HEALTH POLICY DIVISION

RESEARCH REPORT

Assessing Potential Coverage Losses among Medicaid Expansion Adults under a Federal Medicaid Work Requirement

Michael Karpman *Jennifer M. Haley* *Genevieve M. Kenney*

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Executive Summary

Current majority leadership in the House of Representatives has advanced a budget resolution that would make substantial federal funding cuts to Medicaid over the next 10 years.[1] This paper is one in a series that assesses the implications of different proposals (Buettgens 2025; Holahan, O'Brien, and Dubay 2025). It focuses on potential coverage losses associated with establishing a federal work reporting requirement[2] in Medicaid for adults enrolled under the Affordable Care Act's (ACA) expansion.

Although House leadership has indicated support for imposing work requirements in Medicaid,[3] limited information is available on the nature of the provisions being considered. We model our analysis on the Limit, Save, Grow Act passed by the House of Representatives in 2023, a bill that seems to be a starting point for congressional discussions in 2025.[4] That bill would have mandated that state Medicaid programs institute work requirements and withheld federal funding for Medicaid beneficiaries ages 19 to 55 who did not qualify for an exemption or participate in a work-related activity for at least 80 hours per month for three or more months in a calendar year. The bill identified several criteria that would exempt adults from work reporting requirements, such as being the parent or caretaker of a dependent child or being unable to work because of a health condition, and required that state Medicaid agencies "shall, whenever possible, prioritize the utilization of existing databases," including health and human service agency and payroll databases, for verifying compliance.[5]

The House bill did not specify which Medicaid eligibility groups, if any, were excluded from the requirements. A US Department of Health and Human Services analysis interpreted it as affecting adults enrolled under the ACA Medicaid expansion, noting that adults enrolled through other eligibility pathways would likely be automatically exempted from reporting requirements.[6] Others have noted the lack of explicit exemptions for traditional nondisabled eligibility groups (e.g., low-income parents), Supplemental Security Income recipients, and other adults enrolled through disability-based eligibility pathways, means they too could be subject to work requirements (see box 1 on executive summary page x for a definition of terms).[7] In addition, several bills introduced in recent months go beyond the 2023 legislation by imposing work requirements for a wider age group (e.g., 18 to 65) and offering more limited exemptions for parents and caregivers, suggesting future legislation could extend work requirements beyond the Medicaid expansion population and affect adults who qualify for Medicaid under these traditional eligibility categories.[8] One of these bills also lacks a provision mandating that states use available data to automatically verify whether enrollees are in compliance with the work

requirement. And even under a mandate to use automatic verification, states would likely vary in their capacity to do so.

Our analysis of the national coverage impacts of legislation modeled on the 2023 House bill draws on the experiences of two states that previously implemented Medicaid work requirements for their expansion populations. Under the first Trump administration, the Centers for Medicare and Medicaid Services issued guidance inviting states to make employment or participation in work-related activities a condition of Medicaid eligibility for nonpregnant, nondisabled, working-age adults as part of Section 1115 demonstration projects, with the stated goal "to improve Medicaid enrollee health and well-being through incentivizing work and community engagement."[9] Only one state, Arkansas, fully implemented its waiver program for an initial cohort of Medicaid beneficiaries, terminating coverage for more than 18,000 adults ages 30 to 49 with incomes at or below the federal poverty level who had not been exempted from work requirements and were not reported to be in compliance with them by the end of 2018 (Arkansas Department of Human Services 2019). New Hampshire also began implementation but halted the program in July 2019 before adults not meeting the requirement in June had their coverage suspended. In Arkansas, most adults who did not satisfy the reporting requirement were ultimately disenrolled after they had been deemed noncompliant for three months, and in both states, others were facing disenrollment when the policies were halted, often because they had not been informed about the policy, did not understand they risked disenrollment, or had difficulty completing processes for reporting exemptions and work activities and could not successfully provide that information despite qualifying for an exemption or fulfilling the required activities (Hill and Burroughs 2019; Hill, Burroughs, and Adams 2020; Musumeci, Rudowitz, and Hall 2018; Rudowitz, Musumeci, and Hall 2019).

State agencies in Arkansas and New Hampshire automatically exempted or deemed compliant between half and two-thirds of enrollees subject to work requirements using information available to the state from initial Medicaid applications and state databases, including age, parental status, disability or medical frailty, wages that were consistent with meeting the minimum work hour requirement, or compliance with work requirements in other means-tested benefit programs (Hill and Burroughs 2019; Hill, Burroughs, and Adams 2020; Musumeci, Rudowitz, and Hall 2018).[10] Among the remaining adults who were not automatically exempted or deemed compliant and were therefore required to take action (i.e., request an exemption or report their work activities), 72 percent in Arkansas and 82 percent in New Hampshire were classified as "noncompliant" in the first month of the reporting requirement, and this basic pattern held as implementation advanced in Arkansas (Arkansas Department of Human Services 2018a, 2018b).[11] Of note, Arkansas did not require documentation of work activities or

exemptions but rather a monthly self-attestation, and even this proved a large barrier to maintaining coverage. A state survey showed more than 95 percent of Medicaid enrollees in the target age group had exemption-related characteristics or performed work activities that likely should have qualified them to stay enrolled (Sommers et al. 2019).

We examine the potential for coverage losses if new work requirements modeled on the 2023 House bill are applied to expansion enrollees nationally and if implementation processes and reporting patterns are consistent with experiences in these two states. The potential coverage losses we project would be larger if work requirements are not limited to expansion enrollees or if states do not use data to automatically verify compliance and exemption like Arkansas and New Hampshire did. Our analysis uses the Urban Institute's Health Insurance Policy Simulation Model,[12] which draws on data from the American Community Survey projected to 2026. We assess the extent of coverage losses that could result if work requirements were fully implemented in 2026 for the projected 13.3 million adults ages 19 to 55 enrolled in the Medicaid expansion group across 40 states and the District of Columbia.[13] Our key findings are as follows:

- We estimate that approximately 7 million adults, or 52 percent of the expansion population in the target age group in 2026, have at least one of the following characteristics—earnings above a specified threshold, being a parent living with a dependent child, or complying with Supplemental Nutrition Assistance Program work requirements — that states could use for providing automatic exemptions or determining compliance if they followed similar approaches as Arkansas and New Hampshire. If states could automatically exempt all these adults from reporting requirements, the remaining 6.3 million adults would either have to request an exemption based on other criteria, such as a disabling condition, pregnancy, or medical frailty, or report sufficient work hours or other qualifying activities to maintain Medicaid coverage.
- Assuming reporting patterns among these 6.3 million adults follow those observed in Arkansas and New Hampshire (with 72 and 82 percent, respectively, not receiving an exemption or reporting sufficient work activities), **we estimate that between 4.6 and 5.2 million expansion adults ages 19 to 55 would lose eligibility for federal Medicaid funding in 2026 under implementation of work requirements nationally**. Assuming states do not make up for this loss of federal funding by covering these adults exclusively with state funds, these adults would lose Medicaid coverage. **The number of adults losing coverage would constitute 34 to 39 percent of all expansion enrollees in this age group.**[14]

