Harm to People Experiencing Homelessness From Taking Away Medicaid for Not Meeting Work Requirements

Medicaid expansion under the Affordable Care Act (ACA) significantly increased health coverage for people experiencing homelessness, a group whose mortality rates are three to four times higher than the general population. But coverage for many of these newly insured individuals is at risk due to the Trump Administration’s decision to let states to take away Medicaid coverage from people who don’t work a specified number of hours each month, other than those who are 65 or older, pregnant, or qualify for Medicaid based on a disability. The first work requirement approved was Kentucky’s, which requires enrollees to document that they work or engage in other work activities (e.g., job training or volunteer work) for at least 80 hours per month unless they prove that they qualify for limited exemptions. The Administration has also approved work requirement policies in Indiana, Arkansas, and New Hampshire, and other state proposals are pending.

Before states could expand Medicaid eligibility under the ACA, most adults experiencing homelessness did not qualify for Medicaid unless they could prove they had a physical or mental condition that qualified them for coverage based on a disability. People experiencing homelessness are more likely to have a disability than the general population, but they have a harder time proving it, in part because lack of access to health care can mean they have limited medical evidence of their conditions. Now, adults in expansion states with incomes up to 138 percent of the poverty line can enroll regardless of disability, making coverage available for far more people experiencing homelessness and providing them with access to both routine and urgently needed health care. This is especially important because homelessness can cause health problems, worsen existing conditions, and make it harder for people to engage in care.

People Experiencing Homelessness Face Significant Obstacles to Work

While data vary, a survey of officials in 25 cities found that as few as 18 percent of adults experiencing homelessness were employed. People experiencing homelessness face significant barriers to work, including physical and behavioral health conditions, lack of work experience or inconsistent work history, and histories of incarceration.

Homelessness itself is also a barrier to employment. Limited access to showers and washing machines makes it difficult to meet personal hygiene requirements and dress codes. Sleeping outdoors or in a shelter often means people endure chronic sleep deprivation and stress related to not having a safe and comfortable place to rest. Shelter hours are not always flexible, sometimes forcing people to choose between getting in line in the afternoon for a bed or working during the day. People working evening or night shifts might have to forgo sleeping in a bed because shelters aren’t open during the day or are too noisy for sleep. People experiencing homelessness also often lack reliable mailing addresses, phone access, and access to computers needed to apply for jobs and transportation needed to get to work. And even those who do manage to work, including those who work in unstable jobs that may not provide enough hours each month to meet the requirement, will still be at risk of losing coverage.

Many Experiencing Homelessness Will Lose Coverage Despite Exemptions

The Administration’s work requirements guidance does not require or encourage states to exempt people experiencing homelessness. And while over 40 percent of adults living in a shelter have a disability, the “medically frail” exemption required under the guidance is narrow and will leave out many with significant physical or behavioral health conditions.

Arkansas’s work requirement policy does not provide any exemption for people experiencing homelessness. Kentucky’s and Indiana’s include limited exemptions, acknowledging the significant barriers this group will face in meeting the requirements — but the exemptions fall short of protecting all vulnerable people from losing their coverage. Indiana includes exemptions for “beneficiaries who are homeless,” but the state has yet to define homelessness, making it unclear who will qualify for the exemption. Kentucky plans to exempt people who have experienced homelessness for at least a year or at least four times in the last three years, but the vast majority of people living in shelters stay for six months or less. Moreover, those who do qualify for an exemption are only protected for “up to six months,” after which they would lose their health care. And those who move into a new home before the exemption period ends will still be at risk of losing their coverage if they’re unable to meet the work requirements, even though ongoing medical care for chronic physical and mental health conditions may be critical to helping people stay stably housed.
Regardless of how exemptions are defined, those who should qualify may have trouble proving they do. Red tape and paperwork requirements have been shown to reduce enrollment in Medicaid across the board, but paperwork and bureaucracy are even more challenging for people experiencing homelessness, for many of the same reasons that they struggle to find and maintain employment. For example, without a reliable address, people are likely to miss important notices from the state explaining exemptions and paperwork requirements. These barriers are compounded for the 1 in 4 adults experiencing homelessness who also have a serious mental illness.

Losing Coverage Will Worsen Health Outcomes

As noted, people experiencing homelessness have higher rates of many physical and behavioral health conditions than the general population, and homelessness can make it harder to treat those conditions. For people with such serious health needs, coverage interruptions can lead to increased use of emergency departments, admission to hospitals and mental health facilities, and higher health care costs, research shows.

Medicaid expansion increased access to health care for people experiencing homelessness, including primary care, mental health services, substance use treatment, supported employment, and transportation to necessary medical appointments. After Medicaid expansion, Health Care for the Homeless clinics (which provide primary care and substance use treatment to people who are experiencing or at risk of homelessness) saw large gains in insurance coverage among patients in expansion states, while clinics in non-expansion states did not (see chart). Losing Medicaid coverage threatens crucial supports that can help avoid poor outcomes for people experiencing homelessness, which is why groups like the National Alliance to End Homelessness (in partnership with Families USA) and the National Health Care for the Homeless Council oppose Medicaid work requirements.

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<th>Medicaid Coverage Among People Experiencing Homelessness Rose Under ACA’s Expansion</th>
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<td>Percentage covered at Health Care for the Homeless Clinics</td>
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Losing Coverage Will Exacerbate Homelessness

People experiencing homelessness, especially those with chronic physical or behavioral health conditions, often need services to help find a home and remain housed. Connection to health services through Medicaid — including behavioral health case management and housing support services — can meet this need. For example, behavioral health case management models such as Assertive Community Treatment teams can connect people to key housing and other community resources that can help them gain housing and address their physical and behavioral health care needs. Medicaid can also pay for supportive housing services, which help people with histories of homelessness or institutionalization maintain housing. Communities are increasingly using Medicaid services in integrated housing and health programs that work to improve housing stability and health outcomes and lower health care costs for people who frequently use expensive emergency services. Losing Medicaid coverage would reduce access to these key supports, worsening homelessness and the health problems that come with it.

Medicaid can also play a key role in preventing people from becoming homeless, which often happens because of unforeseen medical expenses. Families that gained private health coverage through the ACA were significantly less likely to miss rent or mortgage payments. Rather than leading to better financial and health outcomes, as the Administration has argued, work requirements may set off a vicious cycle where loss of Medicaid coverage leads to other harmful outcomes, such as homelessness.

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For a version of this fact sheet with links to sources, see https://www.cbpp.org/research/health/how-medicaid-work-requirements-will-harm-people-who-are-experiencing-homelessness.