

State of Maine | 131st Legislature
Joint Standing Committee on Health and Human Services
Testimony of Hannah A. Hudson on behalf of Maine Primary Care Association
April 7, 2023

In Opposition To:
LD 1194, “An Act to Implement Work Requirements Under the MaineCare Program”

Sponsored by Senator Stewart

Senator Baldacci, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services, I am Hannah Hudson, Policy and Communications Manager at Maine Primary Care Association (MPCA).

MPCA is a membership organization that includes all of Maine's 20 Community Health Centers (CHCs), also known as Federally Qualified Health Centers (FQHCs). Maine's CHCs make up the largest independent primary care network in the state, providing high quality and equitable primary and preventive medical, behavioral, and dental health services for over 200,000 people (1 in 6 Mainers) at more than 70 service delivery sites in all 16 Maine counties.

We are opposed to LD 1194. Based on our experience, as well as national research on this topic, we believe work requirements are bad policy and certainly do not reflect what is in the best interest of a Medicaid program, such as MaineCare, or the people it is meant to serve. When states consider work requirements for Medicaid, studies consistently show that there is “substantial coverage loss and potential adverse health effects.”^{1 2} In our state, a significant loss in coverage would also have a negative impact on the financial stability and success of Maine’s Community Health Centers.

Work requirements lead to a significant loss of coverage, negating the purpose of Medicaid programs.

The Trump Administration approved Section 115 waivers that conditioned Medicaid coverage on meeting work and reporting requirements for 13 states. Of that group, only Arkansas implemented this waiver, which led to the disenrollment of more than 18,000 people. They halted the requirement after just 10 months.³ Other states paused their attempts due to litigation and/or the COVID-19 pandemic. In the New England region, New Hampshire, when faced with the potential of approximately 20,000 people losing coverage, decided to suspend plans for a Medicaid work requirement in 2019.⁴

¹ Medicaid Work Requirements in Nine States Could Cause 600,000 to 800,000 Adults to Lose Medicaid Coverage. The Commonwealth Fund. Accessed here: <https://www.commonwealthfund.org/blog/2019/medicaid-work-requirements-nine-states-could-cause-600000-800000-adults-lose-coverage>

² States’ Experiences Confirm Harmful Effects of Medicaid Work Requirements. Center on Budget and Policy Priorities. Accessed here: <https://www.cbpp.org/research/health/states-experiences-confirm-harmful-effects-of-medicaid-work-requirements>

³ States’ Experiences Confirm Harmful Effects of Medicaid Work Requirements. Center on Budget and Policy Priorities. Accessed here: <https://www.cbpp.org/research/health/states-experiences-confirm-harmful-effects-of-medicaid-work-requirements>

⁴ NH Medicaid Work Requirement Suspension Confirms: Policy Can’t Be Fixed. Center on Budget and Policy Priorities. Accessed here: <https://www.cbpp.org/blog/nh-medicaid-work-requirement-suspension-confirms-policy-cant-be-fixed>

A 2018 report from the Kaiser Family Foundation laid out how work requirements run counter to the intent of Medicaid programs:⁵

“Potential loss of Medicaid among eligible enrollees highlights how work requirement programs might undo progress in helping eligible individuals access Medicaid coverage and could return Medicaid to welfare rules. In recent decades, as Medicaid has “de-linked” from cash assistance and developed into a health coverage program for low-income individuals without access to other coverage, states have implemented enrollment and renewal simplification measures to streamline Medicaid administration and make gaining and keeping coverage easier for eligible individuals. Increased documentation requirements stemming from work requirement waivers could reverse these changes and shift Medicaid from a health insurance program for low-income families back to one that operates under welfare rules.”

The Biden Administration had since concluded that these work requirement provisions reduce coverage, and therefore, do not promote the objectives of the Medicaid program. The Administration withdrew these prior approvals for the Section 115 waiver.⁶

Loss of coverage from the implementation of a work requirement would have a negative impact on the financial stability of the health centers.

Community Health Centers are required to provide care *without regard to a patient’s insurance status or ability to pay* – which is a mandate unlike any other primary care provider. Ensuring that the patients they serve have access to MaineCare coverage allows our primary care providers to fully utilize the wraparound services that are necessary for the overall health of the whole person.

Being able to bill for these services is critical for the financial health of CHCs, as they continue to recover from the COVID-19 pandemic and are dealing with inflationary wage pressures and increasing costs of care. Without reimbursement for these visits, it would become increasingly harder for health centers to keep their doors open and uphold their mandate and commitment to provide high quality and equitable care for their communities.

Loss of coverage from the implementation of a work requirement would have a negative impact on Maine’s already strained health care system.

