

Thursday, April 19, 2018

Medicaid Work Requirement Clears Senate Over Dem Objections

The Senate passed sweeping changes to the state's Medicaid program Thursday that would have the state apply to the federal government for a waiver to allow a work requirement for recipients of benefits with several exemptions carved out for various groups.

Democrats condemned the proposal in a series of sharp floor speeches as harmful to thousands of Medicaid recipients who would not meet the several exemptions spelled out in SB 897, who added that such a move is also illegal.

Majority Republicans plowed ahead and SB 897 passed 26-11, with [Sen. Margaret O'Brien](#) (R-Portage) the lone Republican to side with all 10 Democrats in opposition.

But Ari Adler, spokesperson for [Governor Rick Snyder](#), said in a statement that the governor considers the bill unreasonable in its current form i (see related story).

More than 1.7 million Michigan residents are on Medicaid, with more than 683,700 of those being enrolled in the Medicaid expansion program known as the Healthy Michigan Plan, according to monthly figures released by the Department of Health and Human Services. Able-bodied non-pregnant adults without a disability between the ages of 19 and 64 would need to meet work requirements under the bill.

The population on Medicaid has been declining and March figures showed virtually every county had fewer people on Medicaid than they did in February. In Wayne County, there were nearly 10,000 people fewer on Medicaid than in February.

"One of the best things a person can do for their own health, and in particular, one of the best things a person can do for their family's health is to be productively engaged in work," [Sen. Mike Shirkey](#) (R-Clarklake), sponsor of SB 897, said.

Mr. Shirkey said the purpose of the bill is not to "take things away from people" but to make sure the proper resources are available for those who truly need help.

Various exemptions for caretakers, for good cause temporary exemptions, pregnant, disabled, medically frail, the recently released from jail or prison and others were among those added.

Under the bill Medicaid recipients would have to meet a work requirement of 29 hours per week.

The effective date of SB 897 was set at October 2019 in order to provide the state more time to obtain a federal waiver for the proposal.

Democrats proposed eight amendments, intended to add exemptions for individuals such as caretakers of a child under age 13, veterans, seasonal employees, caretakers of the elderly medically frail and even lawmakers' own coverage. All failed, as did amendments moving the 29 hours per week requirement to 20 hours per week and for a cost benefit analysis.

An amendment by Mr. Shirkey making some minor wording changes was adopted earlier during Thursday's session prior to coming up for final passage.

In January the federal government issued guidelines allowing for the implementation of work requirements in Medicaid as a condition of eligibility. The guidelines are a departure in the program's history, since the program has existed for more than 50 years without ever allowing such requirements.

Multiple Republican-governed states have begun the move toward enacting work requirements, while at least one being subject to a lawsuit over the legality of doing so thus far. No lawsuit has yet been filed in Michigan.

Sen. Curtis Hertel Jr. (D-East Lansing) unloaded on Senate Republicans during a floor speech, calling it a terrible policy and a way for the majority party to cast blame for what he called failed policies of the last several years of GOP control.

"People don't choose to be poor. This bill is an insult to the working poor, and yes they are working," Mr. Hertel said. "Frankly, colleagues, they work a lot harder than many of us in this chamber."

He pointed to a provision where if unemployment in a county exceeds 8.5 percent the workforce engagement requirement could be satisfied by an individual actively looking for work. The workforce engagement requirement would kick back in when unemployment drops back to 5 percent in the county. Mr. Hertel called it cruel to punish people in counties such as in the northern Lower Peninsula and the Upper Peninsula where it is not their fault to be seasonably employed in many cases.

"Republicans love to talk all the time about not picking winners and losers when it comes to business, but they're always fine doing it when it comes to the working poor. ... Basically for the working poor, they're a giant social engineering experiment for Republicans," Mr. Hertel said. "This bill is morally wrong, fiscally irresponsible and willfully ignorant of the economic conditions that your policies have put this state in."

