

## **Spotlight on West Virginia's Second Congressional District: Enacting Medicaid Work Reporting Requirements Would Cost Residents Hundreds of Millions of Federal Health Care Dollars; More Than 17,000 Residents Could Lose Health Coverage**

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*\*Note these estimates are for West Virginia's Second Congressional District only. To see the statewide impact, please visit [wvpolicy.org](http://wvpolicy.org)*

Federal policymakers are considering enacting work reporting requirements and other spending reductions for Medicaid in the new Congress.<sup>1</sup> Cuts to Medicaid and other federal programs would have a disproportionately harmful impact in West Virginia, which funds a larger share of its budget through federal dollars than most states. Proposals to reduce federal funding for programs would shift significant costs onto the state budget just as West Virginia faces its own budget crisis.

Medicaid work reporting requirements brought disastrous consequences in Arkansas in 2018-19 until a federal judge blocked the program.<sup>2</sup> Enacting Arkansas-style work reporting requirements would result in the Second Congressional District's health care system losing an estimated \$115 million annually, 90 percent of which (\$103 million) is federal Medicaid dollars, while uncompensated care costs would dramatically increase for providers and the state. An estimated 17,337 residents in the district would be expected to lose their health coverage.<sup>3</sup> An estimated 1,846 job losses in the health care sector and indirectly related industries in the district could be expected.

### **Medicaid is a Vital Economic and Health Driver in West Virginia**

Nearly 1 in 3 West Virginians receive health coverage through Medicaid, touching most of our state's families directly and serving as the largest source of coverage for births, child health care, substance use treatment, and long-term care for West Virginians benefiting residents across the state's population.<sup>4</sup> Medicaid is also vital to our state's hospitals and providers, with research showing that Medicaid expansion has resulted in reduced uncompensated care, increases in hospital operating margins, and decreases in closures of hospitals and obstetrics units. Medicaid improves hospital finances by extending coverage to patients who would otherwise be uninsured and require hospital charity or uncompensated care.<sup>5</sup>

According to Workforce West Virginia, health care is the sector expected to see the most job growth in West Virginia over the coming decade, with job growth in large part driven by federal Medicaid investments.<sup>6</sup> A 2018 report from the WVU Bureau for Business and Economic Research estimated that a \$29 million reduction in federal Medicaid dollars would cause a loss of 520 jobs annually.

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<sup>1</sup> Sarah Kliff and Noah Weiland, "Medicaid May Face Big Cuts And Work Requirements", *New York Times*, November 20, 2024.

<sup>2</sup> Benjamin D. Sommers et al, "Medicaid Work Requirements In Arkansas: Two-Year Impacts on Coverage, Employment, and Affordability of Care", *Health Affairs*, 39, No. 9, 2020: 1522-1530.

<sup>3</sup> WVCBP analysis of potential Medicaid dollars lost and health enrollment changes.

<sup>4</sup> WVCBP analysis of West Virginia Department of Human Services data.

<sup>5</sup> Zachary Levinson et al, "Rural Hospitals Face Renewed Financial Challenges, Especially in States That Have Not Expanded Medicaid, Kaiser Family Foundation, February 23, 2023.

<sup>6</sup> "West Virginia Industry Projections 2020-2030", WorkForce West Virginia, retrieved on December 30, 2024 at <http://lmi.workforcewv.org/LTprojections/LTIndustryProjections.html>.

Extrapolating from that study, a \$103 million annual reduction in federal Medicaid funding could cost West Virginia 1,846 jobs.<sup>7</sup>

### **Most Medicaid Recipients Are Already Working, Caring for Family, or In School**

A large majority of adult Medicaid beneficiaries who can work already do. According to a 2024 analysis, over 80 percent of working-age adults on Medicaid were working, in school, or acting as family caregivers.<sup>8</sup>

### **Bureaucratic Barriers to Medicaid, Including Work Reporting Requirements, Result in Pain and Coverage Loss for Eligible People**

Proposals that require people to regularly document and report hours worked or in school cause eligible people who do everything right to fall through the cracks. Arkansas, the only state to enact Medicaid work reporting requirements on Medicaid beneficiaries, saw one in four of those subject to the reporting requirement lose health coverage within six months.<sup>9</sup>

Researchers found that this loss of coverage was generally not because people were non-compliant with the work requirement, but that they found the reporting itself- the bureaucratic red tape- to be confusing and difficult to comply with or they were unaware of the requirements altogether.

