



Iowa Policy Project

ROADMAP for OPPORTUNITY

Extra requirements penalize low-wage working families

Work requirements take food and medical care away from Iowans, in a time when full-time work does not guarantee the ability to cover the basics. Instead of promoting better circumstances for people to work, these requirements push families off of vital programs such as Medicaid and the Supplemental Nutrition Assistance Program (SNAP) — even though access to adequate medical care and food is important for finding and maintaining employment.

Policy makers should be looking for more positive approaches that improve access to the critical supports families need to push ahead from low-wage work to better-paying jobs and family security.

Already, most non-elderly adult Medicaid enrollees in Iowa work or live in a working family.¹ Many Medicaid and SNAP participants who are not currently working are in between jobs or have caretaking responsibilities or health issues.² Imposing new requirements for Medicaid would complicate health-care access for low-wage workers, children, veterans, older Iowans and Iowans with disabilities. It would not improve workforce participation.

Destination:

Enabling work, by:

- **Stopping work requirement legislation**
- **Expanding child care and family leave access**
- **Boosting education and skills of workers**

Work requirements do not work for Iowa

Under the guise of promoting gainful employment, work requirements add needless bureaucracy and cost to the state while taking food and doctors' visits away from Iowans. A 2019 fiscal note from the Iowa Legislative Services Agency detailed that imposing parental work requirements on SNAP participants would have added \$2.5 million in administrative costs in the year implemented, followed by an ongoing annual cost of half a million dollars per year.³

Not only do new Medicaid requirements fail to encourage work, but they make sustaining coverage difficult for people who are exempt from work, such as Iowans with disabilities, who may face obstacles in documentation and verification. Workers with variable hours, particularly in food service, retail, and seasonal jobs, could face similar issues.

A study on work requirements imposed on Temporary Assistance for Needy Families (TANF) and SNAP participants showed that work requirements were not associated with connecting people with living-wage work and affordable health care coverage.⁴ Another study found the main impact of work requirements is not better jobs, but disenrollment in Medicaid, worse health outcomes, less access to care, and financial insecurity.⁵

Work support programs vital for economic security

Iowa Policy Project analysis in 2019 found that 1 in 5 working Iowa households cannot meet basic needs on income alone.⁶ Work support programs such as Medicaid and SNAP are important in bridging the gap between take-home income and meeting basic needs, such as food, transportation, health care, and child care.

Work requirements fly in the face of Medicaid's primary goal to provide health care to people who cannot otherwise afford it. Many working Medicaid enrollees work full time but their low annual wages still qualify them for Medicaid.⁷ Rural communities rely heavily on Medicaid; disenrollment could harm rural hospitals and restrict access to care for children, the elderly, and veterans.⁸

SNAP is a proven work support program for Iowans. It reached 310,000 Iowans in November 2019,⁹ helping working families and those unable to work put food on the table. The program works to improve child development and educational attainment, and helps to prevent disease and increase lifetime earnings of recipients.¹⁰ It helps keep rural grocery stores open, and pumps millions of dollars into the state economy each month — \$35 million in November alone.¹¹

Taking access to doctor's visits, prescriptions and food away from Iowans in no way encourages work or helps Iowans get ahead. A better way to increase workforce participation and attachment would be to expand child care and family leave. Programs that have proven to be effective in improving job outcomes include boosting education and skills training for workers.

Policy Alternatives

- Stop legislation that implements costly work requirements for work support programs such as SNAP and Medicaid, that have proven to be ineffective in encouraging workforce participation.
- Support work by expanding access to Child Care Assistance: raise eligibility to 200 percent of the federal poverty level (from 145 percent) and taper off benefits as income increases.
- Enhance paid family leave.
- Boost education and skills training for workers by investing in K-12 and secondary education and job training programs.
- Raise the minimum wage as a first step to stop the loss of workers to higher wage, contiguous states.

¹ Rachel Garfield, Robin Rudowitz, & Anthony Damico, "Understanding the Intersection of Medicaid and Work." January 2018. Kaiser Family Foundation. <https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>

² Brynne Keith-Jennings, "More Evidence That Work Requirements Don't Work." October 2018. Center on Budget and Policy Priorities. <https://www.cbpp.org/blog/more-evidence-that-work-requirements-dont-work>

³ Jess Benson, "SF 430 – Supplemental Nutrition Assistance Program (SNAP), Parent Work Requirements" March 2019. Legislative Services Agency. <https://www.legis.iowa.gov/docs/publications/FN/1039301.pdf>

⁴ LaDonna Pavetti, "Work Requirements Don't Cut Poverty, Evidence Shows." June 2016. Center on Budget and Policy Priorities. <https://www.cbpp.org/research/poverty-and-inequality/work-requirements-dont-cut-poverty-evidence-shows>

⁵ Hannah Katch, "Medicaid Work Requirements Will Harm Families, Including Workers." February 2018. Center on Budget and Policy Priorities. <https://www.cbpp.org/research/health/medicaid-work-requirements-will-harm-families-including-workers>

⁶ Peter Fisher and Natalie Veldhouse, "Strengthening Pathways to the Middle Class: The Role of Work Supports. The Cost of Living in Iowa 2019 Edition, Supplement." January 2020. Iowa Policy Project. <http://iowapolicyproject.org/2020docs/200108-COL2.pdf>

⁷ Hannah Katch, "Medicaid Work Requirements Will Harm Families, Including Workers." February 2018. Center on Budget and Policy Priorities. <https://www.cbpp.org/research/health/medicaid-work-requirements-will-harm-families-including-workers>

⁸ Center on Budget and Policy Priorities, "How Medicaid Work Requirements Will Harm Rural Residents – And Communities." August 2018. <https://www.cbpp.org/research/health/how-medicaid-work-requirements-will-harm-rural-residents-and-communities>

⁹ Iowa Department of Human Services, "F-1 Food Assistance Program State Summary – November 2019." December 2019. <http://publications.iowa.gov/31057/1/FA-F1-2016%20-%202019-11.pdf>

¹⁰ Feeding America, "Child Food Insecurity: The Economic Impact on our Nation." 2009. <https://www.nokidhungry.org/sites/default/files/child-economy-study.pdf>

¹¹ Iowa Department of Human Services, "F-1 Food Assistance Program State Summary – November 2019." December 2019. <http://publications.iowa.gov/31057/1/FA-F1-2016%20-%202019-11.pdf>

This Roadmap for Opportunity sheet is one in a series of two-pagers about Iowa public policy issues and initiatives that could put more Iowans on a path to economic security. Visit our website for more.