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Medicaid

Michigan Governor Signs Medicaid Work Requirements (1)

Certain Medicaid recipients in Michigan would have to work in exchange for benefits, under a new state law.

Gov. Rick Snyder (R) signed a bill (SB 897) June 22 that could put into place work requirements for certain people on Medicaid. Michigan, which would need federal permission to implement the requirements, joins several other states in passing such laws.

Up to 54,000 Michiganders could lose Medicaid coverage as a direct result of the bill, according to the Center on Budget and Policy Priorities, a group that analyzes the impact of policy on low-income Americans. CBPP cited an estimate from a Michigan agency for that figure.

The adjusted requirements in Michigan mean that people covered by the state's Medicaid expansion would need to work at least 80 hours per month at a part-time job, educational institution, job training program, volunteer organization, internship, or in substance abuse treatment.

There are exemptions. Anyone age 63 or older, disabled, pregnant women, full-time students, children, a parent of a dependent child under the age of six, someone receiving unemployment benefits, and anyone under 21 who had previously been in foster care would be exempt from the work requirements.

According to the Kaiser Family Foundation, Michigan is one of 33 states plus the District of Columbia that expanded Medicaid coverage under the Affordable Care Act.

Waiver Required The new law would change Michigan's prior Medicaid waiver from the federal government.

"When it came time to reapply for a waiver, we knew there was a different presidential administration in

place [from the prior waiver] and we wanted to make sure that waiver would be approved," Anna Heaton, Snyder's press secretary, told Bloomberg Law June 22.

Snyder feels that this bill is "vastly improved" from the original bill, which had stricter requirements (120 hours a month), Heaton said.

Michigan is joining 11 other states that are seeking or have been approved for waivers from the Trump administration to implement new work rules, according to the Kaiser Family Foundation. Arkansas began implementing its work requirements in June.

Any adjustments to Medicaid must be approved by the federal government. Michigan's current waiver, which was received in 2013, is set to expire at the end of this year. Snyder met with officials at Centers for Medicare & Medicaid Services to review the adjustments and expects approval to be granted before the current waiver expires, according to a statement.

The action by states to impose work requirements follows the CMS's release of guidance in January for states to impose work requirements through Section 1115 waivers.

Criticism Patient advocacy groups expressed concerns about the new law.

"By signing this destructive and poorly designed Medicaid waiver bill, Governor Snyder is endangering his own primary legacy—the expansion of coverage that has given almost 700,000 Michiganders access to a doctor when they need one," Eliot Fishman, senior director of health policy at Families USA, said in a statement.

He added, "If this waiver goes through, many of those low-income people will lose their health insurance, and some will lose much more than that."

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