

How Medicaid Work Requirements Will Harm Children

When parents have health insurance, their children are more likely to be insured, [research](#) shows. That's a big reason why the Affordable Care Act's (ACA) expansion of Medicaid for parents and other adults significantly increased children's health coverage, helping drive the uninsured rate for children to a historic low of [4.5 percent in 2016](#) (see chart). Children also benefit from their parents' better access to care and health outcomes and from their families' increased financial security.

A new [Trump Administration policy](#) that lets states take away Medicaid coverage from beneficiaries who fail to work or participate in work-related activities for a specified number of hours each month threatens these gains in coverage and access to care for parents and their children. The new policy allows states to impose work requirements on adult Medicaid beneficiaries, other than those who are 65 or older, pregnant, or qualify for Medicaid because they are receiving disability benefits through the Supplemental Security Income program. The Administration has already approved work requirements in [Kentucky](#), [Indiana](#), and [Arkansas](#), and other states have proposals pending with the Centers for Medicare & Medicaid Services (CMS) or under discussion. Medicaid work requirements will likely cause many parents to lose coverage, harming their children as well by making it less likely that they get the health care they need.

Work Requirements Will Cause Parents to Lose Coverage

While some states' work requirement policies exempt parents, others do not, and in some states, parents are the primary or sole targets of these requirements.

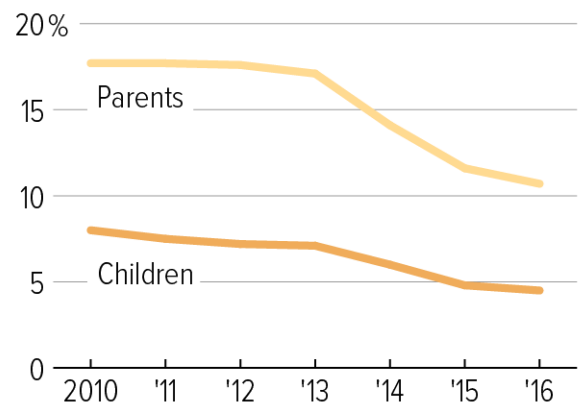
In states that expanded Medicaid under the ACA, both parents and adults without children with incomes up to 138 percent of the federal poverty line are eligible for Medicaid. Among expansion states with approved work requirement policies, Kentucky and Arkansas generally exempt parents of minor children, but Indiana exempts only parents of children age 6 and under. New Hampshire's work requirement [proposal](#), which is currently under CMS review, would also only exempt parents of children age 6 and under, and Michigan's legislature is considering a work requirement that would only exempt parents of children under 3 months.

In states that haven't expanded Medicaid, low-income parents are the primary target of work requirements, since adults without children are generally [ineligible](#) for Medicaid. What's more, many of these states' proposals will put parents in non-expansion states in a Catch-22. If they don't comply with the work requirements, they'll lose coverage. If they do comply, they're still likely to lose coverage, because their income would likely exceed their states' very low Medicaid eligibility thresholds.

For example, [Mississippi](#) is proposing to require parents with Medicaid coverage to participate in work-related activities, such as working 20 hours per week, volunteering, or participating in an alcohol or other drug abuse treatment program. But if a parent works 20 hours per week at minimum wage, her monthly earnings would equal \$580 — above Mississippi's income limit of \$468 per month for Medicaid eligibility for a family of three. Mississippi itself [projects](#) that about 8 percent of parents subject to the work requirement would lose coverage within the first year of implementation. Most of these parents would become uninsured, because the low-wage jobs they'd likely get may not offer health insurance and wouldn't pay enough to raise their income above the poverty line so they could qualify for premium tax credits to help them pay for coverage in the health insurance marketplaces.

