



KANCARE EXPANSION AND WORK REQUIREMENTS

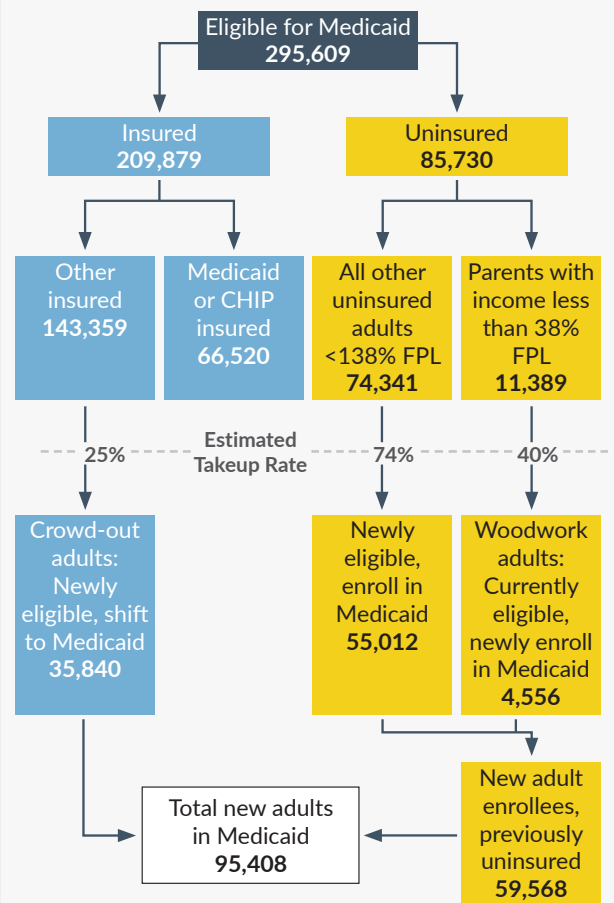
Estimates indicate two-thirds of potential new adult enrollees are working, but most not full-time

In 2017, the Kansas Legislature passed a bill to expand Medicaid eligibility to adults age 19–64 who earn less than 138 percent of the federal poverty level (FPL), but an attempt to override then-Governor Sam Brownback’s veto fell short.

Meanwhile, some states that have expanded Medicaid have proposed implementing work requirements for adults in their expansion populations, and the Trump Administration has already approved three such proposals (Kentucky, Indiana and Arkansas). Some observers think the option of implementing work requirements might encourage remaining non-expansion states to consider expansion.

While Kansas has not expanded Medicaid, in its 2017 proposal to extend the KanCare Medicaid demonstration, the Kansas Department of Health and Environment (KDHE) proposed implementing a work requirement for certain adults in the Medicaid program. This issue brief updates the 2016 Kansas Health Institute (KHI) estimates of new KanCare enrollment if Medicaid were expanded, and provides a profile of how work requirements might apply to the potential expansion population.

Figure 1. Projected Kansas Adults (Age 19–64) in Medicaid Expansion Population under Affordable Care Act (ACA)

