



## Protect Medicaid Funding Issue #13: Medicaid Work Requirements Hurt the U.S. Workforce

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### Introduction

Medicaid helps people live healthier and more economically secure lives. It increases the diagnosis and early treatment of chronic conditions, enhances educational achievement and future earnings for covered children, reduces health care inequities, and provides comprehensive, high-quality, and cost-effective care.<sup>1</sup> Medicaid coverage is tailored to the unique needs of individuals and families with low-incomes, but still costs less per beneficiary than private insurance.<sup>2</sup> Medicaid's core beneficiary protections make the program work for enrolled populations, including children, parents, pregnant people, low-income workers, older adults, and people with disabilities. Despite Medicaid's proven success and efficient use of funds, detractors repeatedly seek to cut or cap funding for the program. These proposals seriously jeopardize the health and financial security of the more than 80 million people who benefit from Medicaid and CHIP.<sup>3</sup>

This fact sheet explains how Medicaid work requirements would hurt the U.S. workforce.

### Most Medicaid Enrollees Who Can Work Do So

According to the Brookings Institute, over 53 million working-age people in the U.S. are low-wage workers, with a median income of \$10.22 per hour.<sup>4</sup> Low-wage workers are the lifeblood of industries such as food service, personal care, building, cleaning, pest control and construction, yet almost one-third (31%) live below the Federal Poverty Level (FPL) (\$15,060 for a one-person household in 2024).<sup>5</sup>

Because employers in these fields rarely provide low-wage workers with health insurance benefits, Medicaid expansion fills a critical gap.<sup>6</sup> Medicaid expansion has decreased the uninsured rates for low-wage workers in expansion states by more than half, while non-expansion states still face high uninsured rates for this population.<sup>7</sup> According to an HHS analysis of Census data, the vast majority of working-age Medicaid enrollees work, have a disability, or are parents.<sup>8</sup> Research shows that among enrollees who do not already work,

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nearly all are disabled, have serious health conditions, have childcare or caregiving responsibilities, or are in school.<sup>9</sup>

## **Work Requirements Kick Low-Wage Workers Out of Health Insurance Coverage**

Only Arkansas and Georgia have implemented Medicaid work requirements.<sup>10</sup> Starting in June 2018, Arkansas required Medicaid enrollees to submit extensive paperwork to demonstrate that they were working at least 80 hours per month or engaging in another qualifying activity for at least 10 months per year, unless they could demonstrate that they qualified for an exemption.<sup>11</sup> Enrollees had to submit their documentation via an online portal or by phone. If they failed to meet documentation requirements for a total of 3 months within a given calendar year, Arkansas terminated them from Medicaid and they could not re-enroll until the next year.<sup>12</sup> Arkansas used this work requirement to terminate 18,000 enrollees from Medicaid in the first 7 months.<sup>13</sup> Courts struck down Arkansas' work requirement in 2019.<sup>14</sup>

As of August 2024, Georgia is the only state with a Medicaid work requirement, however, this requirement is set to expire in September 2025.<sup>15</sup> Georgia has not expanded Medicaid under the ACA.<sup>16</sup> Instead, Georgia imposes work requirements on parents and childfree adults earning up to 100% of the FPL who enroll in Medicaid.<sup>17</sup> If Georgia fully expanded Medicaid under the ACA, over 450,000 adults would be eligible for coverage.<sup>18</sup> Under Georgia's work requirement, however, which has been mired in "a cumbersome enrollment process, complicated program design, and back-end technology flaws," only 3,500 people have been able to secure coverage.<sup>19</sup> Meanwhile, from July 2023 through June 2024, Georgia's work requirement cost over \$40 million, with nearly 80% going toward administration and consulting fees instead of health care.<sup>20</sup>

## **Work Requirements Destabilize Our Workforce, Threatening Low-Wage Workers' Ability to Stay Employed**

**The majority (61%) of adults with Medicaid who can work do so.**<sup>21</sup> Work requirements and forms to request exemptions involve burdensome red tape and paperwork. They are especially difficult for those balancing multiple jobs and childcare responsibilities, without access to the internet or a computer, and those with limited English proficiency.<sup>22</sup> If imposed nationally, Medicaid work requirements would end health coverage for millions of low-wage workers, coverage they are entitled to.<sup>23</sup> Decades of research on work requirements in public benefit programs demonstrate that exemptions do not work.<sup>24</sup> Enrollees have trouble meeting burdensome paperwork requirements demonstrating that they meet exemptions.

