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## Commentary: As Predicted, Eligible Arkansas Medicaid Beneficiaries Struggling to Meet Rigid Work Requirements

By Jennifer Wagner

Nearly 8,000 Arkansas Medicaid beneficiaries had to report compliance with the state's rigid new work requirement or risk losing coverage by July 5. Of that group, only 445<sup>1</sup> — less than 6 percent of those who had to report — successfully navigated the complex requirements and reporting structure to log their hours. Over 7,000 others now have one month of non-compliance with the new requirement and will lose coverage if they have two more. This group is just the first of three cohorts that will become subject to work requirements this summer, and Arkansas is planning to extend its policy to more Medicaid beneficiaries next year.

As we and others have explained,<sup>2</sup> state Medicaid waivers that take coverage away from people who don't work or engage in work-like activities for a set number of hours each month will lead to large coverage losses — including among those who comply with the requirements or should be exempt from them.<sup>3</sup> Arkansas is making the barriers to maintaining enrollment particularly high by requiring beneficiaries — many of whom lack internet access — to use a problem-riddled online portal to report exemptions and log hours.<sup>4</sup>

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<sup>1</sup> Max Brantley, "Work Rule 'works' in first month report; 26 percent flunk," *Arkansas Times*, July 13, 2018, <https://www.arktimes.com/ArkansasBlog/archives/2018/07/13/work-rule-works-in-first-month-report-26-percent-flunk>.

<sup>2</sup> MaryBeth Musumeci, Rachel Garfield, and Robin Rudowitz, "Medicaid and Work Requirements: New Guidance, State Waiver Details and Key Issues," Kaiser Family Foundation, <https://www.kff.org/medicaid/issue-brief/medicaid-and-work-requirements-new-guidance-state-waiver-details-and-key-issues/>, Hannah Katch, Jennifer Wagner, and Aviva Aron-Dine, "Medicaid Work Requirements Will Reduce Low-Income Families' Access to Care and Worsen Health Outcomes," Center on Budget and Policy Priorities, February 8, 2018, <https://www.cbpp.org/research/health/medicaid-work-requirements-will-reduce-low-income-families-access-to-care-and-worsen>.

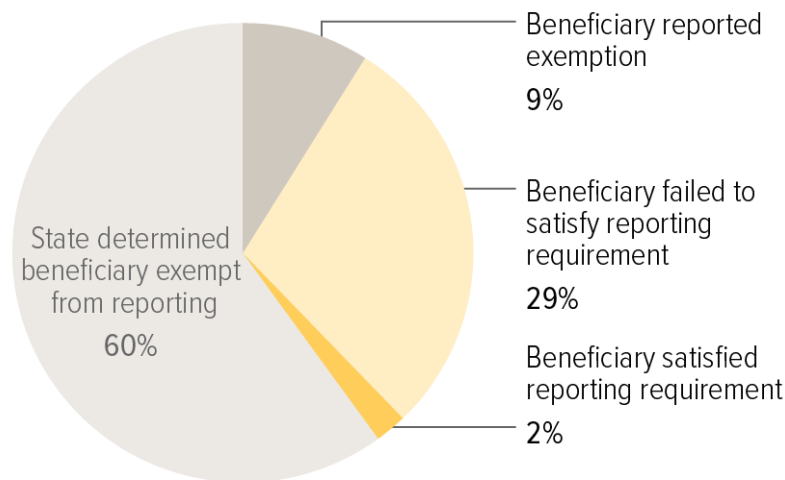
<sup>3</sup> Jennifer Wagner and Judith Solomon, "States' Complex Medicaid Waivers Will Create Costly Bureaucracy and Harm Eligible Beneficiaries," Center on Budget and Policy Priorities, May 23, 2018, <https://www.cbpp.org/research/health/states-complex-medicaid-waivers-will-create-costly-bureaucracy-and-harm-eligible>.

<sup>4</sup> Jennifer Wagner, "Arkansas Medicaid Waiver Will Mean More Enrollees Lose Coverage," Center on Budget and Policy Priorities, updated June 14, 2018, <https://www.cbpp.org/blog/arkansas-medicaid-waiver-will-mean-more-enrollees-lose-coverage>.

Arkansas instituted its work requirement policy for the first cohort of almost 26,000 Medicaid beneficiaries June 1. The state deemed more than 15,000 of those beneficiaries to be exempt or meeting the requirement based on information already available to its Medicaid agency, such as the fact that they had a dependent child in their home. Another 2,395 reported exemptions after the state notified them that they were subject to the new requirement. That left nearly 8,000 beneficiaries needing to complete 80 hours per month of work or work-like activities and report it through the online portal. Just 445 successfully navigated the portal and reported sufficient hours. (See Figure 1.)