Of those who lost their health coverage due to the work reporting requirements in Arkansas, half reported serious problems paying medical bills; 56 percent delayed health care due to cost; and 64 percent delayed needed medications.<sup>10</sup>

### **Medicaid Work Reporting Requirements Are Ineffective, Burdensome, and Harmful People Will Fall Through the Cracks**

- Even those exempt from work reporting requirements will likely have to prove they meet an exemption, resulting in more red tape that will mean even those eligible can and will lose coverage.
- When parents lose health coverage, children are less likely to remain covered and receive health care.

### **Work Reporting Requirements Do Not Promote Work**

- Medicaid's primary purpose is to provide health coverage to low-income people. It is not a work program and offers no work training supports for beneficiaries.
- There is no evidence that work reporting requirements in any program help people find or keep jobs. Arkansas' work reporting requirements program had no effect on employment.
- The barriers people face to work include affordable child care, transportation, and job training and education. Work reporting requirements provide none of these, and state and federal policymakers would do well to focus on the barriers to work instead of punishing those who cannot.

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<sup>7</sup> Christiadi and John Deskins, "The Economic Impact of Medicaid on West Virginia's Economy", *WVU Bureau for Business and Economic Research*, January 2018.

<sup>8</sup> Gideon Lukens, "Research Note: Most Medicaid Enrollees Work, Refuting Proposals to Condition Medicaid on Unnecessary Work Requirements", *Center on Budget and Policy Priorities*.

<sup>9</sup> Benjamin D. Sommers et al, "Medicaid Work Requirements In Arkansas: Two-Year Impacts on Coverage, Employment, and Affordability of Care", *Health Affairs*, 39, No. 9, 2020: 1522-1530.

<sup>10</sup> *ibid*.

## County-level Impact Analysis: Second Congressional District

County	Expansion Member Count	Arkansas-Style 24.5% Coverage Losses	Total Lost Medicaid Dollars (Annual, State and Federal Combined)	Federal Portion of Lost Medicaid Dollars (Annual)
BARBOUR	1,565	383	\$2,540,574	\$2,286,517
BERKELEY	8,982	2,201	\$14,581,109	\$13,122,998
BROOKE	5	1	\$8,117	\$7,305
DODDRIDGE	628	154	\$1,019,476	\$917,529
GRANT	878	215	\$1,425,319	\$1,282,787
HAMPSHIRE	1,925	472	\$3,124,987	\$2,812,489
HANCOCK	3,311	811	\$5,374,978	\$4,837,480
HARDY	1,047	257	\$1,699,668	\$1,529,702
HARRISON	5,519	1,352	\$8,959,379	\$8,063,441
JEFFERSON	3,295	807	\$5,349,004	\$4,814,104
LEWIS	1,764	432	\$2,863,625	\$2,577,262
MARION	5,267	1,290	\$8,550,290	\$7,695,261
MARSHALL	2,283	559	\$3,706,154	\$3,335,538
MINERAL	1,880	461	\$3,051,936	\$2,746,742
MONONGALIA	6,312	1,546	\$10,246,711	\$9,222,040
MORGAN	1,381	338	\$2,241,874	\$2,017,687
OHIO	3,694	905	\$5,996,729	\$5,397,056
PLEASANTS	567	139	\$920,451	\$828,406
PRESTON	2,626	643	\$4,262,970	\$3,836,673
RANDOLPH	2,412	591	\$3,915,568	\$3,524,012
RITCHIE	847	208	\$1,374,994	\$1,237,495
TAYLOR	1,239	304	\$2,011,355	\$1,810,220
TUCKER	444	109	\$720,776	\$648,699
TYLER	660	162	\$1,071,424	\$964,282
UPSHUR	2,382	584	\$3,866,867	\$3,480,181
WETZEL	1,617	396	\$2,624,989	\$2,362,490
WOOD	8,233	2,017	\$13,365,205	\$12,028,685
<b>TOTAL</b>	<b>70,763</b>	<b>17,337</b>	<b>\$114,874,531</b>	<b>\$103,387,078</b>

*Methodology: This analysis assumes work reporting requirements are required for all non-elderly adults in the Medicaid expansion population. Medicaid expansion enrollment figures are from December 2024 and coverage loss estimates assume 24.5 percent of those subject to the reporting requirement lose coverage as happened in Arkansas. Lost Medicaid dollars estimates are calculated using Medicaid per capita expenditures data from CY 2022 for the West Virginia non-elderly adult expansion population. The final column calculates the federal funding component of potential lost funding using the 90 percent FMAP for the expansion population.*