

How Medicaid Work Requirements Will Harm Older Americans

More than 8.5 million Americans age 50-64 get health coverage through Medicaid. Many of them became eligible due to the Affordable Care Act's (ACA) expansion of Medicaid to more low-income adults, which helped drive a nearly 40 percent decline in uninsured rates for lower-income people age 50-64 between 2013 and 2016.

But Medicaid coverage for many low-income, older Americans is at risk due to the Trump Administration's decision to let states impose work requirements on enrollees, other than those who are 65 or older, pregnant, or qualify for Medicaid because they are receiving disability benefits through the Supplemental Security Income (SSI) program. The Administration has already approved work requirements in Kentucky and Indiana, and proposals from other states are pending. Approved and pending state policies generally require enrollees to provide documents showing that they worked, searched for a job, or volunteered a sufficient number of hours each month.

Older adults face particular challenges in meeting such requirements, and the health consequences if they lose Medicaid coverage are likely to be especially severe.

Older Adults Face Obstacles to Meeting Work Requirements

Across age groups, [about 60 percent](#) of non-elderly adult Medicaid enrollees not receiving SSI work; of the rest, about half live in working families, and more than 80 percent report that they are in school or unable to work due to illness, disability, or caregiving responsibilities. But employment rates are lower at older ages. Whereas nearly two-thirds of enrollees under age 50 work, work rates begin to fall off for those over 50, and only a minority of 60- to 64-year-olds work. (See chart.) In addition, some working enrollees (of all ages) work part-time, meaning they may not meet monthly hours requirements under work requirement policies.

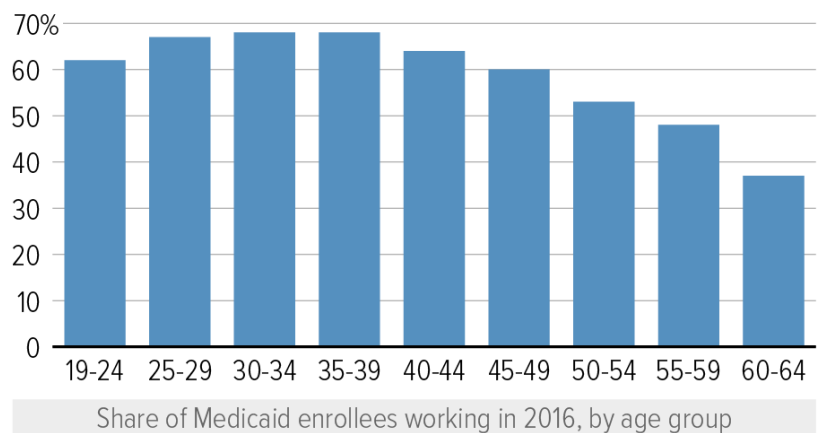
There are many reasons older enrollees are more likely to be out of work. Some, especially those in their 60s, are retired. About [68 percent](#) of all current retirees retired before age 65, and nearly half of Social Security retirees claim benefits before age 65. Hundreds of thousands of Social Security retirees age 62 to 64 depend on Medicaid for coverage. To qualify for Social Security benefits, this group must have worked much or all of their adult lives, but if Social Security is their only or primary source of income, they likely qualify for Medicaid: the average Social Security benefit for someone who retires at age 62 puts them just [slightly above](#) the poverty line for a single adult.

For example, Ronnie Maurice Stewart, one of the plaintiffs in a recently filed [lawsuit](#) against Kentucky's waiver, worked for years in mental health clinics and then as a medical assistant, but he retired once eligible to claim Social Security benefits (worth \$841 per month) because he could no longer do a job that required him to be on his feet all day. Stewart, who is 62, has diabetes, arthritis, and high blood pressure and "is concerned that he will lose his health coverage if he is unable to work because of his health or if he takes a job with varying work hours."

People in their 50s and 60s are also much more likely than younger people to have serious chronic health conditions, including heart disease, diabetes, or back pain. Such conditions generally do not qualify people for federal disability assistance, and people with these conditions may be able to work when their conditions are controlled through treatment, when they are not at their most severe, or if they can find jobs that allow them to work part time or accommodate their physical limitations. But such conditions often still make it hard for people to maintain steady, full-time employment, putting them at risk of non-compliance with work requirements and therefore lost or interrupted coverage.

