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New State-Imposed Medicaid Work Requirements for Caregivers Threaten Elder Well-Being

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In January 2018, the Trump administration announced a shift in policy to support state efforts to require work or other community engagement to qualify for Medicaid. Since that time, at least 18 states have formally applied for approval of “demonstration projects” or “waivers” that include work requirements.

According to the nonprofit advocacy group Justice in Aging (JIA), these new rules will have a dramatic impact on older adults and individuals with disabilities who rely on family caregivers for their well-being. This is because many of the millions of family caregivers in the United States are on Medicaid and could lose coverage or be forced to abandon caregiving under the new requirements.

JIA teamed up with AARP’s Public Policy Institute (PPI) to provide statistics and discuss the possible consequences these new work requirements may have for family caregivers, older adults, and persons with disabilities.

A Staggering Number of Caregivers

Approximately 40 million Americans help care for an adult who is limited in daily activities by age, illness, or disability. Family caregivers are broadly considered as “any relative, partner, friend, or neighbor who has a significant personal relationship with, and who provides a broad range of assistance for, an older person or an adult with a chronic, disabling or serious health condition.” In the United States, nearly two-thirds of workers aged 45 to 74 care for an older adult relative. While more than half the caregivers work at paid jobs, nearly one-quarter of caregivers provide full-time care (more than 40 hours a week), and 45% of workers have reduced their

hours or left work entirely. These numbers and the aging of our population have turned what once was an intensely personal issue into a critical public policy matter that crosses generations.

Medicaid Is a Vital Safety Net for Many Caregivers

PPI estimated the economic value of unpaid family caregiving at \$470 billion in 2013, an increase of \$20 billion from four years earlier. To put that into perspective, the largest company in the world, Walmart, had revenue of \$477 billion that year, and the total Medicaid spent was \$449 billion, or \$21 billion less than the contribution of unpaid caregivers. Total Medicaid long-term support services was a meager \$123 billion by comparison. JIA writes that Medicaid recipients younger than 65

who are not working outside the home identify their caregiving responsibilities as the primary reason.

Medicaid is a vital safety net and critical source of support for low-income family caregivers, many of whom have health concerns of their own. The economic impact of losing eligibility to Medicaid would be significant. Caregivers and their families could be faced with a critical choice if subject to Medicaid work requirements: sacrificing needed medical care to continue providing family caregiving or abandoning care for a family member to return to work.

Burdensome Documentation Is a Job in Itself

New and proposed state rules condition Medicaid eligibility on meeting specific work requirements. Every state

that plans to impose work requirements does provide some exemptions for family caregivers. However, there is no uniformity in what those exemptions are, and keeping track of them is challenging even for experts in the field. Exemptions frequently are vague, making them burdensome for beneficiaries to understand and difficult for states to administer. Extensive recordkeeping, documentation, and reporting requirements by individuals already burdened by caring for a loved one with significant and complex needs could be too much for some individuals to meet.

One state with a work requirement currently in effect, Arkansas, has a nine-step reporting system so complicated that 80% of those required to report

did not do so and were kicked off Medicaid. Beyond serious implementation problems, JIA contends that the work requirements are a “fundamental flaw” that violates the public policy behind Medicaid—to provide medical coverage to those who cannot otherwise afford it.

Arkansas’ work requirements were implemented in 2018, and Indiana, Kentucky, and New Hampshire plan to implement them this year. Arizona, Mississippi, Ohio, Oklahoma, South Dakota, Tennessee, Utah, and Virginia are all pending. Maine, Michigan, and Wisconsin also have approved work requirement plans that have not yet gone into effect. South Carolina is in the process of formulating proposals.

In Pennsylvania, the House and Senate both approved a bill that requires Medicaid recipients to work at least 20 hours a week or take part in job training-related activities each week. There are certain exemptions for the work requirement, including anyone receiving disability benefits and anyone older than 65. It is unclear whether there is a caregiver exemption under the bill. However, Governor Wolf vetoed the bill passed by the PA legislature in October.

So, while caregivers are safe in Pennsylvania for now, it is something that came very close to being part of the law in Pennsylvania. As you can see above, there are many states that have passed or are close to passing this type of law. The elderly and their families should be aware and plan for the future regarding caregivers. If caregivers have to work, they will no longer be able to help your parents or loved ones. Planning ahead of time for this reality is very important!

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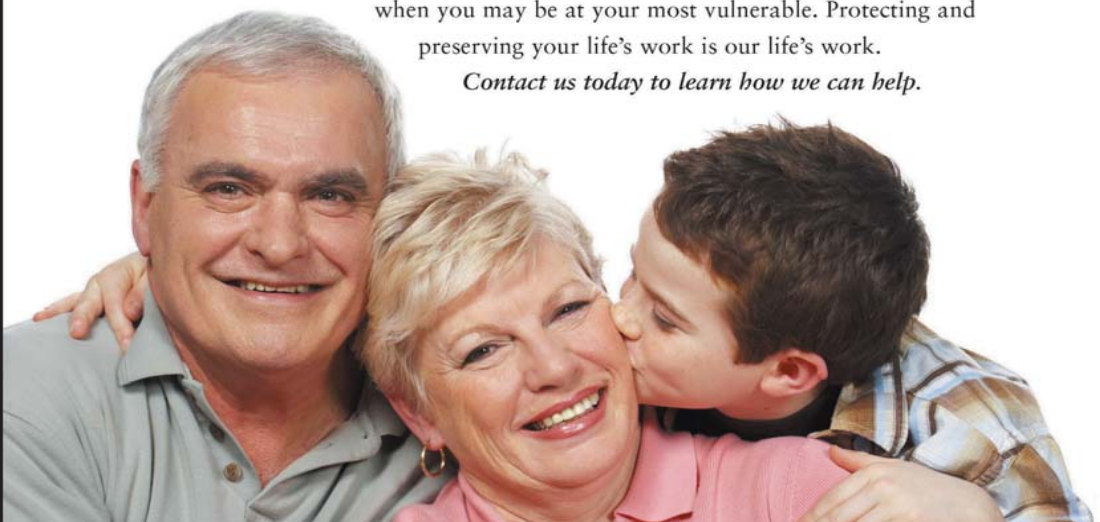
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