

Court Case Challenges Policy Penalizing People for Being Poor

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The Trump administration invited states to create new policies with more strict work requirements and barriers for people to qualify for Medicaid and FoodShare. A new court case challenges the harmful effect of these new policies.

MADISON - Do new strict requirements for Medicaid adopted by states violate the law? A federal court is set to decide after recent arguments presented by policy experts who said the requirements do violate law.

The case arose from Kentucky's decision to create strict work requirements for getting healthcare through Medicaid. In January, the Trump administration invited states to submit "demonstration proposals" that make it much harder for people to qualify for or remain on Medicaid.

Experts say the Kentucky case could have implications for Wisconsin and six other states that have pending application for the restrictive Medicaid policy changes.

Wisconsin acted quickly to take advantage of the change. Governor Walker touted the changes stating, “public assistance should be a trampoline not a hammock.” In just a few weeks, GOP leaders passed nine bills as part of the new policy initiative. The bills added work requirements and other strict limitations to our state’s version of Medicaid known as BadgerCare.

I dubbed the effort, kicking people when they are down. The bills created strict work requirements for people with children, created insurmountable barriers for some trying to get help and restricted coverage. At risk were poor families, hungry children, and the disabled.



For example, one bill had the effect of forcing the wheelchair bound to sell their wheelchair accessible van, if it was valued at more than \$10,000, in order to keep their BadgerCare and FoodShare (the modern version of the old Food Stamps program). The same bill had the effect of forcing dairy farm families to sell their cows before obtaining BadgerCare.

The federal court will decide if similar Kentucky requirements violate federal law and, according to Kaiser Health News, could determine “how far the Trump administration can go in changing Medicaid without Congressional action.”

In the same article, published in Governing Magazine, Kaiser reported that most legal experts say the administration’s approach is “backward because enrollees need health coverage so they are healthy enough to work.” Many scholars agreed and supported the Medicaid enrollees.

Forty policy scholars submitted in an amicus brief supporting the Kentucky lawsuit. They found no evidence to support “depriving people of Medicaid will lead to greater levels of employer insurance.” Work requirements do not make people healthy. Work requirements have no long-term effects on employment or income. However, Medicaid does improve health, and healthy people are more able to work.

The scholars wrote in their brief the new federal policy goes against the “core mandate” of Medicaid to provide medical assistance to all eligible individuals.

The scholars noted that under the Trump administration policy, “States are thus encouraged to pile on new eligibility conditions and coverage requirements, erect barriers and push people out of the program, all in the name of making people healthy.” Experts estimate over 100,000 people in Kentucky will lose healthcare over the next five years.



Part of Wisconsin’s initiative is to increase premiums. The scholars wrote there is “extensive research showing the adverse impact of unaffordable premiums on low-income persons with little or no disposable income.” Not being able to pay premiums leads to fewer people with health coverage.

Wisconsin, and some other states, already has work requirements in place for FoodShare. The forty scholars reported studies of these requirements show as many as fifty percent to eighty-five percent of folks now receiving benefits could lose them. Parents, of course, face additional obstacles including a lack of affordable childcare.

Wisconsin’s policies are crafted in a completely backwards way. If we want a farmer to do better or a wheelchair bound person to succeed why would the state make them sell items essential to their livelihood?

All these requirements add up to a fundamental question we face; do we have public programs to give a hand-up to those facing hard times or do the policies exist to punish the poor?

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