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Taking Medicaid Away for Not Meeting a Work-Reporting Requirement Would Keep People From Health Care

Many People Who Already Work or Should Be Exempt Would Lose Coverage

By Laura Harker

Led by House Speaker Kevin McCarthy, congressional Republicans have revived harmful proposals to cut federal spending on the Medicaid program — the nation’s single largest source of health coverage — by taking Medicaid away from people not meeting new work-reporting requirements.¹ Adding such requirements to Medicaid would cause many low-income adults to lose coverage due to bureaucratic hurdles that don’t reflect the complexity of people’s circumstances, as failed experiments in several states show. These requirements would leave people without the health care they need, including life-saving medications, treatment to manage chronic conditions, and care for acute illnesses.

People’s access to health care and other basic supports, such as housing, food, or child care, should not hinge on whether they meet a work-reporting requirement or successfully navigate a complicated system to either report work hours or claim an exemption.

Experience in states that temporarily put such requirements in place in Medicaid makes clear that these requirements would take away coverage from a broad range of people, including people who are already working full or part time, people who are between jobs, and people who may not always meet the required hours because they have inconsistent work schedules common with low-paid work.

Experience shows, too, that these policies can’t be fixed by trying to carve out certain populations. The proposals would likely also take health coverage away from people who are caregivers, who have a disability, or who have a chronic disease, substance use disorder, or other serious illness that

¹ Speaker Kevin McCarthy’s Speech at the New York Stock Exchange, April 17, 2023, <https://www.speaker.gov/speaker-mccarthys-speech-at-the-new-york-stock-exchange/>; Letter from House Speaker Kevin McCarthy to President Joe Biden, March 28, 2023, <https://punchbowl.news/wp-content/uploads/LimitSaveGrow.pdf>; Limit, Save, Grow Act of 2023, H.R. 2811, <https://www.congress.gov/118/bills/hr2811/BILLS-118hr2811eh.pdf>.

limits their ability to work on a temporary or longer-term basis and their ability to navigate bureaucratic systems.

Justifications for work requirements rest on the false assumptions that people who receive benefits do not work and must be compelled to do so. These assumptions are rooted in stereotypes based on race, gender, disability status, and class. They ignore the realities of the low-paid labor market, the lack of child care and paid sick and family leave, how health and disability issues and the need to care for family members affect people's lives, and ongoing labor market discrimination.

Data show that most adults who are able to work do work or are between jobs; those who are out of work for longer periods often have health, caregiving, or other reasons that limit their ability to work at that time. Research also shows that policies that take coverage away from people who don't meet a work-reporting requirement or aren't able to secure an exemption (even if they are eligible) result in large numbers of people losing health coverage — while not resulting in increased employment. Indeed, taking away coverage from people who don't meet work-reporting requirements would worsen people's access to care and health outcomes, which in turn, can make it *harder* for them to keep or find a job.

Work-reporting requirements add red tape to an already complex health care system, creating a barrier to needed health coverage. Losing access to health care is a very serious consequence for failing to meet inflexible, complicated, and confusing requirements that, by their very structure, cannot take into account the real-world complexities of people's lives. Regardless of their employment status, everyone deserves health care that supports their dignity and wellness and the well-being of their families and communities.

Adding a Medicaid Work-Reporting Requirement Would Cause Many to Lose Coverage

Medicaid does not currently have a work-reporting requirement. Congress previously considered — and rejected — this policy as part of Affordable Care Act repeal efforts in 2017. The Trump Administration then approved 13 states' requests to use Medicaid Section 1115 waivers to take coverage away from people not meeting work requirements, but multiple courts struck down many of these waivers before they went into effect.² Other waivers never went into effect because they were paused during the COVID-19 pandemic.

In early 2021, the Biden Administration withdrew authority for these policies, concluding that they reduce coverage and do not promote the Medicaid program's long-standing objectives. Georgia challenged this revocation in court and is set to implement work requirements for a new category of low-income adults this summer.³

² Madeline Guth and MaryBeth Musumeci, "An Overview of Medicaid Work Requirements: What Happened Under the Trump and Biden Administrations?" KFF, May 3, 2022, <https://www.kff.org/medicaid/issue-brief/an-overview-of-medicaid-work-requirements-what-happened-under-the-trump-and-biden-administrations/>.

³ Georgia Pathways to Coverage Section 1115 Demonstration, <https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/81441>. Despite its opposition to work requirements, the Biden Administration opted not to appeal the district court's decision and the state is preparing to implement the demonstration in July.

One of Medicaid’s central objectives is to provide affordable health coverage to people who wouldn’t otherwise have it. The program is largely meeting this objective, covering 1 in 5 people, including children, older adults, people with disabilities, and low-income adults who often don’t have coverage through their jobs or who are not currently employed.