Sen. Coleman Young II (D-Detroit) said lawmakers should be working to craft policies that uplift those in poverty rather than dole out potential punishment. He suggested expanding educational and training programs, improving access to child care and fixing the state's roads so people can get to work safely.

"Nowhere in the Bible does it teach us that because 'I got mine, you better get yours,'" Mr. Young said. "It is despicable to take away the only health care many Michiganders have means to access."

Other Democrats called the bill an attack on the poor, a path for making thousands of residents less healthy and policy that would drive up state costs through bureaucratic red tape for reporting requirements and oversight.

Among other provisions in SB 897 are a good cause temporary exemption, which could be granted for those who experience the birth or death of a family member living with them, severe inclement weather, temporary illness or injury as well as a family emergency including but not limited to a divorce or incident of domestic violence.

Qualifying activities under SB 897 include employment or self-employment, pursuing education directly related to employment, job training or vocational training directly related to employment, activities such as internships, being in a tribal employment program or substance abuse treatment.

Under SB 897 individuals would have to report workforce engagement requirements monthly and verify family income quarterly through MiBridges. Income changes would have to be reported within 10 days. Failure to provide the information or providing false information would lead to being given one warning and if compliance or correct information is not provided within 30 days the individual would be barred from receiving assistance for one year.

Mr. Shirkey told reporters the time is now to make changes to Healthy Michigan to make sure it remains viable.

He has estimated that SB 897 would affect about 300,000 enrollees, adding if a large number of those were able to become more productive, full-time members of the workforce the state would be able to solve its workforce shortage.

With the economy having recovered largely from the Great Recession - though it still has not recouped all the jobs it lost -- the need for so many on the Medicaid rolls is unnecessary, he said, while also pointing to a provision in the Healthy Michigan program that if the investment and cost of operating the program exceeds the savings the program would be ended.

Mr. Shirkey said SB 897 is "precisely what we need to do to allow Healthy Michigan to survive, because if we don't, it won't."

Ms. O'Brien released a brief statement following Thursday's session explaining her vote.

"After careful consideration, I decided to vote against Senate Bill 897, not because I am opposed to some sensible reforms to fine-tune a successful program, but because I believe this particular bill would create unintended consequences that may impact some of our most vulnerable citizens," Ms. O'Brien said.

Senate Republicans quickly praised the bill in statements issued following the vote.

Sen. Marty Knollenberg (R-Troy) called SB 897 a way to give able-bodied Medicaid recipients a hand-up.

"I firmly believe that programs like Medicaid are important safety nets, and the exemptions will make sure those in need will continue to be covered. But I also believe that those who are able to work, should work," Mr. Knollenberg said.

Sen. Joe Hune (R-Whitmore Lake) pushed back against Democratic complaints against the bill in a statement.

"What I think is truly disgraceful is trapping people in a cycle of poverty and victimhood so that they have no choice but to relinquish their God-given freedom to certain politicians who genuinely disdain them," Mr. Hune said.

Michigan League for Public Policy CEO Gilda Jacobs said SB 897 ignores extensive data showing work requirements to be harmful to Medicaid recipients and would drive up costs in oversight and implementation.

"These are people who have Medicaid for a variety of reasons, from having had tragic accidents that have left them homebound to having temporary low incomes due to unexpected life changes," Ms.

Jacobs said in a statement. "These are real Michiganders who are scared of losing access to the health care they so badly need. They're struggling every day, yet some lawmakers want to make that struggle even more difficult."

Michigan's Children CEO Matthew Gillard said the legislation would have a negative effect on children's health care due to parents not having access to care.

"Not only will children and youth see fewer check-ups, out-of-pocket costs for emergencies may put their families at financial risk. Medicaid enrollees borrow less money for medical costs, a benefit that kids feel when their parents are more able to afford healthful food or safe housing. The bill would also hurt youth who are transitioning out of the foster care system, many of whom negotiate long-term trauma," Mr. Gillard said in a statement.