



Research Article

Most Never Reported, Most Never Had to Report: Arkansas Medicaid Work Requirements

Ahmed AM*

Blavatnik School of Government, Hertford College, University of Oxford, UK

Abstract

Arkansas became the first state to introduce Medicaid work and reporting requirements, causing over 18,000 enrollees to lose their Medicaid in six months. While the program publicly reports over 116,000 enrollees as subject to work and reporting, this paper highlights that most of these enrollees were exempt from monthly reporting. Only a small subset within the program, *Arkansas Works*, had to meet this requirement. The implications of this are substantial when considering the effects of this policy. Of those required to report, most never reported any work or training activities. This raises pressing concerns about Arkansas's policy implementation, and Medicaid work requirements at-large. Moving forward, evaluations of this program should focus on enrollees that were required to monthly report, as this captures the subset that was impacted by this policy. Focusing on this group can help contextualize and extract key lessons from the program.

Keywords: Medicaid; Work requirements; Noncompliance; Arkansas; Section 1115 waiver

Introduction

In recent months, a United States district court judge halted Arkansas's Medicaid work and reporting requirement, putting a stop to the nation's first pilot program [1-3]. This ruling came ten months after the policy was implemented in June 2018 [4], leaving us with a substantive body of evidence surrounding the potential impact of this policy on Arkansas Medicaid enrollees.

While this evidence is valuable and ripe for comprehensive evaluation, it must be properly contextualized so as to best capture *who* this policy impacted and *how* it impacted them. Without this critical foundation, which has not been well established in the literature, evaluations of this policy could dilute its true effect.

The primary aim of this article is to disentangle Arkansas's Medicaid program and the data that it publicly reports in order to establish an appropriate framework within which the data should be considered. While the *Arkansas Works* (Arkansas Works is the formal title of the Arkansas Medicaid program that carries work and reporting requirements) program required enrollees to demonstrate employment or efforts toward it, in order to remain enrolled in the program, not every enrollee was required to report their monthly work and training hours; in fact, most were exempt. This means that the group that was impacted by this policy is actually a smaller subset within *Arkansas Works* and not all enrollees of the program at-large.

The implications of this, which I will explore, are substantial when considering *Arkansas Works's* potential impact. The proportion of enrollees failing to meet the monthly reporting requirements is staggering when distilled to the smaller subset within *Arkansas Works* who were still required to report. Even more, most all of these "non-exempt" enrollees were reporting no activities, which should be of pressing concern.

Accurately contextualizing and framing Arkansas's experience with Medicaid work requirements is essential for extracting key lessons from the program. Given that a growing number of states have received similar waivers to introduce Medicaid work requirements [5], the need to properly understand this policy's effect is essential.

Background: Arkansas Medicaid Work Requirements

In June 2018, Arkansas became the first state to implement Medicaid work and reporting requirements, after receiving a Section 1115 waiver from the Centers for Medicare and Medicaid Services (CMS) [6]. The new requirements mandated that enrollees, aged 19 to 49, engage in 80 hours of work or other qualifying activities (Other qualifying activities included job training, volunteer work, going to school, vocational training, or job searching) and that they report these numbers each month, unless exempt (Those exempt from monthly reporting were: enrollees already working at least 80 hours per month, those getting unemployment benefits, those with a dependent child in home, and those who were pregnant, medically frail, currently exempt from SNAP work and training requirements, caring for an incapacitated person, receiving education and training, in alcohol or drug treatment, or American Indian/Alaska Native) [7]. Failure to report for three months, consecutive or nonconsecutive, in one calendar year, led to coverage termination which could not be reinstated until the new calendar year [8].

The impetus for this policy was that the work and reporting requirements would incentivize enrollees to pursue employment, thereby improving their economic condition and consequently promoting better health outcomes [2], despite prior research challenging this conception [9,10].

Most never had to report

The program, as framed by the Arkansas Department of Human Services, considers all enrollees of Arkansas Works “subject to the work requirement”. This language, however, can be misleading. The number of enrollees under that nominal label is not the same as the number of people who actually had to report their work and training hours each month. Most enrollees in the Arkansas Works program were exempt from monthly reporting (Table 1). In fact, when examined on a monthly basis, the proportion of enrollees who actually had to report was always fewer than one-third of those in *Arkansas Works* (Figure 1).