Work-reporting requirements are at odds with the goal of covering people who would otherwise go uninsured, as shown by coverage losses in Arkansas — the only state that briefly took people’s Medicaid coverage away for failing to meet work-reporting requirements — and projected coverage losses in New Hampshire and Michigan, where work requirements were vacated in court and withdrawn before anyone lost coverage.

In 2018, Arkansas required some low-income adults in the Medicaid expansion group to report 80 hours of work or community engagement activities to the Medicaid agency every month. Nearly 1 in 4 people subject to the requirement — more than 18,000 people — lost their coverage during the first seven months of the requirement.⁴ A district court vacated the federal government’s approval of Arkansas’ work-reporting requirement in 2019, preventing the state from continuing the policy.

In New Hampshire, almost 17,000 people — or 40 percent of the people subject to the work requirement — were set to lose coverage before the state suspended the policy in July 2018.⁵ And in Michigan, some 80,000 people, or one-third of those subject to the state’s work-reporting requirement, were set to lose coverage before a federal district court vacated the state’s policy.⁶

If Congress were to enact a Medicaid work-reporting requirement, similar significant coverage losses would be expected nationwide. The House-passed debt-ceiling-and-cuts bill would apply work-reporting requirements to Medicaid in all states. In practice, the bill would heavily impact people covered by the Medicaid expansion.

Using a range of estimates from CBPP and the Department of Health and Human Services, an estimated 10 to 21 million Medicaid expansion enrollees would be at risk of losing Medicaid coverage under this policy.⁷ According to the Congressional Budget Office, 15 million people would be subject to work-reporting requirements under the bill per year, with 1.5 million enrollees losing federal Medicaid funding on average — a cut of \$109 billion in federal Medicaid funding over the

⁴ Ian Hill and Emily Burroughs, “Lessons from Launching Medicaid Work Requirements in Arkansas,” Urban Institute, October 3, 2019, <https://www.urban.org/research/publication/lessons-launching-medicaid-work-requirements-arkansas>.

⁵ Elizabeth Richter, Letter to Lori Shabinette, Centers for Medicare & Medicaid Services, March 17, 2021, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/nh-granite-advantage-health-care-program-ca2.pdf>.

⁶ Robin Erb, “Gretchen Whitmer asks to stop Michigan Medicaid work rules; 80,000 at risk,” *Bridge Michigan*, February 25, 2020, <https://www.bridgemi.com/michigan-health-watch/gretchen-whitmer-asks-stop-michigan-medicaid-work-rules-80000-risk>.

⁷ Gideon Lukens, “McCarthy Medicaid Proposal Puts Millions of People in Expansion States at Risk of Losing Health Coverage,” CBPP, April 21, 2023, <https://www.cbpp.org/research/health/mccarthy-medicaid-proposal-puts-millions-of-people-in-expansion-states-at-risk-of>; U.S. Department of Health and Human Services, “New HHS Analysis: Congressional Republicans’ Medicaid Red Tape Would Jeopardize Health Coverage and Access to Care for 21 Million Americans If Implemented,” April 25, 2023, <https://www.hhs.gov/about/news/2023/04/25/new-hhs-analysis-congressional-republicans-medicaid-red-tape-would-jeopardize-health-coverage-access-care-21-million-americans-if-implemented.html>.

2023-2033 period.⁸ Many people would be at risk of losing coverage regardless of their employment status. CBO also determined that the bill would not change Medicaid enrollees' employment status or hours worked.⁹

State efforts to revive work requirements would have similar impacts. In Arkansas, even with the state's past experience, Governor Sarah Huckabee Sanders has directed the state Medicaid agency to implement a work requirement for adults covered under the state's Medicaid expansion. Absent federal legislation, the state will need to seek a waiver from the federal government and is expected to release a proposal for public comment this spring, before submission to the federal government.¹⁰

Access to Health Care Shouldn't Depend on Meeting a Work-Reporting Requirement

Losing health coverage has serious consequences. Disruptions in coverage keep people from successfully managing their conditions, potentially worsening their health. Studies show individuals who lose Medicaid often only reenroll when they have a health problem requiring hospital care, which often could have been avoided had enrollees' coverage and access to care continued without interruption.¹¹ Another study showed that adults with Type 1 diabetes whose health insurance was interrupted used acute care (e.g., urgent care facility or emergency department) five times more frequently after the interruption than before.¹²

Consistent health coverage can also support greater financial security — and the ability to find and keep a job. Among people in Arkansas who reported losing their coverage due to the state's work requirement, half reported significant problems paying off medical debt.¹³ Conversely, among adults not working who gained coverage through Medicaid expansion in Ohio and Michigan, most said having health care coverage made it *easier* to look for work.¹⁴ And working adults said health coverage made it easier for them to work or made them better at their jobs.

