



How Mississippi's Proposed Medicaid Work Requirement Would Affect Low-Income Families with Children

Key Findings

1. African-American mothers and families living in Mississippi's small towns and rural communities would be hardest hit by the work requirement the state is seeking to impose on some Medicaid beneficiaries. These extremely poor parents would likely lose all health coverage, since few could afford private insurance.
2. The proposal creates a lose/lose situation: If these parents don't find work, they would lose Medicaid coverage. If they do work the required 20 hours a week, they would make too much to qualify for Medicaid in Mississippi. As many as 5,000 people would be removed from Medicaid in the first year alone, according to an analysis of state estimates. The revised proposal does virtually nothing to address this problem.
3. Parents losing health coverage would be bad news for their children, as well. Mississippi has reduced its rate of uninsured children significantly in the past few years. But this proposal may reverse that progress. When parents are uninsured, children tend to go to the doctor less frequently and lose their own coverage. The family is at greater financial risk for medical debt.

Mississippi has joined a handful of states seeking federal permission to require parents and caregivers who qualify for Medicaid to prove they are working at least 20 hours a week or participating in an approved work activity before receiving health coverage. Called the "Mississippi Workforce Training Initiative," the application for a Section 1115 demonstration waiver pledges to bring more Medicaid beneficiaries into the workforce and move them onto other forms of health insurance. The proposal, however, ignores the fact that only the poorest and most vulnerable parents now receive Medicaid in Mississippi—and that few of them will be able to afford insurance even if they find jobs. A revised version of the proposal does little to address the underlying problems.¹

In fact, the state's own estimates suggest that about 5,000 of these Mississippi parents will lose their Medicaid coverage in the first year if the Centers for Medicare and Medicaid Services (CMS) approves the state's request.² The vast majority of these parents are likely to become uninsured.

Approval by the federal government is not certain. While CMS has given approval to four states—Arkansas, Kentucky, Indiana, and New Hampshire—to impose work rules, those states have all expanded Medicaid to adults making up to 138 percent of the federal poverty level. Mississippi, however, has not accepted the Medicaid expansion funding provided under the Affordable Care Act. The only Mississippi families affected by the proposed change would be those living at 27 percent of the poverty level or lower. That works out to \$5,610 a year for a family of three or \$468 a month—among the most restrictive eligibility limits in the nation.

The new requirement would also apply to workers using Transitional Medical Assistance who have jobs, but don't yet make enough to afford private insurance. These beneficiaries, by definition, are already working and are temporarily eligible as their income rises due to earnings. As such, this aspect of the proposal contradicts its stated goals.



It's important to remember that since 1996, Medicaid rules have mandated that states cover this population of very poor parents. Mississippi's waiver request threatens to impose unnecessary red tape and barriers to health coverage that would leave these parents without the support they need to hold down a job and improve the economic fortunes of their family. While the Mississippi

Department of Medicaid plans to partner with other state agencies to provide workforce training, the proposal provides no new support for families who need child care assistance, job training, and transportation to make it to those jobs.³ Rather than helping parents find jobs, this proposal seems aimed at reducing Medicaid enrollment and cutting costs.

Who would be affected?

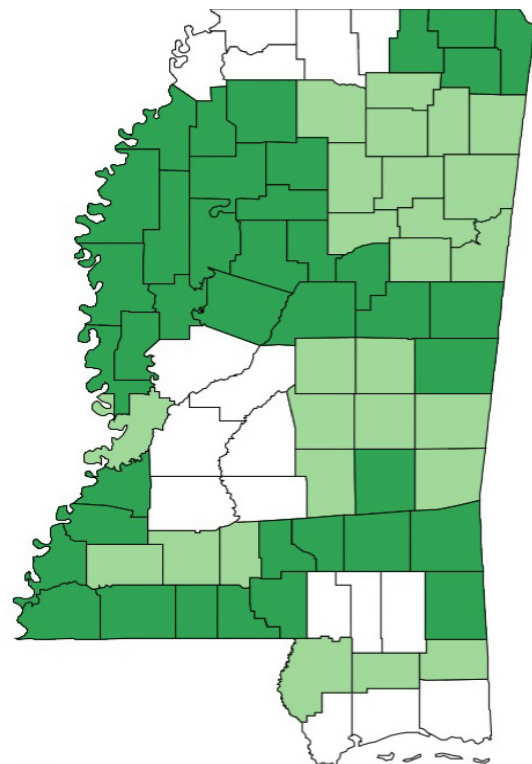
An analysis of parents who rely on Medicaid for health coverage in Mississippi finds that:⁴