Reporting Period	Beneficiaries subject to work requirement ^a	Beneficiaries required to report ^b
June 2018	25,815	7,909
July 2018	43,794	13,566
August 2018	60,012	17,575
September 2018	73,266	18,289
October 2018	69,041	13,653
November 2018	64,743	9,854
December 2018	60,680	6,087
January 2019	105,158	11,831
February 2019	116,229	15,114

Note: ^aThis column outlines the number of beneficiaries formally in the Arkansas Works Medicaid program. Nominally, they are all considered “subject to work and reporting,” though they are not all required to report their monthly work and training hours. ^bThis column captures those who were required to report their monthly work and training hours each month. Data sourced from Arkansas Works (Arkansas Works, 2019).

Table 1: Comparing beneficiaries that were subject to the work requirement and those that were required to report.

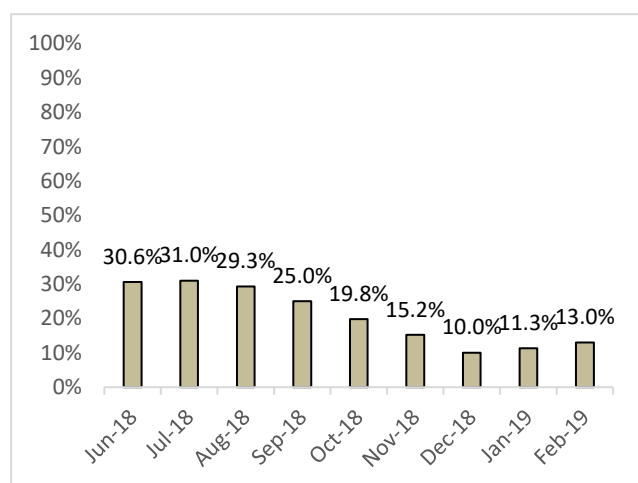


Figure 1: Percentage of beneficiaries required to report work and training hours each month. (Note: Data sourced from Arkansas Works (Arkansas Works, 2019)).

Exemptions comprised a majority of the program. Most enrollees were already employed for more than 80 hours a month, which absolved them from monthly reporting [11], and those who weren’t working were typically exempt for other reasons. This is important to note because the group that we are interested in, when thinking about the effects of this policy, are those that were required to report monthly work and training hours – enrollees that did not receive exemptions. Research in this domain should therefore reflect that fewer than one third of Arkansas Works enrollees fit into this subset.

Thus, from here on, I focus on the group that was actually made to report their work and training hours each month, as this policy solely impacted them. I will not focus on those who were exempt, as the policy had no impact on them.

Most of those required to report never reported

Having properly narrowed our focus, it’s important to understand the effects of this policy by concentrating on its intermediate and final outcomes. Our outcomes of interest derive from the policy’s most basic principles. The intermediate outcome that I track is the number of enrollees who reported work and training activities each month. This measure is critical, as it captures policy compliance, and disconnects here can highlight potential faults with implementation or policy requirements that need to be reconsidered [12,13].

The final outcome that I examine is the number of enrollees that lost their Medicaid due to their failure to meet work and reporting requirements. Adverse consequences like these should be continuously tracked, particularly due to their harsh, punitive measures. Locking enrollees out of coverage severely shapes the care they can (or cannot) access for the rest of the calendar year [14]. Growth in disenrollment, due to work and reporting requirements, should be of concern. Health insurance is not only important on equity grounds, but also on efficiency grounds [15,16]. Uninsured persons experience poorer health outcomes, leading to health-related productivity loss for society and employers [15,17,18].

In tracking Arkansas Works monthly reporting data, what becomes evident is that startling levels of enrollees failed to meet the work and reporting requirements (Figure 2).