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Further, state caseworkers are given broad discretion on whether exemptions should be granted, and deny them to people who qualify for exemptions, such as people experiencing domestic violence at home.<sup>25</sup> Work requirements also impose unnecessary and costly administrative costs on the states who must track enrollees' employment data.<sup>26</sup>

**Work requirements add extensive bureaucratic red tape to Medicaid, jeopardizing low-wage workers' ability to stay in the workforce.** Medicaid work requirements threaten insurance coverage for low-wage workers. According to data from the Congressional Budget Office, if Congress imposed federal work requirements on Medicaid, an estimated 15 million people would be subject to them and 1.5 million would lose coverage each year.<sup>27</sup> Insurance coverage is critical to ensure a healthy and stable workforce.<sup>28</sup> Those who have health insurance are more likely to have a regular health care provider and receive routine preventive and screening services.<sup>29</sup> Medicaid coverage in particular has been shown to lead to increases in use of preventive care, early-stage cancer diagnosis, and access to treatment for chronic conditions such as HIV, diabetes, and hypertension.<sup>30</sup> Those who do not receive routine care are more likely to suffer from serious health problems that could have been prevented through earlier access to care or experience premature death, including in a maternal health context.<sup>31</sup> Further, people without Medicaid coverage face greater barriers to care when sick. Low-wage jobs often offer no or extremely limited sick days, making Medicaid work requirements particularly dangerous to their ability to stay employed.<sup>32</sup> Because Medicaid improves health outcomes, low-wage workers enrolled in the program report that Medicaid makes it easier to look for work and stay employed.<sup>33</sup>

## **Work Requirements Do Not Increase Our Workforce**

**Further, work requirements do not improve the employment outcomes or income status of low-wage workers.** Because the vast majority of Medicaid enrollees who are able to work do so, work requirements have not been shown to increase employment or individuals' incomes. Instead, they serve as a profound barrier to low-wage workers accessing affordable health care and staying in the workforce. The Congressional Budget Office found that Arkansas' Medicaid work requirements did not increase employment.<sup>34</sup> Furthermore, research shows that work requirements in other public benefits programs, such as the Supplemental Nutrition Assistance Program and Temporary Assistance for Needy Families, do not significantly increase enrollees' incomes, if at all.<sup>35</sup>