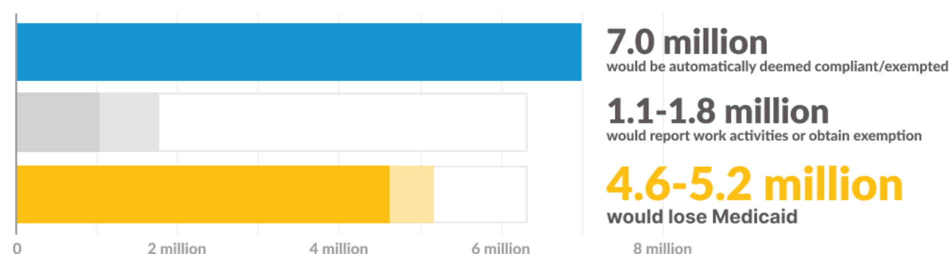
- Most adults who would lose eligibility for federal Medicaid funding are working, engaged in work-related activities, or could qualify for exemptions not readily identifiable through state databases but could still face disenrollment because of the reporting requirements.
  - Of the 6.3 million adults without characteristics that states potentially could use to provide the automatic exemptions described above, 5.1 million (81 percent) are working some or all months of the year, attending school, looking for a job, caring for a disabled household member, or are in fair or poor health or have a functional limitation.[15] These characteristics could make them exempt according to criteria in the House bill or indicate participation in qualifying activities, but only if they complete the required paperwork or if states can develop new capabilities to automatically identify people with these circumstances.
- The number of people ages 19 to 55 losing federally funded Medicaid would be considerably higher if the requirements are not explicitly limited to the expansion population. In that case, in addition to the 13.3 million adults in the expansion group, the 10.6 million adults enrolled through traditional nondisabled eligibility pathways and 6.1 million enrolled through Supplemental Security Income or other disability-related pathways in this age group would also be subject to the requirement, including those living in states that have not adopted the ACA Medicaid expansion. Under this scenario, potential coverage losses would be well above the approximately 5 million projected in our analysis.
- The potential coverage losses also would be much higher if states do not use data to grant automatic exemptions or identify compliance as Arkansas and New Hampshire did; if a larger segment of the expansion group is subject to work requirements (for instance, adults up to age 64); or if exemptions are more limited than we model. In practice, coverage losses are likely to vary widely across states, especially if legislation governing work requirements lacks explicit requirements for states to institute the automatic exemptions that Arkansas and New Hampshire implemented.[16]

Our analysis, designed to estimate potential coverage loss under work requirements for Medicaid expansion enrollees based on the experiences of Arkansas and New Hampshire, has several limitations and caveats described in detail below. Although uncertainty underlies any attempt to project the effects of work requirements, our findings suggest approximately 5 million adults would lose federal Medicaid funding even if legislation requires state agencies to use state data to automatically confer exemptions from or compliance with reporting requirements (figure ES.1). It is unlikely all states would use data to institute automatic exemptions to the extent assumed in this analysis, which we expect would lead to higher losses of federally funded Medicaid in those states with more limited data systems. Other states

may develop new strategies that go beyond the data matching efforts applied in Arkansas and New Hampshire or make processes for reporting exemptions and work activities less burdensome, resulting in fewer potential coverage losses than we project. However, if a new federal work requirement were accompanied by other reductions in federal funding for Medicaid, states' capacity to employ data matching may be more constrained and coverage losses could be higher. Even if all states use data matching to automatically exempt enrollees from reporting like Arkansas and New Hampshire did, many Medicaid enrollees meant to be exempt or who are working or engaged in work-related activities would fall through the cracks and lose health insurance coverage.

FIGURE ES.1

Potential Coverage Losses among Adults Ages 19 to 55 Under Medicaid Work Requirements for Expansion Enrollees, if Exemptions and Reporting Matched Previous State Experiences, 2026

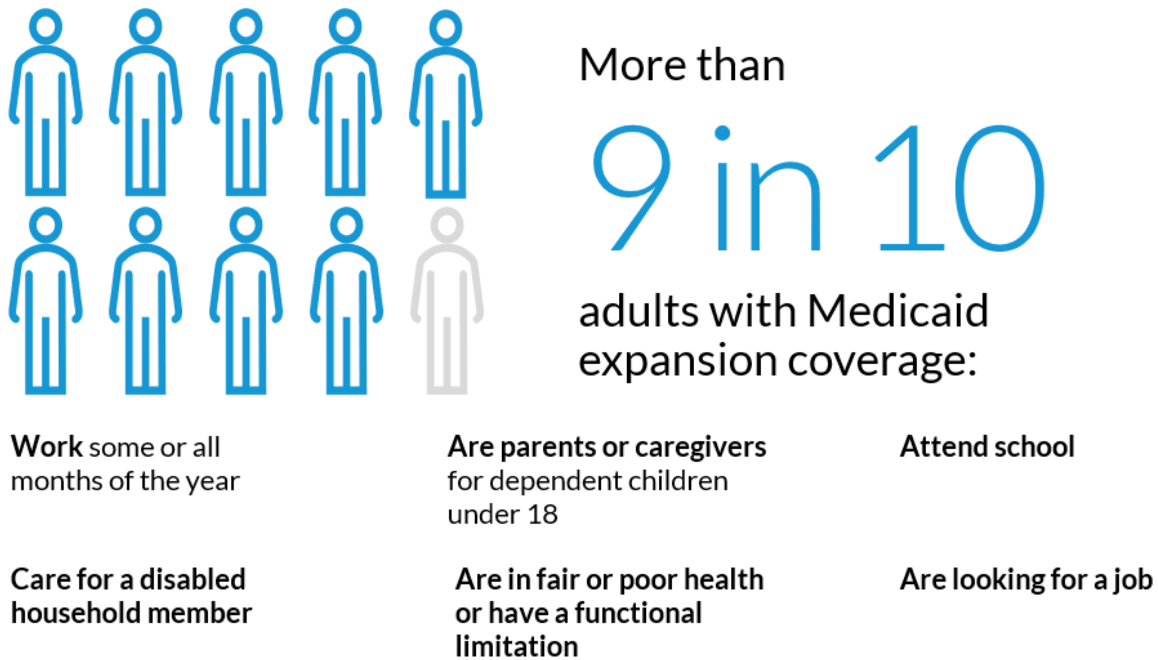


Source: Authors' analysis of Urban Institute's Health Insurance Policy Simulation Model (HIPSM) data.
Notes: Losing Medicaid refers to withholding of federal funding. Assumes states would be required to use existing databases to automatically determine exemptions and compliance due to earnings, parental status, and meeting Supplemental Nutrition Assistance Program work requirements. Range based on enrollee reporting patterns for exemptions and work activities in Arkansas and New Hampshire where 72 and 82 percent, respectively, of the adults who were not automatically exempted from or deemed compliant with work requirements did not satisfy the work reporting requirement. Estimates are rounded.

Our findings suggest states will disenroll significantly more expansion adults who should be exempt or are already engaged in work activities relative to the disenrollment of adults who are not engaged in work activities and do not meet the exemption criteria. According to our analysis, roughly half of expansion enrollees could qualify for an exemption or be deemed compliant with work requirements through data matches (52 percent), while 81 percent of the remainder (or 39 percent of expansion enrollees) appear to be engaged in activities that are prescribed under work requirements or meet other exemption criteria not likely to be identifiable through data matching—suggesting that at least 91 percent of expansion enrollees are working, in school, caregiving for a child or disabled household member, looking for a job, or have health issues that may limit their employment opportunities (figure ES.2). Below, we summarize prior state-level Medicaid work requirements and proposed federal legislation from 2023, then describe our study methodology, key findings, and implications.