⁸ Congressional Budget Office, Letter to House Budget Committee Chairman Jodey Arrington, April 25, 2023, https://www.cbo.gov/system/files/2023-04/59102-Arrington-Letter_LSG%20Act_4-25-2023.pdf.

⁹ CBO, Letter to House Energy and Commerce Committee Ranking Member Frank Pallone, Jr., April 26, 2023, <https://www.cbo.gov/system/files/2023-04/59109-Pallone.pdf>.

¹⁰ "Governor Sarah Huckabee Sanders Directs DHS to Add Work Requirement to Medicaid Program," press release, February 15, 2023, <https://humanservices.arkansas.gov/news/governor-sarah-huckabee-sanders-directs-dhs-to-add-work-requirement-to-medicaid-program/>.

¹¹ Katherine Swartz *et al.*, "Evaluating State Options for Reducing Medicaid Churning," *Health Affairs*, July 2015, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4664196/>.

¹² Mary A.M. Rogers *et al.*, "Interruptions in Private Health Insurance And Outcomes In Adults With Type 1 Diabetes: A Longitudinal Study," *Health Affairs*, July 2018, <https://www.communityplans.net/wp-content/uploads/2019/04/hlthaff.2018.0204-1.pdf>.

¹³ Benjamin D. Sommers *et al.*, "Medicaid Work Requirements In Arkansas: Two-Year Impacts On Coverage, Employment, And Affordability Of Care," *Health Affairs*, September 2020, <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2020.00538?journalCode=hlthaff>.

¹⁴ Hannah Katch, Jennifer Wagner, and Aviva Aron-Dine, "Taking Medicaid Coverage Away From People Not Meeting Work Requirements Will Reduce Low-Income Families' Access to Care and Worsen Health Outcomes," CBPP, updated August 13, 2018, <https://www.cbpp.org/research/health/taking-medicaid-coverage-away-from-people-not-meeting-work-requirements-will-reduce>.

Work-reporting requirements add red tape to an already complex health care system and create a barrier to needed health coverage. These requirements tie people’s ability to access health care to issues that are systemic and often out of their control, such as variable work schedules and spells of involuntary unemployment that are more common in the low-paid job market. Low-paid jobs also tend to not offer paid sick or family leave, causing people to lose their job if they are ill or need to care for a family member.

Life circumstances — like illness in the family, finishing school to access better career opportunities, or seeking treatment for a health condition — mean that employment is not always possible or the best option at the time. Requiring people to report monthly work hours or document they are exempt for medical and other reasons takes power away from people to make the decisions that are best for them and their family.

Proposals to take Medicaid away from people who don’t meet a work-reporting requirement build on existing requirements imposed on parents receiving cash payments from the Temporary Assistance for Needy Families (TANF) block grant. Tropes that were used to argue for those requirements during debates over the 1996 law that created TANF — that women, especially Black women, are lazy and must be forced to work — have an unsettling lineage traceable back to slavery and to post-Civil War policies designed to force Black people to work.¹⁵ In reality, Black women have the highest labor force participation rate among adult women.¹⁶

Work requirements also take an outdated approach to disability. They make assumptions about who is “able-bodied” and don’t adequately acknowledge the different types of disability or illness that may affect people’s ability to work, to work a minimum number of hours, or to secure a health-related exemption if one is available.

Work-Reporting Requirements Add Red Tape That Will Create Confusion and Jeopardize Coverage for Enrollees

Adding a work-reporting requirement would add to the administrative barriers people already face to enrolling in and retaining Medicaid. More than 1 in 4 people who were uninsured in 2020 were eligible for Medicaid or the Children’s Health Insurance Program but not enrolled, and those who do enroll already may face barriers to staying enrolled.¹⁷

¹⁵ Laura Meyer, Ife Floyd, and LaDonna Pavetti, “Ending Behavioral Requirements and Reproductive Control Measures Would Move TANF in an Antiracist Direction,” CBPP, February 23, 2022, <https://www.cbpp.org/research/family-income-support/ending-behavioral-requirements-and-reproductive-control-measures>; and Elisa Minoff, “The Racist Roots of Work Requirements,” Center for the Study of Social Policy, February 2020, <https://cssp.org/resource/racist-roots-of-work-requirements/>.

¹⁶ LaDonna Pavetti *et al.*, “Expanding Work Requirements Would Make It Harder for People to Meet Basic Needs,” CBPP, March 15, 2023, <https://www.cbpp.org/research/poverty-and-inequality/expanding-work-requirements-would-make-it-harder-for-people-to-meet>.