## ENDNOTES

- <sup>1</sup> Robin Rudowitz et al., Kaiser Fam. Found., *10 Things to Know about Medicaid* (Jun. 30, 2023), <https://www.kff.org/mental-health/issue-brief/10-things-to-know-about-medicaid/>; MACPAC, *Access in Brief: Children's Experience in Accessing Medical Care* 5 (Nov. 2021), <https://www.macpac.gov/wp-content/uploads/2016/06/Access-in-Brief-Childrens-Experiences-in-Accessing-Medical-Care.pdf>.
- <sup>2</sup> Heidi Allen et al., *Comparison of Utilization, Costs and Quality of Medicaid vs. Subsidized Private Health Insurance for Low-Income Adults*, 4 JAMA NETWORK OPEN (2021), <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2774583> (“[O]verall health care spending was more than 80% higher among Marketplace eligible adults than among Medicaid-eligible adults. This difference was no longer significant when claims were adjusted to Medicaid prices, indicating that the cost differences were driven by higher prices for the same services in the Marketplace compared with Medicaid.”). See also Ark. Ctr. for Health Improvement, *Arkansas Health Care Independence Program (“Private Option”) Section 1115 Demonstration waiver Interim Report* 49 (Jun. 16, 2016), <https://achi.net/wp-content/uploads/2018/10/Arkansas-Health-Care-Independence-Program-Section-1115-Demonstration-Waiver-Interim-Report-June-2016.pdf> (noting a 78.3% difference between the commercial and Medicaid per patient\_per month payments).
- <sup>3</sup> CMS, *May 2024 Medicaid & CHIP Enrollment Data Highlights* (Aug. 30, 2024), <https://www.medicare.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html>.
- <sup>4</sup> Martha Ross et. al, Brookings Institute, *A Closer Look at the Low-Wage Workers*, <https://www.brookings.edu/articles/low-wage-workforce/> (last visited July 31, 2024).
- <sup>5</sup> *Id.*; HHS, Poverty Guidelines, <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.
- <sup>6</sup> Madeline Guth et. al, Kaiser Fam. Found., *Understanding the Intersection of Medicaid & Work: A Look at What the Data Say* (Apr. 23, 2024), [https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-work-a-look-at-what-the-data-say/#:~:text=KFF%20analysis%20of%20federal%20survey,%E2%80%9CMedicaid%20adults%E2%80%9D\)%20were%20working](https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-work-a-look-at-what-the-data-say/#:~:text=KFF%20analysis%20of%20federal%20survey,%E2%80%9CMedicaid%20adults%E2%80%9D)%20were%20working) (last visited July 31, 2024).
- <sup>7</sup> Laura Harker and Breanna Sharer, CBPP, *Medicaid Expansion: Frequently Asked Questions* (June 14, 2024), [https://www.cbpp.org/sites/default/files/6-16-21health\\_series3-18-24.pdf](https://www.cbpp.org/sites/default/files/6-16-21health_series3-18-24.pdf).
- <sup>8</sup> Aiden Lee et. al, HHS ASPE, *Medicaid Enrollees Who are Employed: Implications for Unwinding the Medicaid Continuous Enrollment Provision*, 1 (April 2023), <https://aspe.hhs.gov/sites/default/files/documents/779b6ef3fbb6b644cdf859e4cb0cedc6/medicaid-esi-unwinding.pdf>.
- <sup>9</sup> Guth, *supra* note 6; see also Anna Goldman, *Analysis of Work Requirement Exemptions and Medicaid Spending*, JAMA INTERNAL MEDICINE (November 2018), <https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/2701627>.
- <sup>10</sup> Kaiser Fam. Found., *Medicaid Waiver Tracker: Approved and Pending Section 1115 Waivers by State* (Aug. 4, 2024), <https://www.kff.org/report-section/section-1115-waiver-tracker-work-requirements/>; see also Akeiisa Coleman and Sara Federman, Commonwealth Fund, *Work*

*Requirements for Medicaid Enrollees* (Apr. 4, 2024), <https://www.commonwealthfund.org/publications/explainer/2024/apr/work-requirements-medicaid-enrollees#:~:text=Arkansas%2C%20the%20first%20to%20do,month%20through%20an%20online%20portal.>

<sup>11</sup> *Id.*; see also MaryBeth Musumeci, Kaiser Fam. Found., *An Early Look at Implementation of Medicaid Work Requirements in Arkansas* (Oct. 8, 2018), <https://www.kff.org/report-section/an-early-look-at-implementation-of-medicaid-work-requirements-in-arkansas-key-findings-9243/>.

<sup>12</sup> Laura Harker, CBPP, *Pain But No Gain: Arkansas' Failed Medicaid Work Reporting Requirements Should Not Be a Model 2* (Aug. 8, 2023), <https://www.cbpp.org/sites/default/files/8-8-23health.pdf>.

<sup>13</sup> *Id.*

<sup>14</sup> Coleman, *supra* note 10.

<sup>15</sup> Sudhin Thanawala, AP NEWS, *Judge Refuses to Extend Timeframe for Georgia's New Medicaid Plan, Only One with Work Requirement* (July 16, 2024), <https://apnews.com/article/medicaid-georgia-work-extension-judge-e882c2396b9c77966891a4095b2c38a0#>.