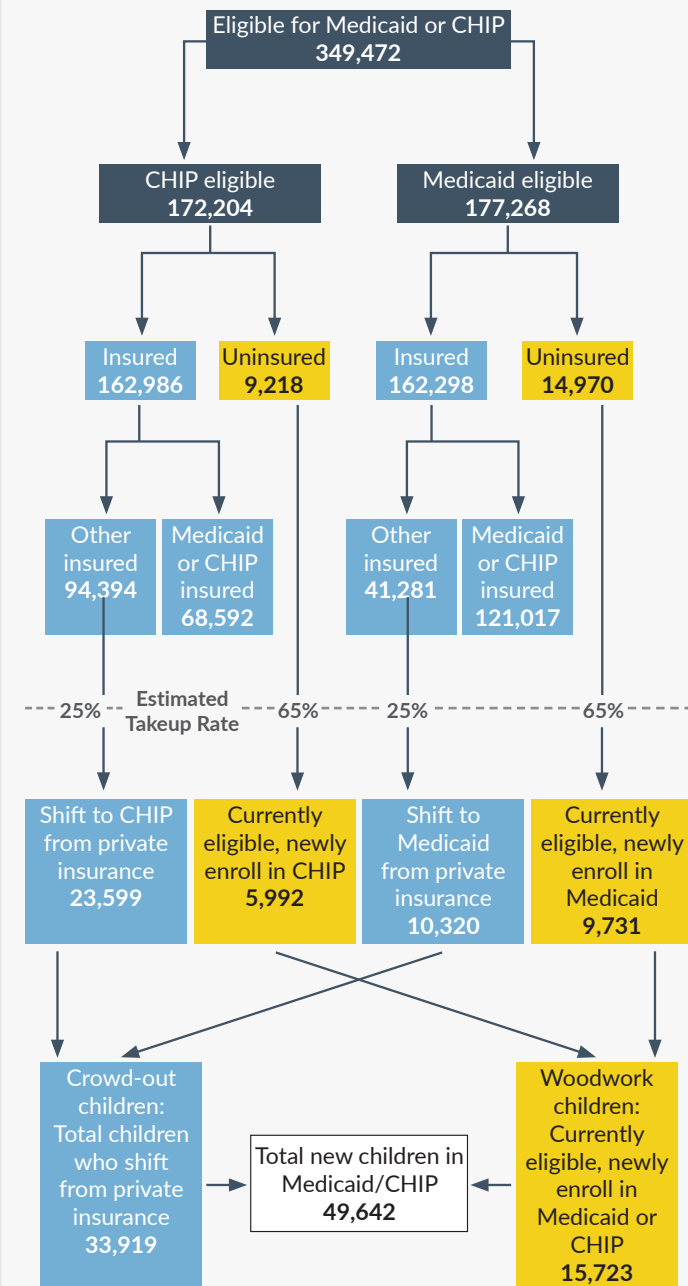


Source: KHI analysis of 2016 American Community Survey data.

KEY POINTS

- ✓ Expanding Medicaid would add an estimated 145,000 new beneficiaries, including about 95,000 adults age 19–64 and nearly 50,000 children, to the KanCare program.
- ✓ The estimated total would include approximately 75,000 currently uninsured adults and children. The other 70,000 new enrollees would be projected to switch to Medicaid from another form of insurance.
- ✓ About two-thirds of projected newly enrolled adults were employed at some point the previous year.
- ✓ A little more than a quarter of projected newly enrolled adults worked at least 30 hours per week year-round.

Figure 2. Projected Kansas Children Affected by Potential Medicaid Expansion



Source: KHI analysis of 2016 American Community Survey data.

The adults include 55,000 currently uninsured Kansans who would be newly eligible in an expansion; nearly 5,000 currently uninsured adults who may already be eligible for Medicaid (the “woodwork” effect); and almost 36,000 currently insured adults who would be projected to enroll in Medicaid if expanded (the “crowd-out” effect) (Figure 1, page 1).

While children in low-income households are already eligible for KanCare under current guidelines, children are included in the expansion estimate because of woodwork or crowd-out effects (Figure 2). Nearly 16,000 children who are currently uninsured but likely eligible for Medicaid or the Children’s Health Insurance Program (CHIP) would be estimated to enroll in KanCare because of increased enrollment outreach activities, or because their parents newly enroll (the “woodwork” effect). Close to 34,000 currently insured children would be projected to enroll in KanCare for similar reasons (the “crowd-out” effect), particularly if their parents switched from another form of coverage to KanCare.

Employment Status

KDHE’s KanCare extension application in December 2017 proposed adding work or community engagement requirements to currently eligible adults who are not pregnant, disabled, in long-term care, age 65 and older, or providing care for young children, older adults or people with disabilities in the household. The criteria for meeting the proposed work or community engagement requirements closely track with current requirements for the Temporary Assistance for Needy Families (TANF) program in Kansas, but there are differences.

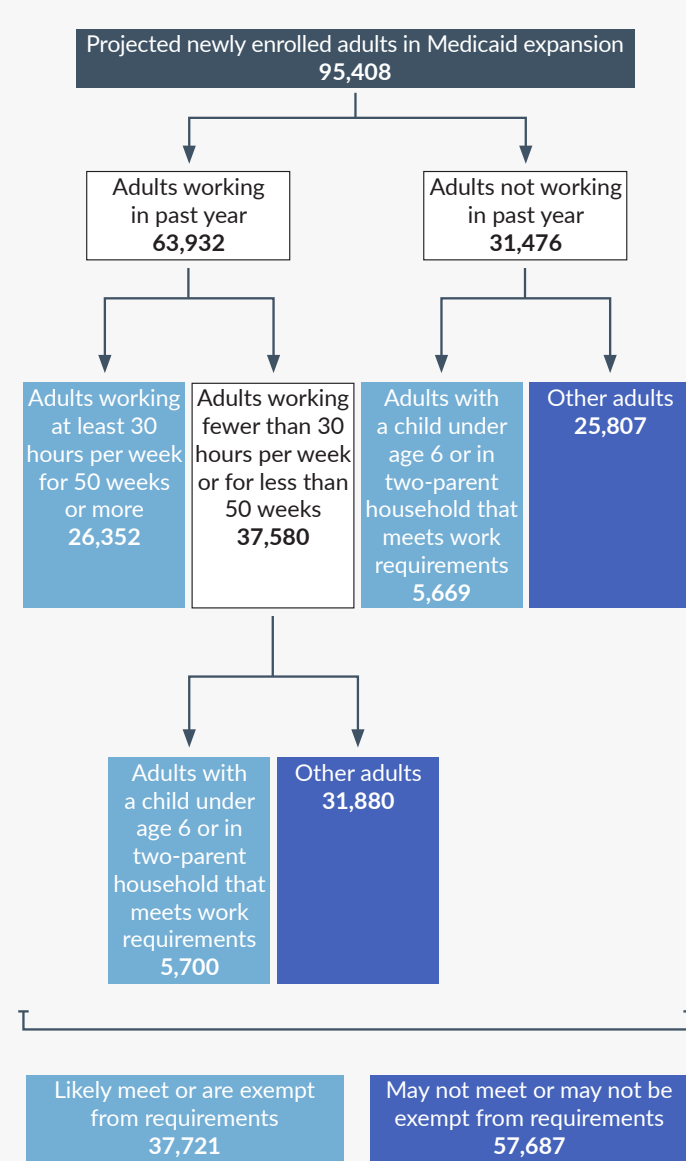
For Medicaid in Indiana, Kentucky and Arkansas, the approved requirements for hours engaged in work activities was 20 hours a week (or 80 hours a month in Kentucky and Arkansas), but this analysis uses a standard of 30 hours a week as a proxy for Kansas’ proposed Medicaid work requirement, approximating the Kansas TANF criteria.

