenditure. **Sources:** Jessie Cross-Call, “West Virginia Bill Would Cause at Least 46,000 to Lose Medicaid Coverage,” *Center on Budget and Policy Priorities*, February 27, 2019.; Sommers et al, “Medicaid Work Requirements – Results from the First Year in Arkansas,” *The New England Journal of Medicine*, June 19, 2019; Leighton Ku and Erin Brantley, “New Hampshire’s Medicaid Work Requirements Could Cause More Than 15,000 to Lose Coverage,” *The Commonwealth Fund*, May 9, 2019.