Historic Gains in Children's and Parents' Health Coverage Occurred in Tandem

Uninsured rate among children under 18 and their parents



Source: Census Bureau's American Community Survey

Requiring work or work-related activities as a condition of Medicaid eligibility will also make it harder for parents to stay covered even if they are already working or are supposed to qualify for exemptions. In many low-wage jobs, hours are volatile and job loss is common, meaning that even parents who work substantial hours over the course of the year may fall short of state work requirements in a particular month. Work requirements also make it harder for parents to stay enrolled because they will have to provide paperwork documenting their compliance or eligibility for exemptions. Red tape and paperwork requirements have consistently [proved](#) to reduce enrollment in Medicaid.

Documentation requirements are likely to be especially burdensome for parents of children with special health care needs. While they would qualify for exemptions from work requirements in most states, they would have to prove they're caring for a child with a disability or special health care need, adding one more burden for parents who already face major challenges and potentially compromising care for their child.

When Parents Lose Coverage, Children Get Hurt

When parents lose health insurance coverage, children get hurt.

Children are less likely to get the care they need. Most children in low-income families were already eligible for Medicaid before the implementation of the ACA. A [recent study shows](#), however, that Medicaid enrollment increased disproportionately for children whose *parents* became newly eligible. More than 700,000 children in Medicaid expansion states gained coverage from 2013 to 2015 — more than double the number of children in non-expansion states who gained coverage during this period. That's consistent with [earlier evidence](#) that gains in coverage for parents translate into gains in coverage for children. Research also confirms that gains in coverage for parents, and the associated gains for children, improve children's access to care. For example, increases in adult Medicaid eligibility are associated with a greater likelihood of children in low-income families receiving preventive care, according to a recent [study](#), which finds that children are 29 percentage points more likely to have an annual well-child visit if their parents are enrolled in Medicaid. Unfortunately, undoing coverage gains for parents will likely undo gains for children as well.

Families are less financially secure. Losing coverage would also put children and their parents at risk of going without needed medical care and incurring significant medical debt for any care they do receive. Medicaid expansion led to a [decrease](#) in debts being sent to third-party collection agencies, and the share of low-income adults in Arkansas and Kentucky reporting that they had trouble paying their medical bills dropped by [25 percent](#). Financial insecurity doesn't just affect adults — children's development can be negatively affected by issues resulting from poverty, such as [toxic stress](#).

Children's health and development are at risk. Children's health and development relies in part on their parents' health and well-being, and a [large and growing body of research](#) shows Medicaid expansion has improved access to care and health for low-income adults. Low-income adults in [Arkansas and Kentucky](#) saw significant gains in access to medical care and improvements in self-reported health compared to those in Texas, which hasn't expanded Medicaid. And mental health outcomes [improved](#) among parents who gained Medicaid coverage prior to expansion. Healthy parents help ensure their children's health and development as children's [relationships with their parents](#) can influence their brain structure and function, and in turn, help mitigate the negative effects of trauma or adverse childhood experiences, including poverty. For example, maternal depression can [negatively affect](#) children's cognitive and social-emotional development as well as their educational and employment opportunities.

Coverage Losses Jeopardize Children's Long-Term Health and Development

The potential loss of coverage for both children and their parents jeopardizes children's long-term health and development. Children losing coverage would lose access to various important health services under Medicaid's Early Periodic Screening, Diagnostic and Treatment (EPSDT) benefit. This benefit guarantees that children and adolescents under the age of 21 have access to a robust set of comprehensive and preventive health services, including regular well-child exams; hearing, vision, and dental screenings; and other services to treat physical, mental, and developmental illnesses and disabilities. The loss of EPSDT would be particularly harmful to children with special health care needs, as Medicaid serves as the sole source of coverage for [over one-third](#) of these children.

Medicaid coverage has a significant positive impact on children's health not only while they're enrolled, but also on their long-term outcomes. Children covered by Medicaid during their childhood have better health as adults, with fewer hospitalizations and emergency room visits, [research shows](#). Moreover, children covered by Medicaid are more likely to graduate from [high school and college](#), have higher wages, and [pay more in taxes](#). Medicaid work requirements that cost parents their coverage will put low-income children's short- and long-term health-related gains at risk.