Beginning in June 2018, when the state first implemented its policy, 7,909 enrollees were subject to the reporting requirements, but 94 percent did not meet them [19]. The following month, 13,566 enrollees were subject to the reporting requirements and again, nearly 94 percent of them did not meet the requirements [20]. This trend persisted throughout the duration of this policy, with declines in noncompliance from September to December 2018. Though declines are promising, caution should be exercised when considering this policy. Much of the “gain” in compliance, from September to December, was due to a shrinking denominator – a decreasing pool of enrollees being subject to reporting requirements, as many of them lost their health insurance and were taken off the program’s rolls. The curve spikes back up in January 2019, when new enrollees became subject to the monthly reporting requirements [21].

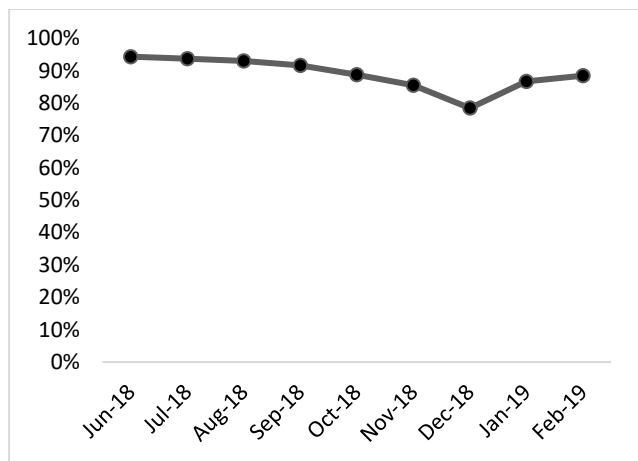


Figure 2: Percentage of beneficiaries failing to meet monthly reporting requirements. (Note: Data sourced from Arkansas Works [11]).

While it is important to note the number of enrollees that were failing to meet the monthly reporting requirements, that doesn't necessarily provide adequate insight into enrollees' shortcomings. It only tells half the story. We know that a large proportion of enrollees were failing to meet the monthly reporting requirements, but how short were they falling from the 80-hour mark? Was it that enrollees were working and reporting, but 80 hours was just too high of a threshold for them to meet? Or was it that the enrollees were not reporting any activities at all?

The data overwhelmingly points to the latter. Nearly 99 percent of enrollees who failed to meet the monthly reporting requirements reported no activities every month (Table 2). That proportion is staggering, and it should have compelled the state of Arkansas to reconsider its policy, as it raises deep concerns about policy implementation.

Reporting period	Total beneficiaries that did not meet requirements	Number of beneficiaries that reported no activities	Proportion of beneficiaries who reported no activities (%)
June 2018	7,464	7,392	99.0
July 2018	12,722	12,587	98.9
August 2018	16,357	16,132	98.6
September 2018	16,757	16,535	98.7
October 2018	12,128	11,966	98.7
November 2018	8,426	8,308	98.6
December 2018	4,776	4,703	98.5
January 2019	10,258	10,117	98.6
February 2019	13,373	13,176	98.5

Note: Data sourced from Arkansas Works [11].

Table 2: Beneficiaries reporting no activities each month.

Interestingly, the state never investigated this issue and research in this domain has been limited. The minimal work that has been done through early qualitative studies, however, has revealed unsettling finds. Most enrollees appeared unaware of the new work and reporting requirements [22,23], which helps partially explain the high proportion of no activities reported.

Effects of Arkansas Medicaid work requirements

Arkansas Works's work and reporting requirements have contributed to a worrisome Medicaid exodus, leading to staggering health coverage loss for low-income citizens. In its first month of coverage termination, in August 2018, 4,353 enrollees lost their coverage due to the work and reporting requirements (Figure 3). Another 4,109 enrollees lost their coverage the following month. This aggregate total continued to increase with each subsequent month, reaching 18,164 by the end of the calendar year.