- 91 percent are mothers;
- 49 percent are not in the workforce, often because they are caring for someone else or have an illness or disability; 33 percent describe themselves as unemployed. The remainder are already reporting some work;
- 71 percent are African American; 24 percent are white; and
- 37 percent are young parents under age 30.

A separate analysis suggests that the proposal would hit harder in Mississippi's small towns and rural communities. That is partly because more than half the state's nonelderly population lives in these areas, and partly because families there are more likely to be covered by Medicaid than those in metropolitan settings.

- About 54 percent of all Mississippi residents live in small towns and rural areas; only three states—Montana, Vermont and Wyoming—have a higher percentage.
- In Mississippi, about 16 percent of adults in these communities are covered by Medicaid, compared to 12 percent in metropolitan areas.
- Among children, 60 percent in Mississippi's small towns and rural communities have Medicaid coverage, compared to 46 percent in metropolitan areas.⁴

Adults with Medicaid Coverage in Mississippi Small Towns and Rural Areas, by County, 2014-2015



- Counties at or above national average
- Counties below national average
- Metropolitan counties (no data)

Note: The national weighted average for percent of adults with Medicaid coverage in small towns and rural areas is 16 percent.

Source: For information on sources and methodology, see Georgetown University Center for Children and Families and University of North Carolina report, "[Medicaid in Small Towns and Rural America: A Lifeline for Children, Families, and Communities.](#)"



Mississippi parents face a no-win situation that could make it impossible to retain their health coverage.

- Under the waiver proposal, Mississippi's poorest parents would be required to work at least 20 hours a week, which at minimum wage would equal an annual salary of \$7,540. That would be nearly \$2,000 too high to qualify for Medicaid in Mississippi.
- The revised proposal does nothing to address the "Catch-22" situation these parents face. The only significant, substantive change to the proposal would provide a temporary fix for only 2 percent of parents impacted, according to the states own estimates.⁶
- These low-wage workers would be unlikely to qualify for—or afford—insurance offered by employers. Only 14 percent of Mississippi adults living below the poverty line are covered by employer-sponsored insurance.⁷ Even if they're offered insurance, they may not make enough to pay for it.

Children will suffer when their parents lose coverage.

- **As parents become uninsured, the entire family is at risk of falling further into poverty because of medical debt or bankruptcy.** Medicaid improves families' economic security and financial well-being and gives children a better chance for the future.⁸
- **A healthier parent is more likely to be a better parent.** Parents with access to health care can do a better job supporting and nurturing their children's healthy development. Maternal depression, for instance, can be treated if a parent has Medicaid coverage. Without treatment, though, depression can inhibit parent-child bonding in the critical early years of development.
- **Children with uninsured parents are less likely to receive the health care they need.** Research has shown that when a parent is uninsured a child is much more likely to be uninsured, but parents with insurance rarely have uninsured children.⁹ Already 6.6 percent of Mississippi's children in these very poor families are uninsured compared to 4.5 percent of all children statewide.^{10, 11}
- **Mississippi's rate of uninsured children fell dramatically in the past few years but could reverse course under this proposal.** The rate fell from 7.6 percent in 2013 to 4 percent in 2015. In 2016, though, about 4,000 more Mississippi children were uninsured than in the previous year.¹² While this was not a statistically significant increase, it suggests that Mississippi's progress at best has stalled.

Conclusion

Mississippi's five-year Section 1115 demonstration application awaits approval from the federal government, and it remains unclear when or if that will happen—though it may be soon. CMS has issued guidance encouraging states to establish work requirements in Medicaid and has granted approval to four states, but it has not yet decided on a work requirement waiver involving a state that did not accept the Medicaid expansion provided for in the Affordable Care Act. If approved, Mississippi's policy would take effect for new applicants on July 1, 2019.

