



HB 425, The Keep Montana Healthy Act, Written Testimony

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I strongly urge Montana to continue its Medicaid eligibility expansion, without work requirements, because the purpose of the Medicaid Act is to provide medical care to low-income people. Since 1965, federal law has invited states to “furnish medical assistance” to low-income people through the matching funds offered by the Medicaid program. Medicaid’s legal purpose is to provide medical assistance, a goal that is contradicted by a policy that prevents coverage and, accordingly, access to care. In other words, the Medicaid Act ensures that the poor are protected against financial risk while providing access to necessary medical care because Medicaid pays for “medical assistance.” Medicaid originally focused on those called the “deserving poor,” but in 2010 the Patient Protection and Affordable Care Act (ACA) amended Medicaid to include childless, nonelderly adults earning up to 138% of the federal poverty level (FPL) (for one person, the FPL is \$12,490 in 2019). The ACA ended the distinction between deserving and undeserving poor.

The Medicaid Act does not allow work requirements and implementing them can be expected to lead to lawsuits. Some states (like Montana) have established job search programs that assist low-income people such as Medicaid beneficiaries, which is lawful because the state encourages but does not require work as a condition of Medicaid eligibility. Mandatory work requirements are different because they create a barrier to enrollment. A federal court has held that Kentucky’s work requirements were an unlawful exercise of the Secretary of the Department of Health and Human Services’ authority, because Medicaid’s language requiring states to “furnish medical assistance” means that states must pay for medical care, which is not the same as promoting “health,” and which is contradicted by conditions on eligibility predicted to disenroll beneficiaries. New litigation is pending in federal court, challenging Arkansas’ work requirements and the re-approval of Kentucky’s work requirements. More than 18,000 Arkansas Medicaid beneficiaries were disenrolled at the end of 2018 due to work reporting requirements, not because the beneficiaries were not working but because they did not know of the new rule or know how to report their work. This led an independent federal commission to ask the Secretary to cease all approvals for work requirements. Federal courts are not likely to uphold any states’ work requirements because they contradict the purpose of the Medicaid Act.