Most Adult Medicaid Enrollees Work, but Employment Rates Are Lower for Older People

Many Older Enrollees Face Health or Other Barriers to Work



Note: Chart excludes those receiving Supplemental Security Income.

Source: Kaiser Family Foundation calculations from Current Population Survey data

For example, Glassie Mae Kasey, another of the plaintiffs in the Kentucky lawsuit, is 56. Kasey worked until September 2017 as a custodian, but since then has struggled to find a job, hampered by health issues including diabetes; arthritis; chronic leg, foot, and back pain; high blood pressure; high cholesterol; urinary problems; chronic chest congestion; and kidney stones. Kasey is now at risk of losing coverage if she cannot find an 80-hour-per-month job or volunteer position that can accommodate her physical limitations.

Exemptions Won't Keep Older People From Losing Coverage

Kentucky's approved work requirements policy, and most other states' pending proposals, apply to people up to age 64, with no exceptions for early retirees. The Administration's work requirements guidance does instruct states that enrollees who are in compliance with or exempt from separate Supplemental Nutrition Assistance Program (SNAP) work requirements should be treated as complying with Medicaid requirements. That approach may protect many older adults, since SNAP generally requires people 50 and over to register as looking for work but does not terminate their benefits if they cannot find a job. But millions of older Medicaid enrollees are not enrolled in SNAP and thus could still be at risk of losing coverage in states that implement Medicaid work requirements.

Kentucky's waiver also proposes limited exemptions for people who are "[medically frail](#)" and for those "diagnosed with an acute medical condition" that prevents compliance. But these exemptions won't keep older enrollees with serious health conditions from falling through the cracks.

First, the exemptions are narrow, and many people won't qualify as medically frail. Arkansas, for example, [estimates](#) that just 10 percent of expansion enrollees are "medically frail." By comparison, [almost a quarter](#) of adult Medicaid enrollees not receiving SSI have a disability.

Second, even people who should qualify for exemptions may struggle to prove that they do. Obtaining physician testimony, medical records, or other required documents may be difficult, especially if beneficiaries don't have health coverage while seeking to prove they are exempt. Red tape and paperwork requirements [have been shown](#) to reduce enrollment in Medicaid across the board, and people coping with serious mental illness or physical impairments may face particular difficulties meeting these requirements. The experience of work requirements for [other programs](#) shows that people with disabilities are disproportionately likely to be sanctioned, even though many should be exempt.

Losing Coverage Will Worsen Health — and Could Impede Employment

Losing coverage worsens health for all groups, which is why physician groups like the [American Medical Association](#), [the American Academy of Family Physicians](#), [the American Academy of Pediatrics](#), and [others](#) oppose Medicaid work requirements. But the resulting coverage losses would likely be especially harmful for older enrollees, because of their high rates of chronic conditions. For people with serious health needs, coverage interruptions lead to increased emergency room visits and hospitalizations, admissions to mental health facilities, and health care costs, [research](#) has shown.

And by worsening access to health care, Medicaid work requirements may actually make it harder for older people who are trying to keep working to do so. A long-term randomized trial [found](#) that providing regular care to people with heart disease increased their earnings, likely by reducing their time out of work due to illness. Conversely, making health care contingent on work is likely to result in a vicious cycle where someone who loses their job because their heart disease or diabetes worsens also loses access to treatment, making it impossible for them to regain their health and employment.

Work Requirements Won't Increase Economic Mobility

The Administration has argued that Medicaid work requirements will advance the goal of economic mobility. [Evidence](#) from other programs suggests this won't be the case, and there are a number of signs that it isn't the real goal of the policy. One indication is that the Administration's work requirements guidance makes clear that states don't have to provide supportive services such as transportation or job training in conjunction with work requirements. Another is the decision to apply work requirements to older people who have worked all their lives but now rely on Medicaid to get health care in retirement.

Instead, the guidance — and other unprecedented provisions of Kentucky's Medicaid waiver that will make it harder for people to get coverage — reflects the [Administration's view](#) that Medicaid coverage should not have been expanded to low-income adults in the first place. That's a view that Congress rejected on a bipartisan basis last year — and one that, if implemented, would cause millions of older Americans, as well as other low-income adults, to lose coverage.

February 20, 2018

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