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## Medicaid Work Requirements: A Non-Starter for Children and Families

Work requirements for public benefits programs require recipients to work, engage in “work-related” activities, or suffer a penalty, including the loss of benefits. Work requirements for Medicaid health insurance programs are being discussed both nationally and in Michigan, but given the well-established role of parent coverage in children’s health outcomes, and the necessity of health care for the stability of young adults and young families, Medicaid work requirements would have a significant harmful effect on Michigan’s children, youth, and families.

Getting a regular check-up as a child reaps lifelong benefits. Kids who receive consistent physical and mental health care are healthier, attend school more ready to learn, and are more likely to succeed as adults and contribute to their communities. Kids are healthier when their parents can go to the doctor too; when their parents are covered, children are more likely to see a professional for preventive care regardless of their own insurance coverage.<sup>1</sup> When low-income children’s parents are uninsured, their children are less likely to see a medical provider of any kind.<sup>2</sup> When children and youth are healthy, their need for future services, and long-term state costs, are reduced.

Health care coverage also protects young adults – and their future dependents – from uncompensated medical emergencies that can quickly spiral into long-term financial catastrophe. Research on Medicaid expansion nationally has found that adults in households covered by Medicaid borrowed less money for medical costs, which kids feel when their parents are more able to afford healthful food or safe housing.<sup>3</sup> According to a 2015 Kaiser Family Foundation survey, 45% of uninsured adults reported medical bills having a major impact on their family.<sup>4</sup> Emergencies stem not only from medical debt itself, but also from spillover effects, including temporary loss of income or increased student loan debt resulting from being forced to cut classes due to an emergency and re-starting a semester later.

Most proposals target “able-bodied adults” who are considered of working age. They also target specific populations for exemption from work requirements, the reason given that these groups have some trait or situation that is determined a reasonable excuse for not having a job. These exemptions, however, rest on shaky and incorrect assumptions about the labor market, work supports, and the dynamics of family health.

Oftentimes, parents of young children are exempted from work requirement proposals, but after the age cutoff, parents are on their own. This is a big problem: parents and other “able-bodied” adults often cannot find a job for reasons beyond their control, and those who do face other challenges that would threaten their coverage. First, while employment is rising, too many opportunities are insufficient or

<sup>1</sup> Venkataramani, M., et al. (2017). Spillover effects of adult Medicaid expansions on children’s use of preventive services. Accessed online: <http://pediatrics.aappublications.org/content/140/6/e20170953>

<sup>2</sup> Davidoff, A., et al. (2003). The effect of parents’ insurance coverage on access to care for low-income children. Accessed online: <https://www.ncbi.nlm.nih.gov/pubmed/14680258>

<sup>3</sup> Hu, L., et al. (2016). The effect of the Patient Protection and Affordable Care Act Medicaid expansions on financial well-being. NBER. Accessed online: <https://www.nber.org/papers/w22170.pdf>

<sup>4</sup> Hamel, L., et. al. (2015). The burden of medical debt. <https://www.kff.org/report-section/the-burden-of-medical-debt-section-3-consequences-of-medical-bill-problems/>

inaccessible because of decisions on the part of employers. Low-income parents on Medicaid, especially immigrant parents, young parents, and parents of color, suffer [volatile schedules](#) with hours that change week-to-week or season-to-season. Recent estimates also show in Michigan, more adults are working part-time jobs involuntarily, at the [highest rate among Great Lakes states](#). Some proposals exempt individuals with recent felony convictions, but these mask a deeper problem: an offense on one's record can depress a parent's job prospects for years, as many employers are unwilling to overlook previous, oftentimes minor, offenses.

Still others cannot find child care suitable to the demands of their job. Exemptions for caregivers of young children aim to address this, but parents working the third shift need child care regardless their kids' age. Parents who work when their kids get out of school need reliable options for afterschool supervision, no matter how old their kids are. Looking more broadly, half of below-average income Michiganders live in [child care deserts](#), lacking access to affordable, high-quality care, the result of our underfunded child care system that leaves [one-third](#) of eligible children without subsidy.

Work requirement proposals also often exempt pregnant mothers, but a baby's health depends on *pre*-conception parental health in addition to maternal health during pregnancy. A parent's young adult years are especially important: in Michigan, the average age of a mother at first birth is about 26 years old. About half of pregnancies are unplanned, meaning at any point a young woman's health status could have implications for that of a baby. The preconception health of the father plays a major role too – sexually transmitted diseases, prevented or mitigated in part by access to health care coverage, can travel from father to child.

Young adults are particularly at risk under nearly any iteration of work requirements for Medicaid. The statewide [unemployment rate for young adults](#) aged 20-24 in 2016, a year of robust economic health, was 8.4%. For 18- and 19-year-olds, the rate was closer to 16% with much higher rates in certain areas of the state and for young adults of color. These high rates double during economic recession, when older, more qualified workers compete for lower-paying jobs.

Policymakers have already agreed that young adults deserve protection from market forces when it comes to health care: the Affordable Care Act guarantees young adults can remain on their parents' insurance until 26, and Michigan guarantees Medicaid for foster youth through age 26, though youth in care often lose coverage due to bureaucratic issues. Losing health care coverage would place young adults, and their future families, in a very precarious position.

A child's health ultimately relies upon the health of those around them, and while exemptions from work requirements can protect some populations, many will fall through the cracks, putting the health of children in their lives at risk. Working families and young adults who will soon be starting families already face barriers that could cost them coverage under Medicaid work requirements, putting that cornerstone of a healthy life – a healthy family – in jeopardy for many children and youth.

Michigan's children deserve the best possible chance at a high quality of life. They deserve to see the doctor, and they deserve stable families and households, and a fair shot at establishing themselves and families of their own in the adult world. Medicaid work requirements would not work for Michigan's parents, and they certainly won't for Michigan's children.