<sup>16</sup> Kaiser Fam. Found, *Status of Medicaid Expansion Decisions: Interactive Map* (May 8, 2024), <https://www.kff.org/affordable-care-act/issue-brief/status-of-state-medicaid-expansion-decisions-interactive-map/>.

<sup>17</sup> *Id.*; Coleman, *supra* note 10.

<sup>18</sup> Kaiser Fam. Found, *Who Could Medicaid Reach with Expansion in Georgia*, <https://files.kff.org/attachment/fact-sheet-medicaid-expansion-GA>.

<sup>19</sup> Andy Miller and Renuka Rayasam, *Georgia's Medicaid Work Requirements Costing Taxpayers Millions Despite Low Enrollment*, KFF NEWS (March 20, 2024), <https://kffhealthnews.org/news/article/georgia-medicaid-work-requirements-experiment-high-cost-low-enrollment/>; Renuka Rayasam & Sam Whitehead, *The First Year of Georgia's Medicaid Work Requirement is Mired in Red Tape*, KFF NEWS (Sep. 13, 2024), <https://kffhealthnews.org/news/article/georgia-medicaid-work-requirement-red-tape/>.

<sup>20</sup> *Id.*

<sup>21</sup> Guth, *supra* note 9.

<sup>22</sup> Coleman, *supra* note 10.

<sup>23</sup> Laura Harker, CBPP, *Taking Medicaid Away for Not Meeting a Work-Reporting Requirement Would Keep People From Health Care 3* (April 28, 2023), <https://www.cbpp.org/sites/default/files/4-21-23health.pdf>.

<sup>24</sup> Madeline Morcelle, NHELP, *Proposed Medicaid Work Requirements are Another Dangerous Attack on Sexual and Reproductive Health and Justice* (Apr. 21, 2023), <https://healthlaw.org/proposed-medicaid-work-requirements-are-another-dangerous-attack-on-sexual-and-reproductive-health-and-justice/>.

<sup>25</sup> *Id.*

<sup>26</sup> Alice Bruns et. al, Kaiser Fam. Found, *Tough Tradeoffs Under Republican Work Requirement Plan: Some People Lose Medicaid or States Could Pay to Maintain Coverage* (May 3, 2023), <https://www.kff.org/medicaid/issue-brief/tough-tradeoffs-under-republican-work-requirement-plan-some-people-lose-medicaid-or-states-could-pay-to-maintain-coverage/#:~:text=Appendix%20Table%201-,Under%20Proposed%20Federal%20Work%20Requirements%2C%20States%20Could%20End%20Medicaid%20Coverage,if%20They%20Maintain%20Their%20Coverage.>

<sup>27</sup> *Id.*

<sup>28</sup> Larisa Antonisse and Rachel Garfield, Kaiser Fam. Found., *The Relationship Between Work and Health: Findings from a Literature Review* (Aug. 7, 2018), <https://www.kff.org/medicaid/issue-brief/the-relationship-between-work-and-health-findings-from-a-literature-review/>.

<sup>29</sup> ODPHP, *Prevention is Still the Best Medicine* (Jan.26, 2024), <https://health.gov/news/202401/prevention-still-best-medicine>.

<sup>30</sup> CBPP, *Chart Book: The Far-Reaching Benefits of the Affordable Care Act's Medicaid Expansion 2* (Oct. 21, 2020), <https://www.cbpp.org/sites/default/files/atoms/files/10-2-18health.pdf>.

<sup>31</sup> Lunna Lopes et. al, Kaiser Fam. Found., *Americans' Challenge with Health Care* (Mar. 1, 2024), <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs/>; CDC, *Four in 5 Pregnancy Related Deaths in the U.S are Preventable* (Sept. 19, 2022), <https://www.cdc.gov/media/releases/2022/p0919-pregnancy-related-deaths.html>.

<sup>32</sup> Antonisse, *supra* note 29.

<sup>33</sup> *Id.*

<sup>34</sup> Congressional Budget Office, *Work Requirements and Work Supports for Recipients of Means-Tested Benefits 2* (June 2022), <https://www.cbo.gov/system/files/2022-06/57702-Work-Requirements.pdf>.

<sup>35</sup> *Id.*