FIGURE ES.2

Characteristics of Adults Ages 19 to 55 Enrolled in Medicaid Expansion, 2026



Others may be pregnant, have other physical and behavioral health conditions, care for someone outside their household, participate in job training or community service, or have other attributes unobservable in our data that would exempt them from work requirements or demonstrate community engagement.

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Source: Authors' analysis of Urban Institute's Health Insurance Policy Simulation Model (HIPSM) data.

Notes: Refers to share of expansion adults who could qualify for an exemption or be deemed compliant with work requirements through data matches (52 percent or 7 million) plus 81 percent of adults without characteristics that could qualify them for automatic exemptions or compliance and who are working some or all months of the year, attending school, looking for a job, caring for a disabled household member, or are in fair or poor health or have a functional limitation (39 percent or 5.1 million).

BOX 1

Definition of Terms Used in This Report

Subject to work requirements: This includes all enrollees in the age group and Medicaid eligibility group targeted by work requirements. For our analysis, we consider all 13.3 million adults ages 19 to 55 projected to be in the Medicaid expansion group in 2026 to be subject to work requirements based on provisions of a 2023 bill passed by the House of Representatives.

Automatically deemed exempt or compliant: These are adults we assume states can identify as exempt or already meeting minimum work hour requirements using information in state databases, without any action required of the individual. The most common automatic exemptions in states implementing

previous waivers included being a parent or caretaker of a dependent child, having wages consistent with meeting the minimum work hour requirement, being exempt from or compliant with work requirements in the Supplemental Nutrition Assistance Program or Temporary Assistance for Needy Families program, or being identified by the state as disabled or medically frail. As noted above, capacity to identify automatic exemptions or compliance may vary considerably across states.

Subject to reporting requirements: This includes enrollees subject to work requirements who are not automatically deemed exempt or compliant. These enrollees would be required to report their work-related activities to the state or request an exemption to maintain their eligibility for federally funded Medicaid coverage.

Deemed noncompliant/losing eligibility for federally funded Medicaid: This includes enrollees subject to reporting requirements who do not successfully request an exemption or report sufficient work-related activities even though they may qualify for an exemption or have fulfilled qualifying work-related activities. They would face disenrollment unless their state uses state-only funding to cover the full costs of their Medicaid coverage.[a]

Note: [a.] This would require that the state cover 100 percent of the costs, compared with the 10 percent that states cover now. See Centers for Medicare and Medicaid Services, "Increased Federal Medical Assistance Percentage through the Affordable Care Act of 2010," March 29, 2013, https://www.cms.gov/newsroom/fact-sheets/increased-federal-medical-assistance-percentage-through-affordable-care-act-2010.

Assessing Potential Coverage Losses among Medicaid Expansion Adults under a Federal Medicaid Work Requirement

Background

Nonelderly adults can qualify for Medicaid through several pathways based on income, state of residence, and other characteristics. Eligibility groups include parents and caretaker relatives whose incomes fall below state-specific limits, people with disabilities who receive Supplemental Security Income (SSI) or meet other requirements, pregnant and postpartum women, and, in the 40 states (and DC) that have adopted Medicaid expansion under the Affordable Care Act (ACA), other adults with family incomes at or below 138 percent of the federal poverty level (FPL) (Brooks et al. 2024).[17] Regardless of the eligibility pathway, except for a limited number of waivers, Medicaid eligibility has historically not been conditional on working and reporting work activities and, as described below, court rulings have found them to be contrary to the stated objectives of the Medicaid program (Guth and Musumeci 2022). Moreover, extensive evidence finds that most Medicaid-enrolled adults work or have barriers to employment, such as disability or illness, caregiving responsibilities, or being students (Guth et al. 2023; Karpman 2019; Tolbert et al. 2025).[18]

Medicaid Demonstration Waivers Approved between 2018 and 2020

Under the first Trump administration, the Centers for Medicare & Medicaid Services (CMS) issued guidance which, for the first time, encouraged states to establish work reporting requirements for adult Medicaid enrollees.[19] CMS subsequently approved 13 state demonstration waivers establishing work requirements between 2018 and 2020 (Guth and Musumeci 2022). In its guidance inviting states to submit these waivers, CMS required states to exclude adults from work requirements if they qualified for Medicaid based on a disability (e.g., through SSI or another disability-related eligibility pathway), were elderly, or were pregnant.[20] CMS also instructed states to consider aligning their Medicaid work requirements with work rules in the Supplemental Nutrition Assistance Program (SNAP) or Temporary

Assistance for Needy Families (TANF), for instance by providing additional exemptions based on criteria such as caregiving for dependents, school attendance, health conditions, or other characteristics that may limit enrollees' ability to work.

Approved waivers varied with respect to their target populations, exemption criteria, work hour requirements, penalties for noncompliance, and implementation processes, but shared several common elements (Guth and Musumeci 2022; MACPAC 2020; Musumeci, Garfield, and Rudowitz 2018). Most waivers targeted Medicaid expansion adults, and nearly half targeted the traditional Medicaid population of low-income parents, either in addition to or instead of the expansion group. Several state waivers applied work rules to adults up to age 64, while others had lower age limits. States offered varying exemptions for parents and caregivers living with dependent children, with some limiting exemptions to a single caregiver per household or parents of young children.[21] States generally required nonexempt adults to work or participate in work-related activities (e.g., job search, job training, school, or community service) for at least 80 hours per month to maintain Medicaid coverage (Guth and Musumeci 2022; MACPAC 2020).

Implementation Experiences in Arkansas, New Hampshire, and Georgia

Out of the 13 states with approved waivers, only Arkansas fully implemented its Medicaid work requirements for an initial cohort of adults, and New Hampshire also made significant progress toward implementation (see table 1 on page 4 for a summary of waiver provisions). Both states' requirements applied to their expansion populations only, and both used data available from state databases and/or initial Medicaid applications to automatically identify Medicaid enrollees who were exempt from or compliant with the work requirements. Each used data matching to automatically exempt or deem compliant about half or more of enrollees subject to the requirement, including those who were parents or caregivers for dependent children, exempt or complying with work requirements for other public programs like SNAP or TANF, identified in state databases as disabled or "medically frail,"[22] or earning wages consistent with meeting the work hour requirement based on the federal or state minimum wage (Arkansas Department of Human Services 2018c; Gillespie 2017; Hill and Burroughs 2019; Hill, Burroughs, and Adams 2020; Musumeci, Rudowitz, and Hall 2018). Both states also undertook relatively robust outreach and education strategies (Hill and Burroughs 2019; Hill, Burroughs, and Adams 2020).