¹⁷ Farah Erzouki, “Reducing Administrative Burdens in Medicaid Is Critical to Achieving Health and Racial Equity,” CBPP, July 19, 2022, <https://www.cbpp.org/blog/reducing-administrative-burdens-in-medicaid-is-critical-to-achieving-health-and-racial-equity>.

Confusing and complicated processes and communications increase the likelihood that people will lose coverage due to a work-reporting requirement. Many of the Medicaid enrollees who were subject to work requirements in Arkansas and New Hampshire (before that state decided not to implement its requirement) reported not knowing about the work requirement or receiving confusing and contradictory notices about whether they were subject to it.¹⁸

Data for the month of February 2019 — shortly before the approval of Arkansas’ work requirement policy was vacated — show that 87 percent of those subject to the work requirements in Arkansas were exempt from reporting. Of the remaining share required to demonstrate compliance, nearly 9 in 10 did not report any work activities — for example, by not creating online accounts or navigating the online portal — likely reflecting widespread lack of awareness and complex and burdensome reporting requirements.¹⁹

Other barriers exist that will make reporting difficult. In Arkansas, some people did not have access to the online portal where they were supposed to report their work hours because they lacked broadband access, and people who used the phone reporting option often had to wait on hold for up to an hour.²⁰ While investment in broadband access has increased during the pandemic,²¹ broadband availability and affordability remains a barrier in rural communities — especially in rural counties in the South where large shares of residents are Black.²²

Adding to the barriers that would come with a work requirement: states often lack the capacity to hire sufficient staff to respond to people’s questions or manage work reporting systems and the exemption process. One in four state Medicaid agencies are reporting a workforce vacancy rate of at least 20 percent and some are seeing rates as high as 50 percent.²³

Implementing work requirements would require most states to spend tens of millions of dollars on actions including substantially modifying eligibility systems, developing new processes, and

¹⁸ Jennifer Wagner and Jessica Schubel, “States’ Experiences Confirm Harmful Effects of Medicaid Work Requirements,” CBPP, updated November 18, 2020, <https://www.cbpp.org/research/health/states-experiences-confirm-harmful-effects-of-medicaid-work-requirements>.

¹⁹ Robin Rudowitz *et al.*, “February State Data for Medicaid Work Requirements in Arkansas,” KFF, March 25, 2019, <https://files.kff.org/attachment/State-Data-for-Medicaid-Work-Requirements-in-Arkansas>; MaryBeth Musumeci *et al.*, “An Early Look at Implementation of Medicaid Work Requirements in Arkansas,” KFF, October 8, 2018, <https://www.kff.org/report-section/an-early-look-at-implementation-of-medicaid-work-requirements-in-arkansas-key-findings-9243/>.

²⁰ Hill and Burroughs, *op. cit.*

²¹ Nicol Turner Lee *et al.*, “Why the federal government needs to step up efforts to close the rural broadband divide,” Brookings Institution, October 4, 2022, <https://www.brookings.edu/research/why-the-federal-government-needs-to-step-up-their-efforts-to-close-the-rural-broadband-divide/>.

²² Dominique Harrison, “Affordability & Availability: Expanding Broadband in the Black Rural South,” Joint Center for Political and Economic Studies, October 2021, <https://jointcenter.org/wp-content/uploads/2021/10/Affordability-Availability-Expanding-Broadband-in-the-Black-Rural-South.pdf>.

²³ Farah Erzouki, “States Should Use Federal Matching Funds to Ensure Adequate Staffing During ‘Unwinding’ of Medicaid Continuous Coverage,” CBPP, February 23, 2023, <https://www.cbpp.org/blog/states-should-use-federal-matching-funds-to-ensure-adequate-staffing-during-unwinding-of>.

creating or modifying systems to document compliance with the new rules.²⁴ In addition, states would be required to assess and offer reasonable accommodations to people protected under the Americans with Disabilities Act. States would also need to assure compliance with other federal protections, including the Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.²⁵

The increased bureaucracy surrounding a work-reporting requirement would result in some people losing coverage even if they were working the required hours or were eligible for an exemption. These policies simply can't be fixed by trying to carve out certain populations.

Work-Reporting Requirements Based on Bad Assumptions, Ignore Labor Market Realities

Justifications for work requirements rest on the false assumptions that people who receive benefits do not work and must be compelled to do so. But in fact, most working-age adults enrolled in Medicaid are already working for pay or temporarily between jobs. Taking coverage away because they can't meet a work-reporting requirement will make it harder for them to find and keep work. Others who may be out of work for a long period are ill, caring for family members who are ill or have disability, going to school to upgrade their skills, or face other barriers to employment.