FIGURE 1

### Very Few Arkansas Medicaid Beneficiaries Met New Reporting Requirements in June



Note: Under Arkansas' Medicaid waiver, beneficiaries must complete 80 hours per month of work or work-like activities (known as community engagement hours) and report them through the state's online portal.

Source: Arkansas Department of Human Services, Arkansas Works Program June 2018 Report

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Many of the more than 7,000 beneficiaries who did not report hours — 29 percent of the first group subject to Arkansas's work requirement — likely were already working or should be exempt from the requirement. Research analyzing which Medicaid beneficiaries are already working or qualify for an exemption suggests that only a small minority of Medicaid beneficiaries potentially subject to the state's work requirement aren't already working and wouldn't qualify for an exemption.<sup>5</sup>

A substantial majority of those who lose coverage due to work requirements will be working beneficiaries and beneficiaries with health challenges or caregiving responsibilities that should qualify

<sup>5</sup> Anuj Gangopadhyaya *et al.*, "Medicaid Work Requirements in Arkansas," Urban Institute, May 24, 2018, [https://www.urban.org/research/publication/medicaid-work-requirements-arkansas/view/full\\_report](https://www.urban.org/research/publication/medicaid-work-requirements-arkansas/view/full_report).

them for exemptions, but who get tripped up by red tape, Kaiser Family Foundation researchers recently estimated.<sup>6</sup> Based on past experience with Medicaid eligibility restrictions, the Kaiser researchers projected that 5 to 15 percent of people in these two groups will lose coverage, an estimate they describe as conservative.

The initial data from Arkansas suggest the share of eligible beneficiaries at risk could be higher than the Kaiser projection, at least initially. Many of those who have failed to report likely didn't understand the reporting requirements, lacked internet access or couldn't access the reporting portal through their mobile device, couldn't establish an account and login, or struggled to use the portal due to a disability. Of the beneficiaries losing coverage who weren't already working and didn't qualify for an exemption, many likely couldn't comply because they faced serious barriers to work, including low levels of education and lack of access to transportation.

Most of those who did report compliance with the requirement did so by satisfying exemptions or work requirements for SNAP (formerly known as food stamps). Only 94 beneficiaries reported at least 80 hours of work, education and training, or other allowable activities. Even if none of these beneficiaries were already working — which is unlikely — that would imply that the work requirement influenced *just 94 beneficiaries out of about 26,000* to participate in work or work-like activities for 80 hours in June. In contrast, over 7,000 Arkansas Medicaid beneficiaries — likely including many who would qualify for an exemption or are already working and complying with the requirement — will lose Medicaid coverage if they fail to report or otherwise struggle to meet these requirements for two more months before the end of the year.

The number of Arkansas beneficiaries at risk of losing coverage will almost certainly rise as Arkansas phases in the work requirements for additional groups of Medicaid beneficiaries over the coming months. And more eligible beneficiaries may lose coverage in other states with approved work requirements. Kentucky and New Hampshire will suspend Medicaid benefits after just one month of non-compliance (compared to three in Arkansas), and Kentucky, New Hampshire, and Indiana will apply the work requirement to a larger share of Medicaid beneficiaries, including some low-income parents. Moreover, Arkansas is deeming many workers as in compliance and therefore exempt from reporting requirements due to reported monthly earnings equal to the minimum wage times 80 hours, something the other states may not do. These factors are likely to lead to more eligible beneficiaries losing coverage for failing to report their exemption or compliance in these other states.

Arkansas' experience shows how rigid work requirements put working families and beneficiaries who qualify for exemptions at risk of losing coverage for failing to navigate complex bureaucracy. Despite Arkansas Governor Asa Hutchinson's claim that "The first report is encouraging,"<sup>7</sup> these numbers show that work requirements don't work.

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<sup>6</sup> Rachel Garfield, Robin Rudowitz, and MaryBeth Musumeci, "Implications of a Medicaid Work Requirement: National Estimates of Potential Coverage Losses," Kaiser Family Foundation, June 27, 2018, <https://www.kff.org/medicaid/issue-brief/implications-of-a-medicaid-work-requirement-national-estimates-of-potential-coverage-losses/>.

<sup>7</sup> Associated Press, "7,000 People Fail to Meet Arkansas Medicaid Work Requirement," *New York Times*, July 13, 2018, <https://www.nytimes.com/aponline/2018/07/13/us/ap-us-medicaid-arkansas.html>.