But enrollees faced a range of barriers to compliance with the new requirements, including low awareness or understanding of the policy, confusion related to state notices, and difficulties accessing

or using online portals and other reporting systems (Hill and Burroughs 2019; Hill, Burroughs, and Adams 2020; Musumeci, Rudowitz, and Hall 2018; Musumeci, Rudowitz, and Lyons 2018; Sommers et al. 2019, 2020). Of the adults in both states who had not been granted an exemption, only a small fraction reported their work activities and relatively few sought an exemption. Overall, Arkansas disenrolled 18,164 adults, or nearly 1 in 4 of those initially subject to the work requirements, for noncompliance over four months in 2018 and then paused disenrollment because of a court decision in early 2019 (see Appendix A for a discussion of how our estimates compare with the disenrollment rate in Arkansas; Arkansas Department of Human Services 2019; Hill and Burroughs 2019; Wagner and Schubel 2020). New Hampshire was on the verge of disenrolling 16,637 adults in 2019, or about one-third of its Medicaid expansion population, before suspending implementation.[23] However, subsequent research found that more than 95 percent of enrollees initially subject to Arkansas' work requirement appeared to be working the required number of hours or meeting the criteria for an exemption (Sommers et al. 2019). Moreover, despite its short duration, this research also found that Arkansas' work requirement was associated with an increase in the number of uninsured adults and no increase in employment (Sommers et al. 2019).[24]

Several other states attempted to implement work requirements during this period. In Michigan and Utah, work requirements that took effect in January 2020 were halted by March and April 2020, respectively. In Michigan, approximately 80,000 Medicaid enrollees, or about one-third of those subject to the state's work requirement, did not report their work activities in the first month of reporting and were at risk of losing coverage before a court ruling blocked the state's waiver from advancing (Wagner and Schubel 2020). Utah did not establish a minimum work hour requirement but instead required enrollees to engage in specified job search and job training activities unless they were already working 30 hours per week.[25] The state suspended its work requirement following the onset of the COVID-19 pandemic. Indiana delayed its work hour requirement during the first six months of implementation and suspended enforcement in October 2019.[26]

In a series of decisions issued between 2018 and 2020, federal courts determined that work requirements in several states were unlawful because they were inconsistent with Medicaid's primary objective of providing medical assistance. The Biden administration withdrew approval for work requirement waivers in 2021 (Guth and Musumeci 2022).

As of early 2025, only one state, Georgia, is currently implementing a waiver with work reporting requirements (table 1). A court ruling in August 2022 allowed the state, which has not adopted the ACA's expansion, to move forward with its Pathways to Coverage program. The program expanded Medicaid eligibility to adults with incomes up to 100 percent of FPL who provide documentation

showing they are already working or participating in work-related activities for 80 hours per month and comply with reporting requirements each month of enrollment. Only about 4,200 adults were enrolled in the Pathways program by the end of the first year in June 2024, far short of enrollment projected for that year by the state in the approved waiver of 31,000, despite high state spending on systems changes and administration of the program (Chan 2024).

TABLE 1

Characteristics of Medicaid Work Reporting Requirement Policies in State Section 1115 Demonstration Waivers and Selected Federal Legislation, 2018–23

Waiver program/ federal legislation	Arkansas: Arkansas Works program	New Hampshire: Granite Advantage Health Care program	Georgia: Pathways to Coverage program	Limit, Save, Grow Act of 2023
Implementation years*	2018–19	2019	2023–present	Passed by the House in April 2023; not enacted
Group subject to requirement	Adults ages 19 to 49 in Medicaid expansion population, with initial phase-in for adults ages 30–49 with income ≤100% of FPL	Adults ages 19 to 64 in Medicaid expansion population	Adults ages 19 to 64 with incomes ≤100% of FPL	Adults ages 19 to 55 in Medicaid expansion population**
Work/ community engagement minimum hour requirements	80 hours of qualifying activities each month	100 hours of qualifying activities each month	80 hours of qualifying activities each month, beginning with the month before applying for Medicaid	80 hours of qualifying activities each month
Examples of qualifying activities	Employment or income consistent with working 80 hours per month,^ school enrollment, job search, on-the-job training, vocational training, community service, healthy living classes, workforce development programs	Employment, school enrollment, job skills training, vocational training, job search and readiness assistance, community service, substance use disorder treatment, caregiving for nondependent disabled relative	Employment, school enrollment, on-the-job training, job readiness activities, community service, vocational rehabilitation programs	Employment or income consistent with working 80 hours per month,^^ community service, work programs (as defined in the Food and Nutrition Act of 2008)

Waiver program/ federal legislation	Arkansas: Arkansas Works program	New Hampshire: Granite Advantage Health Care program	Georgia: Pathways to Coverage program	Limit, Save, Grow Act of 2023
Examples of exemptions	Adults living with dependent children <18, full-time students, medically frail, pregnant/ postpartum	Primary caregivers of dependent children <6 or person with a disability, disabled/medically frail adults, pregnant/ postpartum	Currently no exemptions for caregiving or other characteristics; limited accommodations for disability and "good cause" exemptions up to 120 hours per year	Parents/caregivers of dependent children or "incapacitated" people, students, pregnant people, people deemed physically or mentally unfit for employment by a health professional or in drug/alcohol programs, but no explicit exemption for SSI enrollees
Penalties for noncompliance	Disenrollment until next calendar year after three months of noncompliance in the year	Suspension of coverage for one month of noncompliance unless deficient hours made up in subsequent month or enrollee demonstrates exemption or good cause for noncompliance	Denial of Medicaid application or suspension of coverage in the following month for noncompliance	Withholding of federal Medicaid funding after three months of noncompliance in calendar year

Sources: Seema Verma, "Arkansas Works Section 1115 Demonstration," March 5, 2018, Washington, DC: CMS; Seema Verma, "New Hampshire Health Protection Program Premium Assistance 1115 Demonstration," May 7, 2028, Washington, DC: CMS; CMS, "Georgia Pathways to Coverage," accessed February 27, 2025; Allexa Gardner, Joan Alker, and Leonardo Cuello, *An Analysis of Georgia's Section 1115 Medicaid Pathways to Coverage Program, June 20, 2024*, Washington, DC: Georgetown University Center for Children and Families; Laura Harker, *Pain But No Gain: Arkansas' Failed Medicaid Work-Reporting Requirements Should Not Be a Model: Policy Took Away Health Coverage, Added Stress and Red Tape to People's Lives*, August 8, 2023, Washington, DC: Center on Budget and Policy Priorities; Ian Hill, Emily Burroughs, and Gina Adams, *New Hampshire's Experience with Medicaid Work Requirements: New Strategies, Similar Results*, February 2020, Washington, DC: Urban Institute; MaryBeth Musumeci, Rachel Garfield, and Robin Rudowitz, "Medicaid and Work Requirements: New Guidance, State Waiver Details, and Key Issues," January 2018, San Francisco: KFF; and Georgia Pathways to Coverage, "Frequently Asked Questions," accessed February 27, 2025, https://pathways.georgia.gov/about-pathways/faqs; US Congress, House. Limit, Save, Grow, Act of 2023, HR 2811, 118th Congress, introduced in House April 25, 2023, https://www.congress.gov/bill/118th-congress/house-bill/2811.

Notes: FPL=federal poverty level; SSI=Supplemental Security Income.

* Medicaid work requirements in Arkansas and New Hampshire were implemented only partially before they were suspended in 2019.