Work-Reporting Requirements Won't Boost Work But Will Hurt Working People

Work requirements have been implemented in other federal programs such as SNAP and TANF. Evidence from those programs shows that taking benefits away from people who don't prove compliance with a work requirement does little to improve long-term employment outcomes, especially for those with the most limited employment prospects.²⁶

One year after the reinstatement of the SNAP time limit, which limits adults aged 18 to 49 without a child in the household to three months of benefits in any 36-month period when they cannot show they are employed or in a work or training program for at least 20 hours a week, SNAP participation fell between 7 and 32 percentage points, with no evidence of improved earnings or employment, a recent study found.²⁷

Among those who could be subject to a Medicaid work-reporting requirement nationwide under the House-passed debt-ceiling-and-cuts bill (which for purposes of analysis we assume to be adults aged 19-55 who are not enrolled in Medicare and are not eligible for Medicaid based on disability

²⁴ Jennifer Wagner, "GAO: Restrictive Medicaid Waivers Have Steep Administrative Costs," CBPP, October 22, 2019, <https://www.cbpp.org/blog/gao-restrictive-medicaid-waivers-have-steep-administrative-costs>.

²⁵ Anna Bailey and Judith Solomon, "Medicaid Work Requirements Don't Protect People With Disabilities," CBPP, November 14, 2018, <https://www.cbpp.org/research/health/medicaid-work-requirements-dont-protect-people-with-disabilities>.

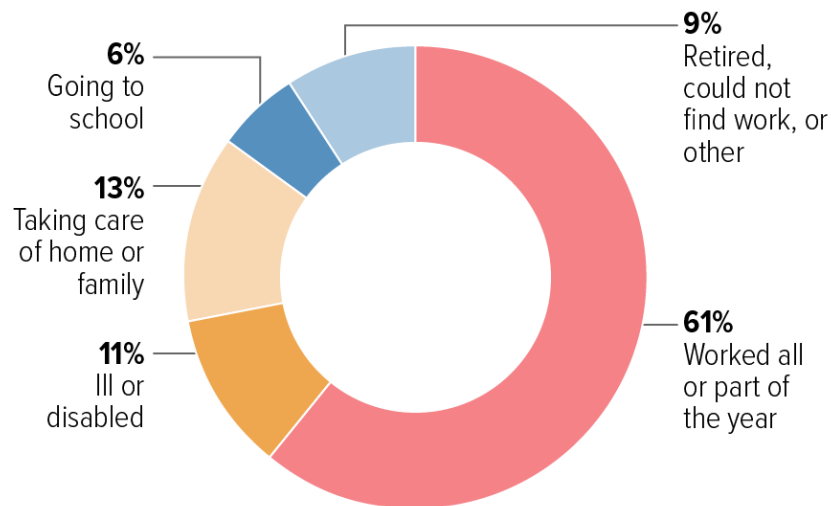
²⁶ Pavetti *et al.*, *op. cit.*

²⁷ This study references the reinstatement of the SNAP limit that occurred in early 2016 in three states (Colorado, Missouri, and Pennsylvania). Tracy Vericker *et al.*, "The Impact of ABAWD Time Limit Reinstatement on SNAP Participation and Employment," *Journal of Nutrition Education and Behavior*, March 2, 2023, S1499-4046(23)00008-8, <https://pubmed.ncbi.nlm.nih.gov/36868947/>.

and receipt of Supplemental Security Income²⁸), 64 percent worked full or part time in 2021 — a group that can still lose coverage because of the challenges navigating the reporting system and because their hours may fluctuate.²⁹ For those who were not employed, the most common reasons were caregiving responsibilities, illness or disability, and school attendance. These individuals could qualify for an exemption under some policies, but often states don't do a good job of screening people for available exemptions and many who should be exempted aren't. The remaining adults, roughly 9 percent, were not working due to reasons unlikely to qualify for an exemption, including being retired, unable to find work, or not working for another reason. (See Figure 1.)

FIGURE 1

Most Adults With Medicaid Work — And Those Who Don't Mainly Are Ill or Disabled, Caring For Family, or Going to School



Note: Includes non-elderly adults who were covered by Medicaid, did not receive Supplemental Security Income (SSI), and were not enrolled in Medicare.

Source: CBPP analysis of March 2022 Current Population Survey

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Medicaid work-reporting requirement proposals typically require a person to report 80 hours of work or volunteer activities each month. But even people who generally work enough hours to meet that threshold may have periods during the year when they don't. Some 43 percent of low-income

²⁸ According to the House-passed debt-ceiling-and-cuts bill, Medicaid work-reporting requirements do not apply to people who are “physically or mentally unfit for employment, as determined by a physician or other medical professional.” We interpret this to include people who are eligible for Medicaid because they receive disability benefits such as Supplemental Security Income, which requires medical documentation. Depending on federal and state implementation policies, individuals we have assumed could be exempted could instead lose coverage if the provision were to become law.