To receive TANF cash assistance in Kansas, the minimum weekly requirements for work activities are 20 or 30 hours in a one-adult household, depending on whether there is a child under age 6. However, in the KanCare application, an adult caring for a child under age 6 would be exempt from the requirements entirely. (TANF minimum weekly requirements are 35 or 55 hours in two-parent households, depending on whether state-subsidized child care

Expansion Estimate

KHI’s 2018 expansion estimate uses the same assumptions as its November 2016 estimate, but updates it to use detailed data from the 2016 American Community Survey (ACS), which is administered by the U.S. Census Bureau. Because of population changes and a reduction in the number of uninsured, KHI now projects that a KanCare expansion under the existing terms of the Affordable Care Act would add approximately 145,000 new beneficiaries, including just over 95,000 adults age 19–64, and nearly 50,000 children.

Figure 3. Projected Newly Enrolled Kansas Adults in Medicaid Expansion, by Employment in Past Year



Source: KHI analysis of 2016 American Community Survey data.

is provided.) Kansas officials have said they expect about 12,000 adults currently enrolled in KanCare—primarily parents with children over age 6—would be subject to the work requirements as proposed.

The TANF criteria are more complex than can be mirrored precisely using ACS data. To provide a high-level picture of the potential effect of a work requirement if KanCare were expanded, this analysis assessed how many likely new enrollees work, and how many work at least 30 hours per week.

Of the approximately 95,000 adults projected to newly enroll in KanCare if expanded, nearly 64,000 (or roughly two-thirds) were employed at some point in the previous 12 months. Of those 64,000 adults, just over 26,000 worked at least 30 hours per week year-round (for at least 50 weeks in the year) (Figure 3).

Another approximately 11,000 of the 95,000 projected new adult enrollees would meet or be exempt from work requirements because they are caring for a child under age 6, or because they are in a two-adult household that meets the work requirement.