** Though not specified in the legislation or assumed by all observers, the US Department of Health and Human Services interpreted the bill as applying to the expansion population because other eligibility groups could be automatically exempted from reporting requirements. See: US Department of Health and Human Services, "Fact Sheet: Medicaid Work Requirements Would Jeopardize Health Coverage and Access to Care for 21 Million Americans," April 21, 2023, accessed February 4, 2025.

^ Based on state minimum wage.

^^ Based on federal minimum wage.

Federal Legislation to Establish Medicaid Work Requirements

Recent congressional efforts have sought to establish nationwide mandatory Medicaid work requirements. In April 2023, the House passed the Limit, Save, Grow Act, which would have withheld federal funding for Medicaid beneficiaries who fail to work or participate in a work program or community service for at least 80 hours per month in three or more months during a calendar year.[27] For these individuals, federal funding would have been withheld for the remainder of the calendar year, and states would have been allowed to disenroll those individuals or provide them with coverage using only state funds (whereas, under current law, states bear 10 percent of the costs for expansion enrollees). The law targeted a wider age group (adults ages 19 to 55 with incomes at or below 138 percent of FPL) than Arkansas' program (which initially targeted adults ages 30 to 49 with incomes at or below 100 percent of FPL), with exemptions for being a parent or caretaker of dependent children or disabled individuals, complying with work requirements for other federal programs such as SNAP, being pregnant, or being deemed physically or mentally unfit for employment by a physician or other medical professional, among other characteristics. However, the bill did not specifically exclude from work requirements adults who qualify for Medicaid based on disability or all parents and caregivers of dependent children (including parents eligible under Section 1931 of the Social Security Act).[28] A US Department of Health and Human Services fact sheet in 2023 interpreted that the bill would likely target only expansion enrollees and that adults enrolled through disability, parent/caretaker, or pregnancy-related eligibility pathways would be exempt, though this was not an official legal determination about the proposal.[29]

Assuming the bill would only apply toward "able-bodied adults ages 19 to 55 without dependents," a Congressional Budget Office (CBO) analysis estimated 15 million would be subject to the requirements, and states would lose federal matching funds for the 1.5 million who were projected to be noncompliant.[30] CBO also estimated states would use their own funding to provide coverage to 60 percent of these adults (900,000) and that the remaining 40 percent (600,000) would become uninsured. Another study applied CBO's estimates to projected Medicaid enrollment in 2024 and estimated that 1.7 million enrollees could lose federally funded Medicaid if the work requirements were fully implemented in that year (Burns, Williams, and Rudowitz 2023).

Others have estimated that more adults would be subject to work requirements and at risk of coverage loss under the bill than what CBO assumed because of the lack of an automatic exemption for parents or people receiving SSI while noting the uncertainty around whether states would use their own funds to cover people for whom federal funding would be withheld.[31] One study, based on Medicaid enrollment statistics from June 2024, estimated that 36 million adults ages 19 to 64 were enrolled in

Medicaid through eligibility pathways not related to disability in that month and thus could be subject to work requirements (Lukens and Zhang 2025). The authors note this number is expected to decline as states finish processing the backlog of Medicaid renewals that accrued during the Medicaid continuous coverage requirement.

Recent reports suggest that Congress plans to consider legislation like the Limit, Save, Grow Act in 2025.[32] According to publicly available information, this proposal would exempt "pregnant women, primary caregivers of dependents, individuals with disabilities or health-related barriers to employment, and full-time students" and produce an estimated $100 billion in federal savings over 10 years, consistent with CBO estimates.[33] However, further details about a potential proposal, such as whether SSI recipients and other adults who qualify for Medicaid through a pathway other than the ACA expansion would be excluded, who would qualify for parenting/caregiving exemptions, and how much states would be required to automatically determine exemptions and compliance, are not publicly available. In the next section of this report, we describe our approach to estimating the potential impacts of a national work requirement for Medicaid expansion enrollees modeled after the Limit, Save, Grow Act and based on experiences in Arkansas and New Hampshire.

Data and Methods

Data

Our analysis uses baseline data from the Urban Institute's Health Insurance Policy Simulation Model (HIPSM), a detailed microsimulation model of the health care system designed to estimate the cost and coverage effects of proposed health care policy options.[34] HIPSM is based on two years of data from the American Community Survey (ACS), the largest nationally representative survey of the US population. We use the model's baseline projection for the Medicaid population in 2026 under current law, allowing us to estimate the number of adults enrolled in Medicaid through various eligibility pathways and their characteristics.

HIPSM data enable us to assess the composition of the Medicaid population following the full unwinding of the Medicaid continuous coverage requirement that was in place during the COVID-19 public health emergency. This addresses a key limitation associated with using coverage reports from federal surveys such as the ACS or Current Population Survey, in which the most recent data from 2023 and 2024, respectively, include many people who had not yet had their Medicaid renewals processed

when they completed the surveys. HIPSM more accurately describes the population of Medicaid enrollees who would be subject to a work requirement since the model projects Medicaid enrollment after the full unwinding of the continuous coverage requirement (Buettgens and Green 2022). The latest data from federal surveys also do not fully capture enrollment gains from recent Medicaid expansions in North Carolina and South Dakota. HIPSM projects a total of 34.5 million adults ages 19 to 64 enrolled in federally funded Medicaid programs nationally in 2026. HIPSM projects the size of the expansion population in 2026 based on enrollment levels in 2020 in states that had expanded before that year—which were benchmarked to historical CMS monthly enrollment data—plus projected growth in enrollment over time and new enrollment in states that expanded Medicaid since 2020. The result is a projection of just over 15 million Medicaid expansion enrollees in 2026, which aligns closely with CBO projections.[35]

Analysis

Estimating the number of adults who would be subject to Medicaid work requirements and the number losing coverage depends on various assumptions about the target population, which groups qualify for an exemption, how many people would have to request an exemption or report work activities to the state, and of that group, how many would fail to obtain an exemption or report compliance. Our main analysis relies on certain assumptions about who would be subject to federal work requirements in Medicaid and who would qualify for automatic exemptions if they are applied nationally. Specifically, our estimates are limited to the expansion population only, though both the 2023 House bill and future legislation may apply to additional eligibility groups unless there is explicit language excluding them, and to the age group of 19-to-55-year-olds. Our estimates are also based on a broad interpretation of the exemption criteria, for instance, by assuming all parents and caretakers living with dependent children would be exempt. Moreover, we assume state data matching efforts and enrollee reporting of exemptions and work activities would correspond to patterns observed in Arkansas and New Hampshire. However, we acknowledge the likelihood of wide variation in state implementation efforts, including the use of data matching processes to automatically deem enrollees exempt or compliant and the administrative barriers to requesting exemptions or reporting work activities for the remaining adults.