²⁹ CBPP analysis of March 2022 Current Population Survey.

working adults aged 19-55 who would likely be subject to an 80-hour work requirement each month would have been at risk of losing coverage for one or more months, a CBPP analysis using 2017 survey data that asks about monthly employment found.

Moreover, some people who worked enough total hours during the year would be at risk of losing coverage in one or more months. Among the people working 1,000 hours over the course of the year — enough on average to meet an 80-hour monthly requirement — more than 1 in 4 would have been at risk of losing coverage because they would not have met the minimum in every month, the CBPP analysis found.³⁰

Work-Reporting Requirements Burden People Already Facing Discrimination and Challenging Labor Markets

As described above, most people who can work, do work. And most others who can work but are not working face some type of barrier to employment or personal circumstance that makes working difficult or impossible, often temporarily.

Focus groups with Arkansas enrollees showed that beyond the existing economic pressures to work, the work requirements did not provide an additional incentive to work.³¹ And research studies on Arkansas' work-reporting requirements did not find that the rules led to any significant changes in people's employment status or number of hours worked.³² Instead, it led to people losing their health coverage. For people facing systemic barriers such as unstable housing and transportation challenges, the work requirement made it even harder for them to meet their basic needs.

Systemic racism affecting education, employment, housing, and transportation makes people of color more likely to be unemployed or to work in jobs with low wages and to have limited access to employer-provided coverage. Workers who are Black or Latino have higher rates of part-time employment than white workers, and 77 percent of part-time workers did not have access to health coverage through their employers.³³

Workers in the gig economy are also disproportionately Black and Latino. Part-time and gig economy workers often have unstable hours, leaving them at risk of coverage loss if subjected to reporting hours on a month-to-month basis.

³⁰ CBPP analysis of 2017 Survey of Income and Program Participation (SIPP) data.

³¹ MaryBeth Musumeci, Robin Rudowitz, and Barbara Lyons, "Medicaid Work Requirements in Arkansas: Experience and Perspectives of Enrollees," KFF, December 18, 2018, <https://www.kff.org/medicaid/issue-brief/medicaid-work-requirements-in-arkansas-experience-and-perspectives-of-enrollees/>

³² Benjamin D. Sommers *et al.*, "Medicaid Work Requirements – Results from the First Year in Arkansas," *New England Journal of Medicine*, September 12, 2019, https://www.nejm.org/doi/full/10.1056/NEJMSr1901772?query=featured_home.

³³ Suzanna Wikle *et al.*, "States Can Reduce Medicaid's Administrative Burdens to Advance Health and Racial Equity," CBPP and CLASP, July 19, 2022, https://www.cbpp.org/research/health/states-can-reduce-medicaids-administrative-burdens-to-advance-health-and-racial#_ftnref22.

Work-reporting requirements also ignore the discrimination that persists in hiring for jobs, especially for Black and Latino people,³⁴ making it harder to keep stable employment or obtain a higher-paying job that offers affordable health benefits.

Other systemic features present barriers to meeting work-reporting requirements. For example, Arkansas Medicaid beneficiaries subject to work requirements reported challenges like unstable work hours or living in a rural area with few jobs. The lack of flexibility in work hours is more common in low-paid jobs, and puts people at risk of coverage loss due to factors out of their control.

Job opportunities that pay a sufficient wage are also not evenly distributed geographically. Rural areas are less likely to have jobs that pay wages to support families, and transportation barriers make it hard for people to get to those jobs.³⁵ People of color in rural areas are especially at risk of harm from work requirements because they face both the challenges of accessing jobs in a rural area and the racism and segregation that exists in the job market.³⁶

Making it easier for people to maintain health coverage should be a part of addressing systemic barriers to work, instead of putting the blame on the individual by taking away their coverage because they cannot meet a work-reporting requirement and aren't screened eligible for an exemption.

Taking Coverage Away From People Who Don't Meet Work-Reporting Requirements Will Cause Far-Reaching Harm

Proponents of taking Medicaid away from people who don't meet a work-reporting requirement may support exempting some groups of people, like caregivers of young children or people with disabilities. For example, legislation recently introduced by Sen. John Kennedy would take coverage away from "able-bodied adults" who do not meet work requirements

Medicaid Briefs: Who Do Work Requirements Harm?

The following series of policy briefs from 2020 describe the impact that policies that would take benefits away from people not meeting work-reporting requirements could have on groups at the greatest risk of losing coverage.

- [Veterans](#)
- [Rural Communities](#)
- [Women](#)
- [American Indians and Alaska Natives](#)
- [People Experiencing Homelessness](#)
- [Low-Wage Workers](#)
- [Children](#)
- [People with Mental Health Conditions](#)
- [Older Americans](#)
- [People with Substance Use Disorders](#)
- [People with Disabilities](#)

³⁴ S. Michael Gaddis *et al.*, "Discrimination Against Black and Hispanic Americans is Highest in Hiring and Housing Contexts: A Meta-Analysis of Correspondence Audits," *Social Science Research Network*, Vol. 30, No. 20, December 1, 2021, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3975770.

