

Expensive, ineffective and burdensome

SSB 3158 is bad for Iowans

Having health insurance through Medicaid helps Iowans stay healthy, go to work, care for their families and pay the bills. And that helps our communities — our hospitals, schools and economy — thrive. 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 3158, which would impose work reporting requirements on Medicaid enrollees. 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.

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The bill is fundamentally flawed, and no amount of tweaking or carve outs 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 percent¹ 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.

Here's why this bill is unfixable:

Work reporting requirements don't work

- Despite the rhetoric coming from some of our lawmakers, work reporting requirements do nothing to promote work. The proposed policy puts up administrative hurdles and increases bureaucratic red tape, making it harder for Iowans to stay healthy and support their families.
- When work reporting requirements were first implemented in Arkansas, the state did not see an increase in employment — instead, they experienced a 3.5 percent decrease. The fact is that work reporting requirements do nothing to support Iowans looking for work and punishes those in rural communities where jobs are harder to find and people are more likely to depend on Medicaid for health insurance. Work requirements don't work.

Cost of work reporting requirements

- We've seen from the experiences of other states that attempts to implement work reporting requirements lead to ongoing, expensive legal challenges.
- Other states like Indiana and Arizona recently decided not to implement work reporting requirement plans in their states because of implementation challenges and the threat of litigation. Iowa lawmakers should stop the rush to pass a policy that does nothing to help Iowans find or keep work, and instead will only waste taxpayer dollars on costly legal and administrative burdens.
- 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. 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 2015². Taking away coverage will reverse some of those gains.

Coverage losses

- If Iowa implemented work reporting requirements, thousands of Iowans could lose their coverage because of administrative hurdles and red tape. Taking health coverage away won't help Iowans keep their jobs, get more work, or find a new job. Instead, having access to health care and treatments they need to get and stay healthy is the key to making sure they can continue working, support their families, and give back to their communities.

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. 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. 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/isue-brief/understanding-the-intersection-of-medicaid-and-work/>

2. 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>