We use HIPSM data to project the distribution of enrollees ages 19 to 55 with Medicaid coverage jointly financed by the federal government and states under current law in 2026 according to eligibility pathway: ACA expansion, traditional nondisabled adult pathways including for parents under Section

1931, and disability-based pathways. Our analysis excludes adults enrolled in Medicaid programs financed solely with state funding since the federal legislation would not apply to them.[36]

Before considering any potential exemptions, we estimate the number of Medicaid enrollees in this age group in the ACA expansion group, who we define as those who could be "subject to a work requirement" if one were enacted (see box 1 on executive summary page x for a definition of terms). Next, we estimate the number of enrollees in the expansion pathway who could lose eligibility for federal Medicaid funding and thus be disenrolled from the program unless their state made up the lost federal funding (amounting to 100 percent of the full costs as opposed to the 10 percent states cover under current law). We assume (a) exemptions and requirements in the bill are similar to those proposed in the Limit, Save, Grow Act and (b) states have access to and use available data to automatically exempt enrollees from the requirements or show they are meeting the work requirements in a way that is consistent with approaches in Arkansas and New Hampshire under their Section 1115 waivers. Because we model work requirements as applying only to expansion enrollees rather than the broader population that includes low-income parents who qualify for their state's traditional Medicaid programs and people who qualify based on a disability, this component of our analysis excludes the 10 states that had not adopted the ACA's Medicaid expansion by January 2025.[37]

Consistent with the Limit, Save, Grow Act, we focus on adults ages 19 to 55. Since the reported priorities for potential legislation would exempt "individuals with disabilities or health-related barriers to employment,"[38] we exclude SSI recipients and other enrollees who qualify for Medicaid based on a disability, even though there was no explicit exemption in the 2023 bill for this group. We assume work requirements only apply to Medicaid expansion adults (and not to parents eligible under Section 1931), and as implied by the proposed law, that exemptions are available to any "parent or caretaker of a dependent child" (as opposed to narrower groups such as those whose children are below a certain age or who are the primary caretaker of the children in the household, as defined in some previous state waivers).

We then identify the following characteristics that states could use to determine if an enrollee can be automatically deemed exempt from or compliant with work requirements without requiring any action from the enrollee, assuming that implementation of state data matching practices under a new work requirement would be like those in Arkansas and New Hampshire. We also note several limitations for each measure:

1. ***Parents or caregivers for dependent children under 18***. States can likely identify most parents who are living with dependent children using data on family composition from initial Medicaid

applications if they apply together with their children. Survey data suggest that nearly all parents enrolled in Medicaid are living with children who are enrolled in Medicaid.[39] In some cases, however, parents may apply separately (e.g., if a child is already covered by Medicaid or the Children's Health Insurance Program and the parent transitions to Medicaid from another source of coverage), or the children may have a different coverage type. State data systems may also vary in their ability to link Medicaid beneficiaries within households. As noted in table 1, eligibility for parenting exemptions varied across the two states that implemented work requirements. In Arkansas, all adults living with a dependent child under 18 qualified for an exemption from work requirements. In New Hampshire, exemptions were only available to parents or caretakers of children under age 6. Based on the language in the 2023 House bill, we identify adults as potentially eligible for automatic exemption if they are parents or guardians of children under age 18 who live with them. It should be noted that even with this exemption, children could still be affected by the implementation of work requirements given that their noncustodial parents could lose Medicaid (Hahn 2019).

2. ***Wages consistent with working 80 hours per month***. States can obtain earnings information for non self-employed workers from state wage databases (Brooks et al. 2024; CMS 2022). However, variation in Medicaid ex parte renewal rates and procedures (in which states' Medicaid agencies use other data systems to automatically renew Medicaid for enrollees based on income and other characteristics) suggests there are wide differences in state capacity to match wage data to their Medicaid population (Corallo and Tolbert 2024). Moreover, self-employed workers' earnings generally would not appear in state wage databases and would only be available from older tax data or potentially from earnings information reported when applying for or renewing Medicaid.

   We determine whether annual wages of non self-employed workers imply they are working at least 80 hours per month on average based on the federal minimum wage (i.e., their wages are greater than $7.25 * 80 hours * 12 months, or $6,960). This is consistent with language in the 2023 House bill and with the approaches in Arkansas and New Hampshire, though Arkansas relied on the state minimum wage, and New Hampshire required 100 hours of work or work-related activities per month instead of 80 hours (Arkansas Department of Human Services 2018c).[40]

3. ***Potentially complying with SNAP work requirements***. Able-bodied adults without dependents (ABAWDs) ages 18 to 54 must generally work at least 80 hours per month to receive SNAP unless they are exempt because of health, pregnancy, caregiving status, residence in an area

that has received a waiver from work requirements because of high unemployment or lack of jobs, or other reasons.[41] ABAWDs who are not exempt and do not meet the SNAP work requirement face a time limit of three months of SNAP receipt over a three-year period.

We identify individuals as potentially compliant with SNAP work requirements if they work an average of 80 hours per month during the year, are ages 19 to 54, live in a household receiving SNAP during the year, and do not live with children. Average work hours are calculated based on usual hours worked per week multiplied by the number of weeks worked during the year. Because weeks worked are reported in intervals (i.e., 13 weeks or less, or 14–26, 27–39, 40–47, 48–49, or 50–52 weeks), we use the interval midpoint.

Significant measurement error is associated with our assumptions about potential compliance with SNAP work requirements since we do not observe whether people are currently receiving assistance and which people received SNAP in households with multiple adults. We also do not know if people working 80 hours per month during the year, on average, consistently work that many hours every month. Moreover, survey respondents often underreport SNAP and other means-tested benefits, and our data are not adjusted to reflect projected SNAP caseloads (Meyer, Mok, and Sullivan 2009; Wheaton 2008). Overall, our approach likely underestimates the number of ABAWDs in compliance with SNAP work requirements, but this measurement error has a limited impact on our results.[42]

In addition to the ABAWD work requirements, SNAP has a general work requirement for most other adult participants (e.g., registering for work, participating in SNAP Employment and Training or work programs if assigned by the state SNAP agency, and taking a suitable job if offered), which we do not consider in our analysis because of data limitations.[43] This work requirement also offers certain exemptions based on criteria such as earnings, caregiving responsibilities, health status, alcohol or drug treatment, or school attendance.

Moreover, Medicaid agencies' access to SNAP data varies across states. A 2022 study found that 4 of 47 surveyed states did not have data-sharing between the two programs (Humphries et al. 2023).

Most Medicaid enrollees in Arkansas and New Hampshire who were automatically deemed exempt from or compliant with Medicaid work requirements met one of these three criteria (Arkansas Department of Human Services 2018b; Hill, Burroughs, and Adams 2020; Musumeci, Rudowitz, and Hall 2018). Both states also provided automatic exemptions to several thousand expansion adults they previously identified as disabled or medically frail.[44] Because of data limitations, our ability to identify

this group is limited; moreover, it is unclear whether and how most states could identify and apply these criteria. Under federal law, states that provide Medicaid expansion enrollees with an alternative benefit plan that differs from their traditional benefit package must ensure the traditional benefit plan is available to medically frail adults; but as of 2019, only 12 states, including Arkansas and New Hampshire, offered expansion adults an alternative benefit plan that is not aligned with their traditional state plan benefits and therefore made these determinations for the expansion group (Musumeci, Chidambaram, and O'Malley Watts 2019).[45] Moreover, the share of expansion adults identified as medically frail has varied widely across these states, with one report finding some states provided medical frailty determinations to less than 1 percent of enrollees, compared with 8 percent in Arkansas (Musumeci, Chidambaram, and O'Malley Watts 2019). Thus, states' ability to easily identify these adults without having them self-report would likely be more limited under a national work requirement than in Arkansas and New Hampshire. But even when data are available, additional barriers to automatically exempting such adults may remain. Under New Hampshire's work requirements waiver, adults who had self-attested to being medically frail in previous years were still required to have a medical professional certify their medical frailty exemption and faced difficulty when attempting to request this certification (Hill, Burroughs, and Adams 2020).

