

Medicaid work requirements and health savings accounts may impact people's coverage

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Current experimental approaches in Medicaid programs—including requirements to pay premiums, contribute to health savings accounts, or to work—may lead to unintended consequences for patient coverage and

access, such as confusing beneficiaries or dissuading some people from enrolling, according to a new study from Harvard T.H. Chan School of Public Health.

The study will be published online June 20, 2018 in *Health Affairs*.

"There's been a lot of recent research showing that expanding Medicaid leads to improved access to care and better quality of care—which suggests that any expansion will be better for public health than not expanding," said Benjamin Sommers, associate professor of health policy and economics at Harvard Chan School and lead author of the study. "But our findings suggest that some of the benefits of expanding Medicaid may be at least partially compromised by some of the current innovations in use."

Under the Trump Administration, which has prioritized increased flexibility for state Medicaid programs, some [states](#) have been experimenting with new approaches. Most recently, the Centers for Medicare and Medicaid Services (CMS) approved proposals from Kentucky, Arkansas, and Indiana for the first-ever work requirements in Medicaid, and other states, including Kansas, have expressed interest in following suit.

The researchers sought to assess views about new Medicaid approaches in three Midwestern states with different policies: Ohio, which has a traditional Medicaid expansion without premiums and with minimal cost-sharing; Indiana, which expanded Medicaid coverage in 2015 but which requires enrollees to pay premiums and contribute to health savings accounts; and Kansas, which did not expand Medicaid and where only very poor parents and disabled adults are eligible.

The researchers conducted a telephone survey in late 2017 of 2,739 low-income adults in the three states. The survey gathered respondents' views

on health insurance, access to and quality of care, financial well-being, experiences with the Affordable Care Act (ACA), health savings accounts, work requirements, and private vs. public insurance coverage.

The study found:

- In 2017, health insurance coverage rates were significantly higher in the Medicaid expansion states (Ohio and Indiana) than in the non-expansion state (Kansas).
- Cost-related barriers to care were more common in Indiana than in Ohio. Indiana's health savings accounts were confusing for many enrollees, with nearly 40% saying they had never even heard of the required accounts and only 36% making regular required payments—meaning that two-thirds of beneficiaries were at risk of losing benefits or coverage for non-payment.
- In Kansas, 77% of low-income individuals said they supported Medicaid expansion. Although Kansas is considering work requirements for its Medicaid program, most potential enrollees in the state were either already working or had a disability that prevented them from working. Only 11% of potential enrollees said they would be more likely to seek work if required to do so by Medicaid.

"For both [work](#) requirements and [health](#) savings accounts, the policies may operate as intended for modest numbers of Medicaid beneficiaries who understand or react to the incentives. But there's a real risk that even greater numbers of low-income adults will be adversely affected because they don't understand the new policies, can't afford them, or get tied up in administrative complexity. For these reasons, it's critical that there be ongoing independent monitoring of these approaches," Sommers said.

More information: "New Approaches in Medicaid: Work Requirements, Health Savings Accounts, and Health Care Access,"

Benjamin D. Sommers, Carrie E. Fry, Robert J. Blendon, Arnold M. Epstein, *Health Affairs*, online June 20, 2018, [DOI: 10.1377/hlthaff.2018.0331](https://doi.org/10.1377/hlthaff.2018.0331)

Provided by Harvard T.H. Chan School of Public Health

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