This policy proposal targets Mississippi's most fragile families, many of them already living at risk of homelessness and lacking the resources they need to raise their children. Stripping these parents—most of whom are women—of their health coverage will not produce the desired result of greater employment. Most will become uninsured. The proposal contains no new funding or resources to address the barriers these women face to employment such as child care, transportation or job training. Rather it will threaten the progress Mississippi has made in expanding coverage for children and disproportionately affect women, African Americans and families living in rural areas.



Endnotes

¹ Mississippi's revised waiver request can be accessed at <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ms/ms-workforce-training-initiative-pa2.pdf>.

² These estimates are based on Georgetown CCF calculations of enrollment assumptions included in the state's budget neutrality estimates accompanying the Section 1115 proposal. For simplicity's sake we have divided the enrollment estimates (which are presented as monthly estimates) by 12 to get an annual estimate of those losing coverage. There may, in fact, be more people who lose coverage for less than 12 months or a smaller number who lose coverage for longer.

³ The Centers for Medicare and Medicaid Services guidance came in a letter to state Medicaid directors dated January 11, 2018, accessed at <https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf>.

⁴ These estimates are based on an analysis of American Community Survey (ACS) data. We use an augmented version of the 2015 and 2016 ACS, the Integrated Public Use Microdata Series (IPUMS), prepared by the University of Minnesota Population Center (IPUMS-USA, University of Minnesota, www.ipums.org). We establish two-year state-level estimates of health coverage and demographic characteristics for parents. Parents are between 19 and 64 years old, have a child who is under 19 years old, are covered through Medicaid, and live in a household with income below 28 percent FPL. Individuals receiving supplementary security income and individuals for whom poverty status could not be determined are excluded.

⁵ J. Hoadley et al., "Medicaid in Small Towns and Rural America: A Lifeline for Children, Families, and Communities" (Washington: Center for Children and Families, June 2017), available at <https://ccf.georgetown.edu/wp-content/uploads/2017/06/Rural-health-final.pdf>.

⁶ Mississippi's revised waiver request can be accessed at <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ms/ms-workforce-training-initiative-pa2.pdf>.

⁷ "Health Insurance Coverage of the Nonelderly (0-64) with Incomes below 100% Federal Poverty Level (FPL)" (Washington: Kaiser Family Foundation, 2016) Accessed at <https://www.kff.org/other/state-indicator/nonelderly-up-to-139-fpl/?currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22mississippi%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

⁸ K. Wagnerman, "Medicaid: How Does It Provide Economic Security for Families?" (Washington: Georgetown University Center for Children and Families, March 2017), available at <https://ccf.georgetown.edu/wp-content/uploads/2017/03/Medicaid-and-Economic-Security.pdf>.

⁹ M. Karpman and G. Kenney. "Quicktake: Health Insurance Coverage for Children and Parents: Changes Between 2013 and 2017" (Washington: The Urban Institute, September 7, 2017), available at <http://hrms.urban.org/quicktakes/health-insurance-coverage-children-parents-march-2017.html>.

¹⁰ The estimate of Mississippi children under 28 percent FPL who are uninsured is based on an analysis of the 2016 Integrated Public Use Microdata Series (IPUMS), prepared by the University of Minnesota Population Center (IPUMS-USA, University of Minnesota, www.ipums.org). We establish a 2016 estimate of uninsured children who are under 18 years old and live in households with income below 28 percent FPL. Children for whom poverty status could not be determined are excluded.

¹¹ Mississippi's 4.5 percent rate of uninsured children was retrieved from J. Alker and O. Pham, "Nation's Uninsured Rate for Children Drops to Another Historic Low in 2016" (Washington: Georgetown University Center for Children and Families, September 2017), available at <https://ccf.georgetown.edu/2017/09/22/nationwide-rate-of-uninsured-children-reaches-historic-low/>.

¹² Ibid.

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