We estimate the share of 2026 Medicaid expansion adults who are parents or caregivers of dependent children, have wages consistent with working 80 hours per month, or are potentially complying with SNAP work requirements, as defined above, and the share with at least one of these characteristics that states could use to automatically exempt them from work reporting requirements if they followed data matching approaches similar to those taken by Arkansas and New Hampshire. The remaining population would be subject to the reporting requirement, i.e., they would either have to request and receive an exemption from the state or report their work activities. We use program reports in Arkansas and New Hampshire to assess the shares of adults in this group who did not obtain an exemption or report sufficient work activities and apply these percentages (72 and 82 percent, respectively, as shown in table 2) to our data to generate a range of estimates of the number of adults potentially losing eligibility for federal Medicaid funding.

Finally, we assess employment, school enrollment, job seeking, caregiving for disabled household members, health status, and functional limitations among adults potentially lacking automatic exemption from reporting requirements. This analysis provides insight into whether adults potentially losing coverage have other characteristics that could qualify them for an exemption that is not identifiable through state data systems or if they are participating in employment or work-related activities. Coverage losses among adults with these characteristics would suggest that noncompliance

with reporting requirements reflects limited awareness or understanding of the policy, reporting burdens, employment barriers, or unstable work schedules rather than a lack of work effort or community engagement. Moreover, New Hampshire's waiver implementation suggests states' ability to address these barriers through broader outreach, simplified reporting processes, and increased work supports may be limited, as the state adapted its program to avoid pitfalls experienced in Arkansas but still faced similarly high rates of potential suspension of coverage for noncompliance (Hill, Burroughs, and Adams 2020).

As noted above, CBO previously scored the budgetary effects of Medicaid work requirements in the Limit, Save, Grow Act, finding a reduction in federal spending of $109 billion from 2023 to 2033 and a withholding of federal funds for 1.5 million adults who do not meet the requirements.[46] CBO assumed that states would use state funding to cover about 60 percent of enrollees losing federal funding, meaning only 40 percent would become uninsured. Our approach differs from CBO's in a few ways. First, our estimates are designed explicitly to be consistent with state implementation experiences and draw on the processes used in Arkansas and New Hampshire to provide automatic exemptions and the share of adults subject to work reporting requirements who were not meeting them and were therefore disenrolled or facing disenrollment when work requirements were suspended. In addition, we do not attempt to anticipate state actions in the face of loss of federal funding under a work requirement policy. We therefore identify the number of adults who would lose federal Medicaid funding without making assumptions about whether states would cover those costs. However, if a federal work requirement is implemented in 2026 alongside a range of other federal Medicaid funding reductions currently under consideration, states would likely have very limited capacity to mitigate coverage losses with state funding, especially in light of fiscal realities facing many states.[47]

We also assessed the variation in estimated coverage losses under several alternative scenarios modeled off prior state waiver applications. As expected, we found that the number of enrollees potentially losing coverage would be higher if: (1) work requirements apply to all Medicaid expansion adults ages 19 to 64 rather than only those ages 19 to 55, (2) states limit caregiver exemptions to one primary caregiver per household (we identify primary caregivers in the data by adapting an approach developed by Gangopadhyaya et al. [2018b]), or (3) the primary caregiver exemption is only for caregivers of children under age 6. Estimated coverage losses would be lower if all nonparents living in households receiving SNAP could be automatically exempted or if more states develop approaches to identify and automatically exempt adults based on disability, medical frailty, or other characteristics (data not shown).

Limitations

Our analysis, which is designed to provide an estimate of the number of adults who could lose eligibility for federal Medicaid funding under legislation similar to the Limit, Save, Grow Act, drawing on evidence from the implementation experiences in two states, is subject to many sources of measurement error.

First, there is uncertainty about how many Medicaid enrollees would be in the expansion group and other eligibility groups in 2026. As indicated above, our projected number in the expansion group is consistent with the available CBO baseline projection for that year. As of June 2024, however, CMS data show that Medicaid expansion group enrollment remained well above prepandemic levels, at 20.2 million enrollees, which was higher than projected by CBO. While states have continued processing the backlog of Medicaid renewals that formed during the public health emergency, which could be further lowering enrollment of expansion adults, our estimates may understate expansion enrollment and potential coverage losses among expansion enrollees in 2026.[48]

Second, there is very limited experience with work requirements in Medicaid, and the patterns observed in Arkansas and New Hampshire may not be informative as to what would happen if they were implemented in other states or under different circumstances. Experiences in Arkansas and New Hampshire do not necessarily provide ideal benchmarks since Arkansas' initial rollout focused only on adults ages 30 to 49 (age groups that are more likely to be working and/or parents) with incomes at or below 100 percent of FPL and New Hampshire's waiver required a minimum of 100 hours of work or work-related activities per month. We do not model potential coverage losses based on implementation experiences with Georgia's Pathways program, which is less relevant to legislation modeled on the 2023 House bill since Georgia only partially expanded Medicaid and did not adopt the full expansion under the ACA and because Pathways enrollees must meet the work requirement and provide documentation of their work activities in the month before applying, without the use of data matching or exemptions for caregivers and other groups. Georgia's experience with initial enrollment in Pathways far below projections underscores how the administrative burden involved in meeting work requirements can result in widely varying impacts on coverage. Also, since both Arkansas' and New Hampshire's work requirements only applied to their expansion populations, we lack evidence on the effects of work requirements on the enrollment of adults who qualify for Medicaid through other eligibility pathways such as low-income parent and disability-based eligibility groups. Proposed federal Medicaid funding cuts could also constrain states' ability to make investments in systems for data matching, which could make it much more difficult for them to automatically exempt enrollees from reporting requirements.

Third, the rates of use of administrative data to confer automatic exemptions from reporting in Arkansas and New Hampshire and rates of noncompliance among those without such exemptions may not be replicated across states.[49] Our estimates depend on states' abilities to exclude Medicaid enrollees from work reporting requirements based on their data systems, but large state variation in ex parte renewal rates suggests considerable state variation in programs' ability or willingness to use other data sources related to income and other characteristics (Corallo and Tolbert 2024). Under a federal work requirement, some states may not use data matching like Arkansas and New Hampshire did or may not have the capacity to replicate the data matching efforts employed by Arkansas and New Hampshire, meaning potential coverage losses would be much higher, whereas other states may develop alternative approaches that could exempt a larger share of adults and reduce coverage losses. The lack of clear requirements in proposed legislation for states to automatically grant exemptions using available data on age, eligibility group, presence of a dependent child in the household, earnings, and SNAP enrollment suggests data matching approaches could differ substantially across states.

