

How Medicaid Work Requirements Harm People with Mental Health Conditions

Medicaid is the nation's largest payer of mental health services, providing health coverage to [27 percent](#) of adults with a serious mental illness. A new [Trump Administration](#) policy that allows states to impose work or work-related requirements on adult Medicaid enrollees, other than those who qualify because they are receiving disability benefits like Supplementary Security Income (SSI) or Social Security Disability Insurance (SSDI), threatens health coverage and access to treatment for millions of people with mental health conditions. The Centers for Medicare & Medicaid Services (CMS) has already approved work requirements in Arkansas, Kentucky, and Indiana.

The new policy requires states to exempt those who are “medically frail” and suggests – but does not require – that states exempt those with an acute medical condition. Many people with a mental illness that keeps them from working on a permanent or temporary basis would be at risk of losing coverage. Even those who are eligible for an exemption will likely have trouble proving it due to bureaucratic obstacles, which would be made even more difficult by the nature of their condition.

Many People with Mental Health Conditions Won't Qualify for an Exemption or Will Have Trouble Proving They Do

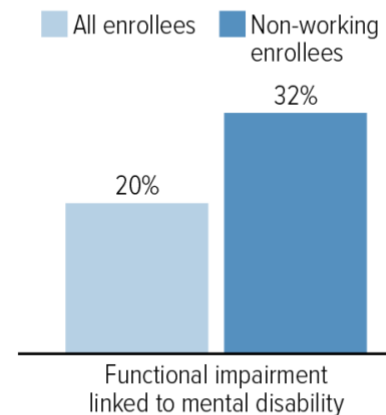
The new policy requires states to exempt people from the work requirement if they are deemed “medically frail,” but the [definition](#) of that term is strict and will leave out many people with mental health conditions. The definition only explicitly includes individuals with “disabling mental disorders.”

Only about 7 percent of adults in [Arkansas](#) enrolled in Medicaid through their state's Affordable Care Act expansion have been deemed medically frail. Kentucky estimates that [10 percent](#) of its Medicaid population will be designated medically frail and be exempted from work requirements. But many more people have mental health conditions that may affect their ability to work on a consistent basis. For example, nearly [18 percent](#) of Ohio expansion enrollees and [20 percent](#) of Michigan expansion enrollees reported that they had a mental health condition that impaired their ability to function (see chart).

Many who qualify for an exemption may have trouble proving it. To prove they are exempt, people with a mental health condition will need to obtain letters from their health care providers, medical records, or whatever documentation a state deems necessary. Red tape and paperwork requirements have been [shown](#) to reduce enrollment in Medicaid across the board, and people with a mental health condition will likely face particular burdens in proving their exemption because of the [nature of their condition](#). Mental illness can interfere with clear thinking and executive function, skills needed to meet documentation and reporting requirements. Some enrollees may be reluctant to disclose their condition and forgo applying for an exemption.

Many Medicaid Expansion Enrollees Have a Mental Disability – Especially Those Not Working

Share of Michigan Medicaid expansion enrollees, 2016



Note: “Expansion enrollees” = those getting coverage due to their state expanding Medicaid under the Affordable Care Act. “Functional impairment” = limitations in carrying out activities of daily living.

Source: Tipirneni et al., “Employment Status and Health Characteristics of Adults with Expanded Medicaid Coverage in Michigan”

Moreover, people with mental health conditions who don't have coverage will face challenges getting the documentation they need to prove they are exempt if they can't pay for a doctor's visit.

People with Mental Health Conditions Face Barriers to Work and Need Additional Supports

While most people with a mental health condition can and want to work, many people face significant barriers to work. Only [17.8 percent](#) of adults with a serious mental illness worked in 2012. The impact of a mental illness on the ability to function often fluctuates, which can lead to inconsistent attendance at work or sudden job loss. People with mental illness disproportionately face other barriers to work such as past involvement with the criminal justice system. And for some, the possibility of losing their health coverage may create additional stress that exacerbates their condition and makes it more difficult to meet the work requirement. These obstacles can be minimized if the person has access to [services](#) designed to overcome barriers to employment such as [individualized job search assistance, job coaching, and counseling](#). But the guidance on work requirements explicitly states that federal Medicaid funding cannot help pay for these additional supports. Without additional funding, budget-strapped states likely won't fund necessary supports, making it more likely that people with mental health conditions will be unable to comply.

It is possible for Medicaid to support work for people with mental health conditions. Instead of implementing punitive policies requiring work, states can use Medicaid to support work through voluntary supported employment services programs. Several states, including Iowa, Mississippi, Wisconsin, and Washington have [implemented](#) supported employment programs for people with mental illness. While each state's approach differs, all use evidence-based approaches that have helped participants find and maintain employment. They provide an array of services, such as skills assessment, assistance with job search and job applications, job development and placement, job training, and negotiation with prospective employers.

Losing Coverage Will Cause Harm to Mental and Physical Health

Medicaid expansion has helped enable significant gains in access to treatment for people with mental health conditions. Ten expansion states saw a [44 percent](#) average decline in uninsured mental health stays as of 2014. And in Ohio, [44 percent](#) of Medicaid expansion enrollees who screened positive for depression or anxiety disorders that limited usual activities like work reported that access to mental health treatment had become easier after enrolling in Medicaid. Work requirements would roll back gains made in access to mental health care. This is why groups like the [National Alliance on Mental Illness](#), the [National Council for Behavioral Health](#), and [Consortium for Citizens with Disabilities](#) oppose Medicaid work requirements.

The new guidance largely tries to justify Medicaid work requirements by citing research showing that people with jobs have better health and higher incomes than people without jobs. But that research doesn't show whether employment causes improved health or rather, as is likely for many people, the causal relationship is in the other direction — namely, that healthy people are likelier to have jobs than those in poor health.

Taking coverage away from people with mental health conditions will threaten not just their mental health. People with mental illness often need health care for physical health conditions in conjunction with treatment for mental illness. People with a serious mental illness have an average life expectancy [25 years shorter](#) than the general population, according to estimates. Taking away their health coverage will delay treatment for both their mental and chronic [physical health conditions](#), such as hypertension, diabetes, and asthma.

March 7, 2018

For a version of this fact sheet with links to sources, see <https://www.cbpp.org/research/health/how-medicaid-work-requirements-harm-people-with-mental-health-conditions>.