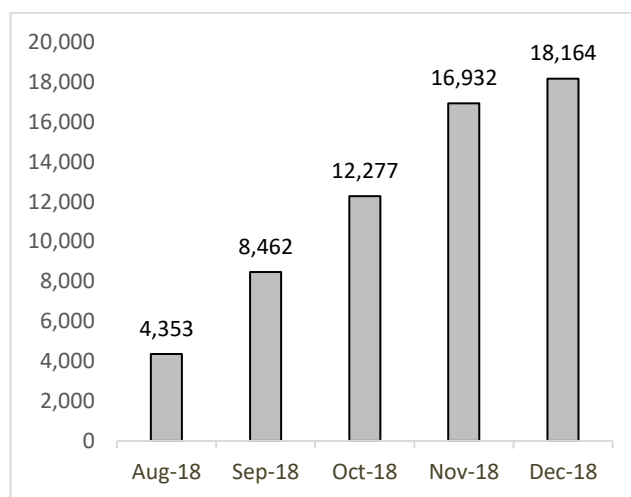


Figure 3: Running total of beneficiaries losing Medicaid due to work and reporting requirements. (Note: Beneficiaries did not lose coverage in June 2018 and July 2018, since the program begins terminating coverage after three months of noncompliance. Given that the policy was introduced in June 2018, coverage termination began in August 2018. There are also no beneficiaries who lost coverage in 2019, as the noncompliance measure resets in the new calendar year. The first group of

beneficiaries would have lost coverage in March 2019, but the policy was halted in the courts before that could occur. Data sourced from Arkansas Works [11]).

Given that the pool of enrollees who actually had to report each month was a dynamic group, with flows both in and out – meaning, a beneficiary who was subject to reporting in June 2018 could have been granted an exemption in July 2018, or a new beneficiary could have joined Arkansas Works and become subject to reporting – it’s unclear what proportion of those who actually had to report each month ultimately lost their health insurance. Aggregate-level data cannot make that distinction. We would need individual-level data, which is currently inaccessible to the public.

Nonetheless, we can appropriately surmise that the 18,164 enrollees that lost their coverage represented a substantial portion of the group that was subject to monthly reporting, which should be cause for concern. Even more, most all of the enrollees that lost their coverage in 2018 have not regained it. While 11 percent have regained health insurance [24], the rest continue to remain without Medicaid coverage.

Provided that Medicaid is supposed to be a program “designed to provide health coverage for low-income people” [25], this policy works against that mission. Instead of providing health care coverage, it continues to systematically remove it. The downstream effects of this for those living in poverty are grave. It increases their exposure to financial peril, prevents access to care, and contributes to disparate health outcomes [26-28].

Cautionary note for Medicaid work reporting

Though Arkansas was the first state to introduce Medicaid work and reporting requirements, it has not been the only one. In the past year, the CMS has approved eight other states to introduce work and reporting requirements [5]. Some states have already encountered legal challenges on this front. Kentucky, for example, has been blocked from implementing a similar policy by a federal district court judge [4]. Others, however, have been successful in implementing their pilot programs [29].

The preliminary evidence garnered from Arkansas should serve as a cautionary note to these states, and others considering similar Medicaid policy, about the potential impact of work and reporting requirements. While it can be argued that Arkansas’s “three strikes and you’re out” rule – whereby those who fail to report for three months out of the calendar year are locked out of coverage – is harshly inflexible, there are states seeking even smaller windows for noncompliance. New Hampshire, Arizona, and Kentucky, for example, are only planning to allow for one month of noncompliance before terminating enrollees’ health coverage [30]. Such restricted margins for noncompliance could prove perilous for enrollees, and further reduce their access to health insurance.

Conclusion

Arkansas has pioneered a Medicaid policy that has grown more popular throughout the nation. While the policy

itself is contentious, facing both legal and political challenges, there is growing attention and interest regarding its effects. Moving forward, it will be crucial to contextualize and frame the data emanating from this policy and others like it, such that the data accurately reflects those who were impacted by the monthly work and reporting requirements – not those who were exempted from it.

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- *Corresponding author:** Ahmed M Ahmed, MSc, Blavatnik School of Government, Hertford College, University of Oxford, Catte Street, Oxford, United Kindom; Tel: +44(0)7342169586, e-mail: ahmed.ahmed@lmh.ox.ac.uk
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