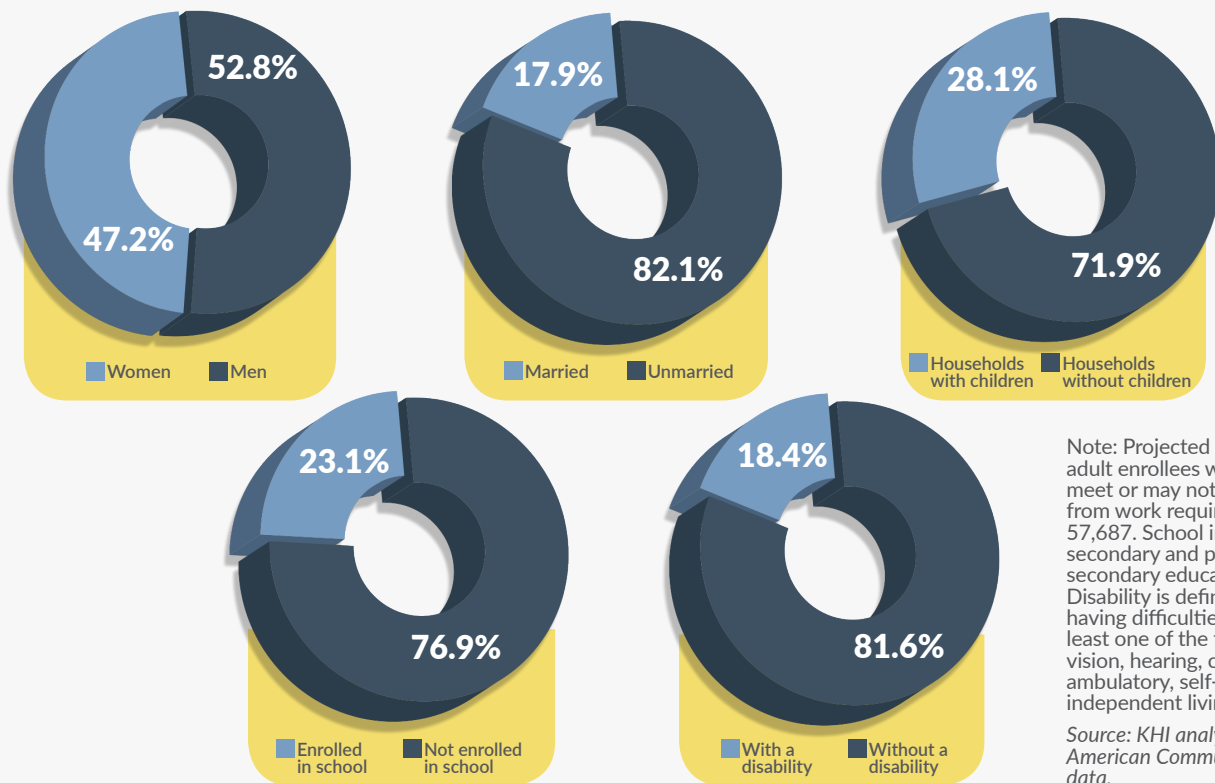
Some of the remaining adults (nearly 58,000) also might be exempt from work requirements—for example, if pregnant, determined disabled by Social Security standards, or caring for an older adult in the home. Others may meet community engagement requirements by volunteering, seeking a General Education Degree, enrolling in vocational education or job readiness programs, or serving in supervised community service, among other activities. In addition, the KanCare extension application proposed grace periods of up to three months for adults not exempt from the requirements.

Exemptions from proposed KanCare work requirements

Work requirements as proposed in the KanCare renewal application could be waived for adult enrollees for multiple reasons, including but not limited to caring for a child under age 6, being pregnant, determined disabled by Social Security standards, or caring for an older adult in the home.



Figure 4. Characteristics of Projected New Kansas Adult Enrollees in Potential Medicaid Expansion Who May Not Meet or May Not Be Exempt from Work Requirements



Note: Projected new Kansas adult enrollees who may not meet or may not be exempt from work requirement = 57,687. School includes secondary and post-secondary education. Disability is defined as having difficulties with at least one of the following: vision, hearing, cognitive, ambulatory, self-care and independent living.
Source: KHI analysis of 2016 American Community Survey data.

A Closer Look

U.S. Census Bureau data can be used to provide a profile of the Kansas adults projected to enroll in Medicaid if expanded who would not appear to meet hypothetical work requirements or be exempt from them because they are caring for young children.

Of those nearly 58,000 adults, 52.8 percent are male, 82.1 percent are unmarried, 71.9 percent are in households without children, 23.1 percent are enrolled in school, and 18.4 percent report at least one type of “difficulty”—a term in the ACS used to describe the effects of disability (Figure 4).

Those enrolled in school might be able to meet requirements, depending on how the state would implement them. For example, Kentucky, Indiana and Arkansas’ Medicaid work requirements exempt students. The KanCare renewal application does not explicitly exempt students, but the referenced TANF

criteria does count certain educational activities—including secondary school and vocational education—as work-related activities.

Respondents are asked questions about difficulties with hearing and vision, about cognitive and ambulatory difficulties, and difficulty with self-care (bathing or dressing) or independent living. Anyone reporting any of the difficulties is considered to have a disability. Some but not all could be determined exempt from work requirements, depending on the standard the state would apply.

While more precisely estimating the likely effect of work requirements in an expansion would require additional information about potential enrollees’ activities and circumstances, this analysis provides policymakers with a high-level view of the potential expansion population in Kansas and the current employment status of adults age 19–64 who would be expected to enroll.

ABOUT THE ISSUE BRIEF

This issue brief is based on work done by Kari M. Bruffett and Cheng-Chung Huang, M.P.H. It is available online at khi.org/policy/article/18-05.

KANSAS HEALTH INSTITUTE

The Kansas Health Institute (KHI) delivers objective information, conducts credible research, and supports civil dialogue enabling policy leaders to make informed health policy decisions that enhance their effectiveness as champions for a healthier Kansas. Established in 1995 with a multiyear grant from the Kansas Health Foundation, KHI is a nonprofit, nonpartisan educational organization based in Topeka.

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