³⁵ Paula Braveman *et al.*, "Advancing Health Equity in Rural America," Robert Wood Johnson Foundation, June 1, 2022, <https://beta.rwjf.org/en/insights/our-research/2022/06/advancing-health-equity-in-rural-america.html>.

³⁶ Christian E. Weller, "African Americans Face Systematic Obstacles to Getting Good Jobs," Center for American Progress, December 5, 2019, <https://www.americanprogress.org/wp-content/uploads/sites/2/2019/12/Black-Unemployment1.pdf>.

and would include exemptions for (among others) individuals who are “medically certified as physically or mentally unfit for employment” or “participating in a drug or alcohol treatment and rehabilitation program.”³⁷

But the increased bureaucracy surrounding a work-reporting requirement would result in some people losing coverage even if they were working the required hours or were eligible for an exemption. The administrative burden would be challenging, too, for people who face barriers including limited English proficiency or limited broadband access. It is nearly impossible to design exemptions to sufficiently protect all the people who are intended to be protected from losing coverage.

Many people with disabilities or serious health conditions would be at risk of losing coverage. While people who qualify for Medicaid on the basis of having a disability could be categorically excluded from a work requirement, 6 in 10 non-elderly adults with disabilities enrolled in Medicaid qualified for the program through pathways not based on their disability (such as the Medicaid expansion for low-income adults). Individuals enrolled through these other pathways *would* be subject to proposed work requirements unless they could navigate red tape and a state caseworker accurately determined that their health conditions meet the criteria for an exemption.³⁸

A review of the Medicaid work requirement in Arkansas showed that people with disabilities were particularly vulnerable to losing coverage despite several exemptions and accommodations the state put in place in an attempt to safeguard them from coverage loss.³⁹ Although Arkansas’ waiver excluded people who receive Supplemental Security Income (SSI) benefits or were otherwise eligible for Medicaid *on the basis of a disability*, many other enrollees with disabilities were subject to the requirements unless they sought and received an exemption or a reasonable accommodation.⁴⁰

According to the Kaiser Family Foundation, over half of non-elderly adults with a disability enrolled in Medicaid in Arkansas did not receive SSI, which meant that a large group of people with such health care needs were subjected to the work requirements. Arkansas included an exemption for “medically frail” enrollees, but the exemption was not automatic, enrollees needed to self-identify as medically frail (and would have had to recertify annually), and many people with disabilities did not meet the strict definition of “medically frail.”⁴¹

³⁷ Jobs and Opportunities for Medicaid Act, S.1063, <https://www.congress.gov/bill/118th-congress/senate-bill/1063?q=%7B%22search%22%3A%5B%22Jobs+and+Opportunities+for+Medicaid+Act%22%5D%7D&s=1&r=2>; House Companion: <https://www.congress.gov/bill/118th-congress/house-bill/1551/text?s=1&r=1&q=%7B%22search%22%3A%5B%22Jobs+and+opportunities+for+Medicaid%22%5D%7D>.

³⁸ MaryBeth Musumeci and Kendal Orgera, “Supplemental Security Income for People with Disabilities: Implications for Medicaid,” KFF, June 23, 2021, <https://www.kff.org/medicaid/issue-brief/supplemental-security-income-for-people-with-disabilities-implications-for-medicaid/>.

³⁹ MaryBeth Musumeci, “Disability and Technical Issues Were Key Barriers to Meeting Arkansas’ Medicaid Work and Reporting Requirements in 2018,” KFF, June 11, 2019, <https://www.kff.org/report-section/disability-and-technical-issues-were-key-barriers-to-meeting-arkansas-medicaid-work-and-reporting-requirements-in-2018-issue-brief/>.

⁴⁰ *Ibid.*

⁴¹ Medicaid regulations define “medically frail” as “individuals with disabling mental disorders (including children with serious emotional disturbances and adults with serious mental illness), individuals with chronic substance use disorders, individuals with serious and complex medical conditions, individuals with a physical, intellectual or developmental

Individuals with disabilities or serious illnesses who were not granted a medically frail exemption and were subsequently determined not to have complied with work requirements could request a “good cause exemption” to retain their eligibility if, for example, they were unable to meet the requirements due to health issues, a life-changing event, or a technical issue. During a six-month period, only 904 people in Arkansas made good cause requests, suggesting that many enrollees who were eligible didn’t know to request one. Among those who did request an exemption, one-third of the approved requests were granted due to the enrollee reporting a disability or serious health issue.⁴²