Any gap in coverage has the potential to create additional burdens on both individuals as well as the health care system. Many of our CHCs report that when patients lose health coverage, they will wait until their medical issues become serious and end up hospitalized. Using an emergency department for an issue that could have been prevented or treated by a primary care provider (PCP) becomes a common occurrence. Implementing barriers, such as the work requirements proposed in this bill, drive patients away from seeking the care they need and deserve.

⁵ Implications of a Medicaid Work Requirement: National Estimates of Potential Coverage Losses. Kaiser Family Foundation. Accessed here: <https://www.kff.org/medicaid/issue-brief/implications-of-a-medicaid-work-requirement-national-estimates-of-potential-coverage-losses/>

⁶ An Overview of Medicaid Work Requirements: What Happened Under the Trump and Biden Administrations? Kaiser Family Foundation. Accessed here: <https://www.kff.org/medicaid/issue-brief/an-overview-of-medicaid-work-requirements-what-happened-under-the-trump-and-biden-administrations/>

Imagine a diabetic patient who has just stabilized due to obtaining treatment with a new PCP because she has Medicaid coverage. She has a part time job, but her hours are reduced suddenly to below the 20 hours per week threshold and she cannot get additional hours. She loses Medicaid coverage so has to stop treatment, and is also now unable to pay for her maintenance medication. As a result, she ends up in the emergency department repeatedly and costs the system more money than if she'd had continuous coverage.

Enrollees would have to navigate a complex bureaucracy (and the taxpayer would pay for these increased administrative costs) without achieving the purported desire of this legislation – more people in the workforce.

Research shows that having health insurance results in higher labor force participation, employment levels, and earnings overtime.⁷ On the other hand, when states add work requirements to Medicaid coverage, such as Arkansas' implementation of a Section 115 waiver in 2018, there is no consistent evidence to show that these requirements do anything to lead to more participation in the work force. Employment in Arkansas actually declined from 2017 to 2018 and self-reported disability increased.⁸

A 2018 review by the Kaiser Family Foundation of Arkansas' implementation of the Section 115 waiver looked at the requirements and their impact on enrollees through focus groups and interviews. The "new requirements [did] not appear to provide an additional incentive to work beyond economic pressures, but [added] anxiety and stress to enrollees' lives."⁹ In particular, those in rural areas found it hard to find work opportunities, a situation that could easily be seen in Maine as we are one of the most rural states in the nation.

Monthly reporting requirements would be a challenge for many enrollees, especially the most vulnerable members of our community such as those experiencing homelessness, or those with severe physical or mental disabilities. Incorrectly reporting work activities is often a reason that many lose coverage, not because of failure to work.¹⁰ Staff at health centers already provide outreach and enrollment support for patients. These new administrative hurdles would add an undue burden on care teams that are already stretched thin. If these requirements were to be implemented, we would also expect to see higher administrative costs from state agencies as they try to monitor the work requirements.

⁷ The Relationship Between Work and Health: Findings from a Literature Review. Kaiser Family Foundation. Accessed here: <https://www.kff.org/medicaid/issue-brief/the-relationship-between-work-and-health-findings-from-a-literature-review>

⁸ "Employment declined from 42.4 percent to 38.9 percent among 30-to-49-year-old Arkansans, a drop of 3.5 percentage points. Employment rates in the other comparison groups experienced a similar decline. There were no significant changes in hours worked in Arkansas either." Arkansas's Medicaid Work Requirements Contributed to Higher Uninsured Rate and No Change in Employment. The Commonwealth Fund. Accessed here: <https://www.commonwealthfund.org/publications/journal-article/2019/jun/arkansas-medicaid-work-requirements-higher-uninsured-rate>

⁹ Medicaid Work Requirements in Arkansas: Experience and Perspectives of Enrollees. Kaiser Family Foundation. Accessed here: <https://www.kff.org/medicaid/issue-brief/medicaid-work-requirements-in-arkansas-experience-and-perspectives-of-enrollees/>

¹⁰ Implications of a Medicaid Work Requirement: National Estimates of Potential Coverage Losses. Kaiser Family Foundation. Accessed here: <https://www.kff.org/medicaid/issue-brief/implications-of-a-medicaid-work-requirement-national-estimates-of-potential-coverage-losses/>

At the end of the day, if someone is sick, they will still receive care in an emergency department or at a safety net provider such as a Community Health Center – where we are required to provide care regardless of a patient’s insurance status or ability to pay. A work requirement would not increase work force participation; however, it would further disadvantage those who are already in need of support, greatly increase costs and fragmentation of care, and undermine the stability of CHCs, the health care safety net in our state.

On behalf of Maine’s Community Health Centers, we urge you to oppose this bill. Thank you for considering our comments. Please do not hesitate to contact me directly at hudson@mepca.org with any follow up questions.

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