

Work reporting requirements will take health coverage away from Iowans

Helping people who can work find good-paying jobs is good for families and good for Iowa's economy. But taking health coverage away from people who don't meet rigid reporting requirements won't achieve that goal. In fact, it will only make it harder for people to work and take care of their families.

That's why Iowa lawmakers should reject SSB 1134, which would impose work reporting requirements on Medicaid enrollees covered under the Iowa Health and Wellness Plan.¹ It would require most of them to report these activities every month, adding layers of red tape and a requiring a costly new reporting system to track participants' work hours and exemptions.

The bill is fundamentally flawed, and no amount of tweaking can fix it. It offers no additional resources to help people navigate the requirements or train for a better job. It ignores the fact that 72 percent of adult Iowans on Medicaid are already working, and the vast majority of those who are not are disabled or have caregiving responsibilities that keep them from doing so.²

It also ignores the fact that Medicaid is already a valuable work support. Medicaid makes affordable health coverage available to low-wage workers whose jobs don't offer it and helps people with chronic illnesses like diabetes or lung disease control these conditions so they can stay on the job.

Here's why this bill is unfixable:

We know from other states it will take away health coverage from Iowans

- In Arkansas, which implemented similar reporting requirements, **more than 18,000 people** have been dropped from Medicaid since last August.³
- People who lose coverage will include **working people**. Low-wage workers face barriers to complying with reporting requirements, limited or nonexistent benefits and unreliable hours that may not always be enough to meet the requirement.
- **Iowans in exempt groups** — people with disabilities and serious health conditions or caregivers — will lose coverage. They will face layers of red tape just to prove they qualify for an exemption.⁴

It will hurt families

- When parents' **physical and mental health needs** go untreated, it's harder for them to take care of their kids.
- Kids are **more likely to be uninsured** when parents are.

It will raise health care costs for providers and consumers

- People who lose their coverage still need medical care. The difference is that these **costs will now be passed on** to everyone else in the form of higher insurance premiums and uncompensated care. In fact, one of the big improvements as low-income adults gained access to Medicaid was the drop in uncompensated care: \$142 million to Iowa hospitals between 2013 to 2015.⁵ Taking away coverage will reverse some of those gains.

It will raise administrative and legal costs for the state

- It will require the state to staff up or contract out to **process paperwork** — at a time when DHS lacks enough social workers to adequately protect the safety of children in the child welfare system.⁶
- States that have rushed through these requirements have faced **lawsuits that drain taxpayer resources**.⁷

It will not meaningfully increase employment or reduce poverty — in the short or long term

- In interviews, working beneficiaries in Arkansas have described the struggles they faced meeting the reporting requirement. This can start a **downward spiral** where they lose coverage and then lose access to needed medication, which worsens their health and costs them their job.⁸
- A **significant body of research** on similar rules in TANF programs across the country shows no significant long-term increase in long-term employment or reduction in poverty.⁹
- Iowa's bill offers **no additional resources** to help people train for or get a job.

It does not reflect Iowa values

- Iowans understand that many families are one bad accident or layoff away from the brink. When people do hit hard times, Iowans believe they **should not go without the basics** — including medical care.
- This bill runs counter to Iowans' strong preference to **strengthen our Medicaid program** — not cut it.¹⁰

★ Work is a core American value. It brings dignity to our daily lives. Instead of making it harder for people to work by taking away their health insurance, lawmakers should boost strategies with a proven track record of workforce development: **high-quality job training, child care assistance for low-income working families and a decent minimum wage**. These and other existing efforts — for example, the governor's Future Ready Iowa initiative — offer Iowa a better path forward.

¹ Bill text accessed at <https://www.legis.iowa.gov/legislation/BillBook?ga=88&ba=ss-b1134&eType=EmailBlastContent&eld=c1a511d3-d167-435f-bef8-f630e9a8424d>

² Kaiser Family Foundation fact sheet, "Medicaid in Iowa," November 2018. Accessed at <http://files.kff.org/attachment/fact-sheet-medicaid-state-ia>. Kaiser Family Foundation analysis of March 2017 Current Population Survey. From Rachel Garfield, Robin Rudowitz Anthony Damico, "Understanding the Intersection of Medicaid and Work," Kaiser Family Foundation, January 2018. Accessed at <https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>

³ Joan Alker, "Arkansas' Medicaid Work Reporting Rules Lead to Staggering Health Coverage Losses," Georgetown Center for Children and Families, January 2019. Accessed at <https://ccf.georgetown.edu/2019/01/18/arkansas-staggering-health-coverage-losses-should-serve-as-warning-to-other-states-considering-medicaid-work-reporting-requirement/>

⁴ Judith Solomon, "Medicaid Work Requirements Can't be Fixed," Center on Budget and Policy Priorities, January 2019. Accessed at <https://www.cbpp.org/research/health/medicaid-work-requirements-cant-be-fixed>

⁵ Jessica Schubel and Matt Broaddus, "Uncompensated Care Costs Fell in Nearly Every State as ACA's Major Coverage Provisions Took Effect," Center on Budget and Policy Priorities, May 2018. Accessed at <https://www.cbpp.org/research/health/uncompensated-care-costs-fell-in-nearly-every-state-as-acas-major-coverage>

⁶ The Child Welfare Policy and Practice Group, "Iowa Department of Human Services

Initial Targeted Child Welfare Review, December 2017. Accessed at https://dhs.iowa.gov/sites/default/files/DHS_CW_Review_Final_Report_12.22.17.pdf?020120191727

⁷ Most notably in Kentucky. See Adam Beam, "Kentucky residents again seek to block new Medicaid rules," Associated Press, January 15, 2019. Accessed at <https://www.apnews.com/08dd4534da7a423f95f3263dc2ada57d>

⁸ Jennifer Wagner, "Fact Checking Arkansas Governor's Claims About Jobs and Medicaid Waiver," Center on Budget and Policy Priorities, January 2019. Accessed at <https://www.cbpp.org/blog/fact-checking-arkansas-governors-claims-about-jobs-and-medicaid-waiver>

⁹ Among them: LaDonna Pavetti, "Work Requirements Don't Cut Poverty, Evidence Shows," Center on Budget and Policy Priorities, June 2016. Accessed at <https://www.cbpp.org/research/poverty-and-inequality/work-requirements-dont-cut-poverty-evidence-shows>, and Kali Grant, Funke Aderonmu, Sophie Khan, Kaustubh Chahande, Casey Goldvale, Indivar Dutta-Gupta, Aileen Carr, and Doug Steiger. "Unworkable & Unwise: Conditioning Access to Programs that Ensure a Basic Foundation for Families on Work Requirements." Georgetown Center on Poverty and Inequality, January 2019 working paper. Accessed at <http://www.georgetownpoverty.org/wp-content/uploads/2019/02/Unworkable-Unwise-20190201.pdf>

¹⁰ See September 2018 Iowa Poll findings accessed at <https://www.desmoinesregister.com/story/news/politics/iowa-poll/2018/09/30/iowa-poll-health-care-education-top-issues-next-governor/1408921002/> and <https://www.desmoinesregister.com/story/news/politics/iowa-poll/2018/09/22/iowa-poll-hubbell-reynolds-governor-des-moines-register-2018-election-republican-democrat/1381513002/>