



Medicaid Work Requirements That Don't Work

The proposed policies included in the House reconciliation package – *One Big Beautiful Bill Act (H.R. 1)* – will destabilize providers and hospitals serving local communities, burden states and **lead to more than 7.8 million Americans losing their Medicaid coverage and benefits.**¹

What's In The Bill

The House reconciliation bill will require the Medicaid expansion population to prove they have worked at least 80 hours per month, with limited exemptions for pregnant individuals, people with serious health conditions and others facing significant barriers. While the bill seeks to exempt some individuals from the work requirement, every person needs to prove their status — working or exempt — at least every 6 months. In states where work requirements have been tried, **the result was significant loss of coverage due to administrative issues, not because of non-compliance.**

Case Study: Thousands Lost Coverage Under Arkansas Work Requirements

In 2018, CMS approved a Section 1115 waiver that made Arkansas the first state to require work and reporting requirements for Medicaid eligibility with noncompliance enforcement.² A study on Arkansas' work requirements found that prior to implementation, nearly 97% of study respondents in the target age range were already meeting the requirements or exempt, leaving little room for any positive increase in employment.³

In the first seven months after Arkansas piloted its work requirements, more than 18,000 people lost health coverage, including many who met the requirements but were confused by the reporting process.⁴ The share of 30- to 49-year-olds enrolled in Medicaid or Marketplace plans dropped from 70.5% in 2016 to 63.7% in 2018.⁵ Additionally, the study found that the percentage of uninsured 30- to 49-year-olds in Arkansas increased from 10.5% to 14.5%, while other age groups had smaller or no changes in uninsured rates.⁶



¹ <https://www.cbo.gov/publication/61461>

² <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ar/Health-Care-Independence-Program-Private-Option/ar-works-cmmnty-engagement-draft-eval-dsgn-20180813.pdf>

³ <https://www.nejm.org/doi/10.1056/NEJMSr1901772>

⁴ <https://www.macpac.gov/wp-content/uploads/2019/10/Medicaid-Work-and-Community-Engagement-Requirements.pdf>

⁵ Ibid.

⁶ Ibid.

Why This Matters

Research shows that **work requirements do not increase employment**. What has been shown is that **eligible people lose health coverage because of the burdensome process**. Additionally, state costs increase significantly due to the increased administrative and paperwork required to administer the program.

Work Requirements Do Not Increase Employment.

- While proponents of work requirements believe that these policies will “get healthy adults back into the labor market,” **92% of Medicaid adults under the age of 65 are already working or would be eligible for one of the exemptions.**^{7,8}
- The Congressional Budget Office (CBO) has reported that due to the high rates of employment among Medicaid enrollees, work requirements have a “**negligible effect on employment status or hours worked.**”⁹
- A 2022 CBO report also found that among those who have conditions that make it more difficult to find and keep employment, work requirements are more likely to reduce income and benefits rather than increase employment.¹⁰

Eligible People Will Lose Coverage.

- Individuals will lose coverage if they submit incorrect paperwork to prove they met the requirement or if they did not correctly file for an exemption to the work requirement. **These Medicaid-eligible individuals will not be eligible for any other federal health coverage support, potentially locking them out of affordable coverage entirely.**¹¹
- Work requirements add complex reporting requirements that can increase the risk of eligible Medicaid enrollees losing coverage despite meeting the requirements. If work requirements were implemented at a federal level, as proposed by the House bill, **an estimated 9.7 to 14.4 million people would be at risk of losing Medicaid coverage by 2034.**¹²
- Many of the 18,000 Medicaid enrollees lost coverage during Arkansas’s pilot program reported **delaying care and skipping medications due to high costs, in addition to incurring additional medical debt.**^{13,14,15}

⁷ <https://www.kff.org/medicaid/issue-brief/5-key-facts-about-medicaid-work-requirements/>

⁸ <https://bean.house.gov/media/press-releases/congressman-bean-creates-work-requirements-medicaid-reduces-reliance>

⁹ <https://www.cbo.gov/system/files/2023-04/59109-Pallone.pdf>

¹⁰ <https://www.cbo.gov/publication/57702>

¹¹ Ibid.

¹² https://www.cbpp.org/research/health/harsh-work-requirements-in-house-republican-bill-would-take-away-medicaid-coverage#_ftn2

¹³ <https://www.commonwealthfund.org/publications/explainer/2025/jan/work-requirements-for-medicaid-enrollees>

¹⁴ <https://www.macpac.gov/wp-content/uploads/2019/10/Medicaid-Work-and-Community-Engagement-Requirements.pdf>

¹⁵ <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00538>

Implementing Work Requirements Causes Administrative Burdens And Raises Costs For States.

- Tracking compliance, processing appeals and verifying exemptions requires significant resources, and these administrative expenses divert funds from actual health care and strain already overburdened Medicaid systems.
- In 2023, Georgia implemented the Pathways to Coverage program with the goal of incrementally expanding the Medicaid-eligible population, provided enrollees meet work reporting requirements. **The state projected that 100,000 people would enroll in Medicaid through the program but only saw closer to 4,000 new enrollees.**¹⁶
- Despite this minimal increase in enrollment, Georgia spent \$26 million on this program from rollout through March 2024, **with more than 90% of those costs on program administration rather than on actual health care.**¹⁷

¹⁶ https://gbpi.org/wp-content/uploads/2024/10/PathwaystoCoverage_PolicyBrief_2024103.pdf

¹⁷ <https://kffhealthnews.org/news/article/georgia-medicaid-work-requirements-experiment-high-cost-low-enrollment/>