Requiring people to submit medical records or physician testimony to qualify for exemptions can be a cumbersome process, especially if the person is uninsured (and therefore less likely to have a regular source of care) or has an illness that reduces their ability to navigate the medical bureaucracy. People with serious mental illnesses such as major depression or bipolar disorder may experience impaired executive function that makes it even harder to navigate these systems, leading them to drop out of the process and lose coverage.⁴³

Taking Medicaid away from parents and caretakers would hurt children. Taking away Medicaid coverage from parents who don’t meet a work reporting requirement would likely reduce children’s health coverage. In January 2013, a year before the ACA’s major coverage provisions were implemented, the average Medicaid income eligibility limit for parents was 64 percent of poverty (this would be equivalent to about \$9,300 annually for an individual in 2023).⁴⁴

Most states adopted the ACA Medicaid expansion to provide coverage to parents with incomes below 138 percent of poverty (or about \$20,100 in annual income for an individual), and Connecticut and the District of Columbia have expanded coverage to parents beyond that threshold. These expansions for parents have translated into significant coverage gains for children, because when parents gain coverage, health coverage rates rise among children who are already eligible for public coverage but not enrolled.⁴⁵ Research also confirms that coverage gains for parents, and the associated gains for children, improve children’s access to care. For example, children are 29

disability that significantly impairs their ability to perform 1 or more activities of daily living, or individuals with a disability determination based on Social Security criteria.” 42 CFR §440.315(f).

⁴² Musumeci, *op cit*.

⁴³ Richard G. Frank, “Work Requirements and Medicaid: What Will Happen to Beneficiaries with Mental Illnesses or Substance Use Disorders?” Commonwealth Fund, May 2, 2018, <https://www.commonwealthfund.org/publications/journal-article/2018/may/work-requirements-and-medicaid-what-will-happen-beneficiaries>.

⁴⁴ KFF State Health Facts, “Medicaid Income Eligibility Limits for Parents, 2002-2023,” <https://www.kff.org/medicaid/state-indicator/medicaid-income-eligibility-limits-for-parents>.

⁴⁵ Julie L. Hudson and Asako S. Moriya, “Medicaid Expansion For Adults Had Measurable ‘Welcome Mat’ Effects On Their Children,” *Health Affairs*, September 2017, <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2017.0347?journalCode=hlthaff>.

percentage points more likely to have an annual well-child visit if their parents are enrolled in Medicaid, a 2017 study found.⁴⁶

Medicaid, which provides comprehensive health benefits for children, also has a positive impact on children’s educational attainment and earnings in adulthood.⁴⁷ Children also benefit when parents have health coverage because the parents have better access to care and health outcomes and the family has more financial security. Healthy parents are better able to have positive relationships with their children, which are critically important, as strong parent-child relationships can positively influence children’s brain structure and function, such as by mitigating the negative effects of trauma, poverty, or other adverse childhood experiences.⁴⁸

The coverage losses that result from Medicaid work-reporting requirements would take away these benefits in families where a parent loses coverage.

Conclusion

Everyone deserves health care. But proposals that would take Medicaid away from people not meeting new work-reporting requirements would cause many low-income adults to lose health coverage, leaving them without the care they need to stay well and to recover from illness.

Work-reporting requirements won’t increase employment, studies show. But they would take coverage away from a broad range of people, including workers, caregivers, people who have a disability, or people who have a chronic disease, substance use disorder, or other serious illness that limits their ability to work on a temporary or longer-term basis and their ability to navigate bureaucratic systems.

The red tape associated with work-reporting requirements would cost some people their coverage even if they were working the required hours or were eligible for an exemption. Trying to carve out certain populations can’t fix these policies.

These inflexible, complicated, and confusing requirements cannot take into account the real-world complexities of the low-paid labor market and people’s lives. They shouldn’t cost people their health coverage, and policymakers should reject them.

⁴⁶ Maya Venkataramani, Craig Evan Pollack, and Eric T. Roberts, “Spillover Effects of Adult Medicaid Expansions on Children’s Use of Preventive Services,” *Pediatrics*, December 1, 2017, <https://pediatrics.aappublications.org/content/140/6/e20170953>.

⁴⁷ Jessica Schubel, “Expanding Medicaid for Parents Improves Coverage and Health for Both Parents and Children,” CBPP, updated June 14, 2021, <https://www.cbpp.org/research/health/expanding-medicaid-for-parents-improves-coverage-and-health-for-both-parents-and>.

⁴⁸ Georgetown University Health Policy Institute, Center for Children and Families, “Healthy Parents and Caregivers are Essential to Children’s Healthy Development,” December 2016, <https://ccf.georgetown.edu/wp-content/uploads/2016/12/Parents-and-Caregivers-12-12.pdf>