

Bartlett Brief



Arkansas' Medicaid Expansion Work Woes Shouldn't Kill NH's Experiment Before It Starts

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SUMMARY: Just as New Hampshire begins monitoring its Medicaid work requirements this month, legislators are scheduled to vote on a bill to kill those requirements. Often cited as a justification for eliminating the work requirements is Arkansas' experience in 2018. That year, 18,164 Arkansas Medicaid enrollees lost coverage after the state enacted work requirements. But a closer look at the Arkansas experience suggests that poor program implementation and design were the most important factors in the enrollment drop.

Last year, New Hampshire obtained a federal waiver to allow the state to establish work requirements for its Medicaid Expansion population. As of April, 50,291 Granite Staters are enrolled in expanded Medicaid (down from 52,879 in April of 2018), according to state [Department of Health and Human Services data](#).

Those work requirements took effect March 1 and apply to able-bodied adults between 19 and 64 years of age. (See the list of exemptions at the bottom of this brief.) The state began monitoring on June 1. Failure to comply could result in a termination of benefits no earlier than August 1.

Enrollees subject to the work rules must engage in 100 hours per month of qualified work or work-related activities. (Because the rules include so many activities that are not paid work, the Department of Health and Human Services calls it a "Community Engagement" requirement rather than a work requirement.) Qualifying activities include:

- Employment, including subsidized jobs in government or at a non-profit;
- On-the-job training, vocational training of no more than one year, job skills training;

- Attendance at a secondary school or college, or education directly related to employment;
- Job search and readiness assistance;
- Participation in substance use disorder treatment;
- Community and public service;
- Caregiving for non-dependent relative or other person;
- Participation in and compliance with existing SNAP or TANF work requirements.

Two federal assistance programs for low-income Americans, the Supplemental Nutritional Assistance Program (SNAP, or “food stamps”) and Temporary Assistance to Needy Families (welfare), already incorporate work requirements. New Hampshire’s waiver allows the state to apply work rules to Medicaid Expansion, which offers federal health insurance to people with household incomes of up to 138 percent of the federal poverty level.

Senate Bill 290 would eliminate the work requirements if 500 Medicaid Expansion recipients lose coverage for failure to engage in qualified work-related activities (that’s just 0.99 percent of the state’s current Medicaid Expansion enrollees) or if medical care providers report any increase in uncompensated care as a result of the work requirements.

The bill is intended to set a tripwire that would eliminate the work requirements if less than one percent of enrollees fail to meet them. Presumably, if a single person lost coverage and later was unable to pay a medical bill, that also would trigger an end to the requirement.

The House Finance Committee’s majority report favoring passage of the bill cited Arkansas’ experience, warning that New Hampshire’s rules would produce similar results if the experiment is not terminated early.

However, Arkansas’ rollout was plagued with technical problems that seem to have caused large numbers of people to have lost coverage. And unlike New Hampshire’s rules, Arkansas’ rules were designed to move people off of expanded Medicaid and keep them off for an extended period.

Arkansas implementation

Kaiser Family Foundation (KFF) interviews with Arkansas Medicaid enrollees subject to the work rules found a widespread failure to communicate effectively with enrollees. Of focus group participants, most who lost coverage were only vaguely aware of the requirements or said they could not successfully navigate the reporting procedures.

Further KFF research suggests strongly that enrollees have been failing to navigate the state’s reporting system, not necessarily that they have been failing to work. Almost all (99 percent) of those who failed to record the required 80 hours per month reported zero work for the month, rather than some portion of the required hours.

“This could mean that they did not create and link the online accounts required to enable them to report online, they experienced difficulty accessing or navigating the online portal, or they were unable to report successfully by phone,” according to KFF’s research.

The KFF report also found that the state loses contact with a large percentage of its Medicaid recipients.

The journal Health Affairs reported in March that reviews of the Arkansas program showed “high levels of recipient confusion and lack of awareness about the policy.”

Removal and ineligibility

The Arkansas rules are structured so that people who fail to meet the reporting requirements are removed from the program for up to nine months. Removal is triggered by failing to report qualifying work activity for three months. Those removed are barred from re-enrolling for the remainder of the year.

New Hampshire's rules are structured very differently and seem designed to encourage work, not to cull enrollment. New Hampshire enrollees must report 100 hours of qualifying work activity each month (vs. 80 in Arkansas). Failure to report will trigger a one-month "cure" period in which enrollees have the opportunity to make up the lost hours, show that they are exempt from the rules, or show good cause for not meeting their hours. Failure to "cure" would result in loss of eligibility the following month.

Unlike in Arkansas, which prohibits re-enrollment for the remainder of the year, New Hampshire allows those who lose eligibility to re-enroll at any time.

Conclusion

Arkansas implemented its work requirements just three months after receiving its federal waiver. The rollout was plagued by confusion and poor communication. Medicaid enrollees reported difficulty using the online system. And Arkansas' rules are designed to keep people off of expanded Medicaid for extended periods, unlike New Hampshire's rules.

Though New Hampshire's rules require five additional hours of work per week, the state has a significantly lower unemployment rate, a better-educated workforce, and more plentiful jobs. New Hampshire's rules are more forgiving in that they do not prohibit re-enrollment for extended periods. They are not designed for the long-term removal of individuals from expanded Medicaid merely for failure to report meeting work requirements. They are designed to encourage able-bodied adults to become self-sufficient.

Instead of applying lessons from Arkansas and amending New Hampshire's rules to strengthen the state's communications with enrollees, Senate Bill 290 is written to trigger a quick revocation of New Hampshire's work rules before they have a chance to produce results.

The bill would eliminate the work requirements even if everyone who left expanded Medicaid because of the requirements transitioned to full-time employment with health benefits. It is designed to keep able-bodied adults on expanded Medicaid regardless of their ability or willingness to engage in gainful employment.

- *Medicaid Expansion enrollees exempted from the community engagement requirements:*
- *Beneficiaries who are temporarily unable to participate due to illness or incapacity as documented by a licensed provider;*
- *Beneficiaries who are participating in a state-certified drug court program;*
- *Beneficiaries who are a parent or caretaker where care of a dependent is considered necessary by a licensed provider;*
- *Beneficiaries who are a custodial parent or caretaker of a dependent child under 6 years of age (only applies to one parent or caretaker in case of a 2-parent household);*

- *Beneficiaries who are a parent or caretaker of a dependent child of any age with a disability;*
- *Beneficiaries who are pregnant or 60 days or less post-partum;*
- *Beneficiaries identified as medically frail;*
- *Beneficiaries with a disability as defined by the ADA, Section 504, or Section 1557, who are unable to comply with the requirements due to disability-related reasons;*
- *Beneficiaries residing with an immediate family member who has a disability as defined by the ADA, Section 504, or Section 1557, who are unable to meet the requirement for reasons related to the disability of that family member;*
- *Beneficiaries who experience a hospitalization or serious illness;*
- *Beneficiaries residing with an immediate family member who experiences a hospitalization or serious illness;*
- *Beneficiaries who are exempt from Supplemental Nutrition Assistance Program (SNAP) and/or Temporary Assistance for Needy Families (TANF) employment requirements; or*
- *Beneficiaries who are enrolled in New Hampshire's voluntary Health Insurance Premium Program (HIPPP).*