

What Do We Know About Medicaid and Work?

Evidence from Michigan



TAKEAWAY

Medicaid coverage itself is associated with positive employment outcomes for enrollees, but health barriers to work remain for some enrollees.

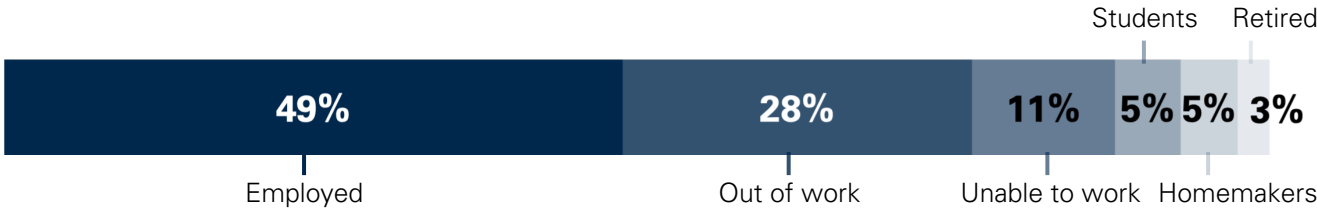
BACKGROUND

Michigan is one of six states that have implemented work requirements as a condition of Medicaid eligibility. Michigan’s work requirement program was in effect Jan-Mar 2020, before being halted by a federal court. From 2014-2024, a University of Michigan Institute for Healthcare Policy & Innovation team conducted the evaluation of Michigan’s Medicaid expansion for the Michigan Department of Health and Human Services and the Centers for Medicare and Medicaid Services. Here we report data based on surveys and interviews with enrollees and analyses of statewide employment data from 2016-2018, to understand the impact of Medicaid on enrollees' health and employment.

KEY FINDINGS

How many Medicaid enrollees were working?

Half of enrollees were already employed or self-employed and 10% were students or homemakers.



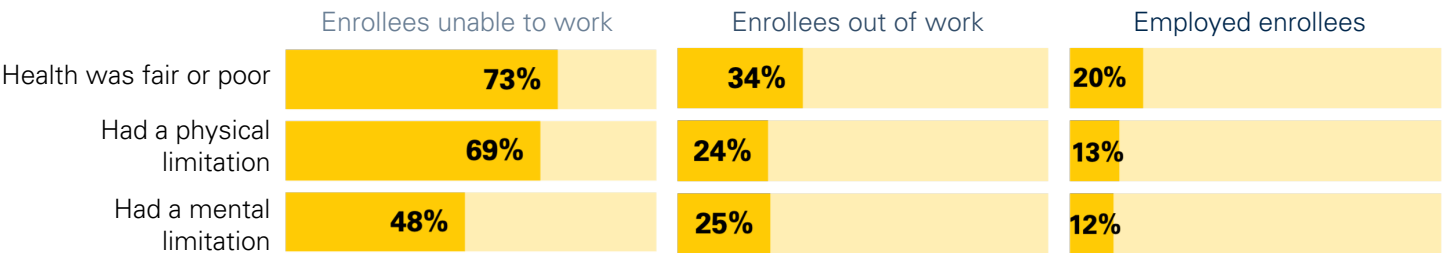
What barriers to employment did Medicaid enrollees face?

Poor health, disability, illness, and caregiving responsibilities.



For enrollees who were out of work, the most common barriers were: not being able to find work (35%), poor health or disability (24%), and caregiving responsibilities (22%).

Enrollees were more likely to report being unable to work or out of work if they were older, in poor health, had chronic health conditions, or had physical or mental functional limitations. For instance, 73% of respondents who said they were unable to work also said their health was fair or poor, compared with the 20% of working enrollees who said their health was fair or poor.



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What impact did Medicaid coverage have on enrollees' health and employment?

Enrollees reported having Medicaid helped them in the job market.

55%	of those who were out of work reported having Medicaid made them better able to look for a job .
37%	of those who changed jobs in the past year reported having Medicaid helped them get a better job .
69%	of those who were already working reported that Medicaid helped them do a better job at work .

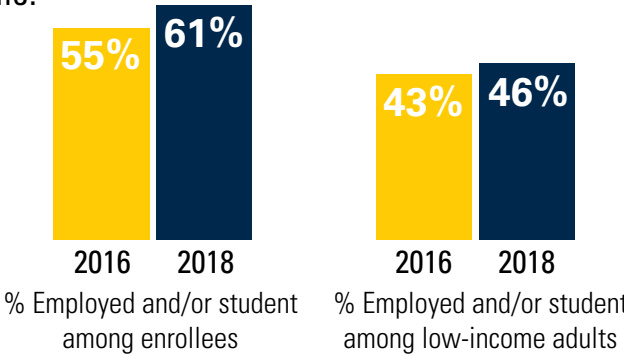
Many enrollees reported improved physical, mental, and dental health associated with Medicaid coverage that contributed to better employment outcomes.

48% reported improved physical health	"With moving around, you know, climbing a ladder [for work] and doing all that stuff, [Medicaid has] helped a lot with my back and all that." — Enrollee in Western Michigan with improved functioning at work
38% reported improved mental health	"I have personally gotten better since being able to seek help for my mental issues, and that falls out over the rest of my life. I'm happier. I'm more able to work. I can function." — Enrollee in Northern Michigan able to work more
40% reported improved dental health	"My teeth were pretty bad...and they fixed it up fine, and now...I feel better when I am looking for a job...I feel better because my appearance has changed a lot. That has helped me a lot, physically and mentally." — Enrollee in Detroit looking for a job

Did Medicaid help or hurt Medicaid enrollees' ability to work?

Medicaid helped improve enrollees' rate of employment over time.

The proportion of enrollees who were employed or students increased while rates of employment for all low-income non-elderly adults in Michigan did not change significantly in that time period.



POLICY CONSIDERATIONS

- Studies suggest that Medicaid helped enrollees improve their health, which contributed to better employment outcomes. Policies that encourage employment in the Medicaid population should incorporate approaches to promoting physical, mental, and dental health and assisting with barriers, such as caregiving responsibilities.
- Our research found that health impairments prevented many Medicaid enrollees from working. Health-related exemptions could help, though states often lack such information to prevent coverage losses or disruptions.
- As Medicaid coverage itself was associated with boosts to overall rates of employment among enrollees, proposals for work requirements should consider:
 - Limiting the need for reporting by enrollees, instead using data the state already has to automatically qualify or exempt enrollees.
 - Tradeoffs between the costs of implementation and potentially small employment and economic gains.