In addition, even with robust data matching processes, it is unlikely that states could identify all adults in each exemption category listed above. For instance, states are unlikely to observe the earnings of every non self-employed worker in state wage databases and additional sources of earnings data are limited. It is also likely that we are overstating the extent to which state databases would fully capture earnings since many self-employed low-wage workers in our sample may report that they work for an employer even though they are independent contractors, freelance workers, gig workers, or have other nonstandard work arrangements that do not require their employers to submit wage information to state unemployment insurance systems (Abraham et al. 2018; Karpman, Loprest, and Hahn 2022). Moreover, states' quarterly wage data may not be aligned well with monthly reporting requirements. Even if states could access other data sources to verify earnings of self-employed workers (e.g., tax records or information reported at Medicaid application or renewal), the ability to extend automatic exemptions to this group would have limited impact on our results.

Fourth, our estimates are based on survey data to identify Medicaid enrollment status and characteristics that include work hours, earnings, SNAP enrollment, and assumptions about whether SNAP enrollment suggests the adult has met related work requirements in that program, all of which are measured with error. We also cannot capture some characteristics that may make a person qualify for an exemption, including pregnancy, disability status, enrollment in substance use treatment, and medical frailty. In particular, the ACS measures of functional limitations underestimate the presence of disability (Burkhauser, Houtenville, and Tennant 2012; Hall et al. 2022). In addition, when assessing the characteristics of enrollees that would not automatically be deemed exempt or compliant, we cannot

identify all types of potential exemptions or work-related activities, such as caregiving for individuals outside the household, job training, and community service, so our estimate of participation in work-related or community engagement activities among adults potentially losing federal Medicaid funding is understated.

Finally, we do not try to capture how enrollment levels could be affected in subsequent years after work requirements are implemented. However, to the extent that enrollees losing coverage under work requirements would be required to initiate a new application in the following year to reenroll, we expect enrollment levels to be lower in subsequent years than under current law. For instance, data from Arkansas show that only 11 percent of adults who lost coverage in 2018 because of the state's work requirement reapplied for and regained Medicaid coverage in the first two months of 2019 (Rudowitz, Musumeci, and Hall 2019). Our estimates do not incorporate any compounding effects of enrollment losses, which may accumulate over time if work requirements create enrollment barriers for new and returning applicants.

Findings

We estimate that 13.3 million adults ages 19 to 55 in the Medicaid expansion group would be subject to work requirements in a given month in 2026.

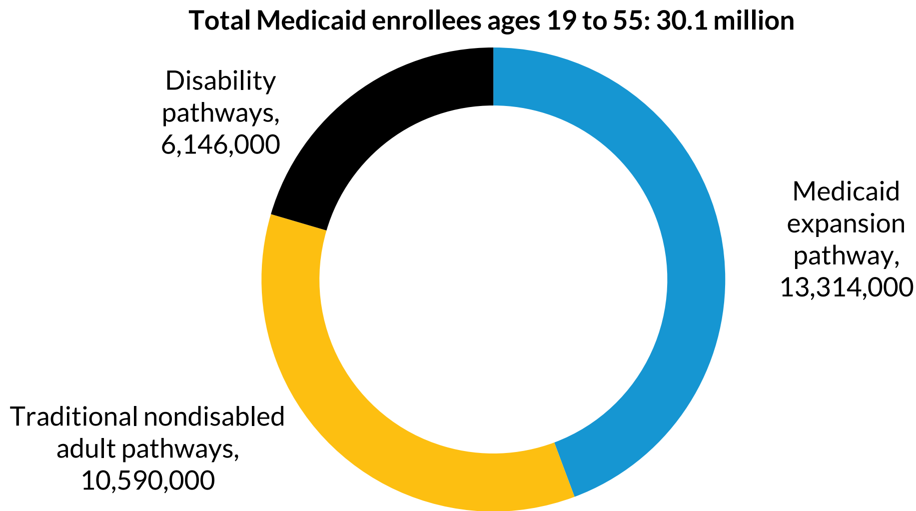
In 2026, an estimated 34.5 million adults ages 19 to 64 would be enrolled in federally funded Medicaid programs in an average month nationally, including 30.1 million adults who are ages 19 to 55 (figure 1). Of this group, 13.3 million adults ages 19 to 55 would be enrolled through Medicaid expansion. Based on previous demonstration waivers and proposed federal legislation, these adults are the most likely eligibility group to be subject to work requirements through new legislation, though as we discuss below, many would qualify for exemptions.

Another 10.6 million adults ages 19 to 55 would be enrolled in Medicaid through traditional eligibility pathways for adults who do not qualify for Medicaid based on disability, including those who are pregnant and those who are parents or caretakers of a dependent child and have low incomes. As noted, several state demonstration waivers approved or submitted between 2018 and 2020 included this group in their work requirement programs. An additional 6.1 million adults ages 19 to 55 would be enrolled in Medicaid through SSI or other disability-related eligibility pathways. Though our model assumes these two groups of enrollees who are eligible based on disability and through other traditional

pathways would be automatically excluded from work requirements, the 2023 House bill contained no explicit exclusion to that effect.

FIGURE 1

Projected Number of Adults Ages 19 to 55 with Medicaid in 2026 under Current Law, by Eligibility Pathway



URBAN INSTITUTE

Source: Authors' analysis of Urban Institute's Health Insurance Policy Simulation Model (HIPSM) data.
Notes: Includes full-benefit Medicaid coverage jointly funded by the federal government and states. Estimates are rounded to the nearest thousand.

Arkansas and New Hampshire identified between half and two-thirds of Medicaid enrollees as exempt from work reporting requirements using state data, but most who were not identified automatically were disenrolled or slated to be disenrolled.

Table 2 shows outcomes for Arkansas' and New Hampshire's work requirement waivers in the initial month of implementation. In the Arkansas Works Medicaid expansion program, work requirements were phased in between June and September 2018, starting with adults ages 30 to 49 with incomes at or below the FPL. In the program's first month, 25,815 adults were subject to the requirement, of whom 15,511 adults, or 60 percent, were found by the state to be exempt or compliant and received a notice that they did not have to report their work activities. Another 2,840 adults (11 percent) successfully requested an exemption or satisfied the work reporting requirement by reporting their work activities after receiving a state notice, and 7,464 (29 percent) did not meet the requirement. These patterns generally held steady as the program phased in over subsequent months, with automatic exemptions from reporting requirements reaching up to two-thirds of enrollees (Arkansas Department of Human

Services 2018a, 2018b; Musumeci, Rudowitz, and Hall 2018).[50] Reporting requirements were extended to adults ages 30 to 49 with incomes between 100 and 138 percent of FPL and began phasing in for adults ages 19 to 29 in January 2019, though a court ruling halted implementation in March 2019 before adults in these groups were disenrolled (Rudowitz, Musumeci, and Hall 2019).

TABLE 2

Medicaid Enrollees' Exemptions from and Compliance with Work Requirements in the First Month of Reporting in Arkansas and New Hampshire, 2018–19

	Arkansas	New Hampshire
Age group subject to work requirement	**30–49**	**19–64**
Income group subject to work requirement	**≤100% of FPL**	**≤138% of FPL**
Date of the first month of reporting	**June 2018**	**June 2019**
Total number of enrollees subject to work requirement in the first month of reporting*	**25,815**	**40,707**
Obtained exemption or established compliance	18,351	24,070
Automatically deemed exempt or compliant by the state	15,511	20,428
Requested exemption or reported compliance to the state	2,840	3,642
Did not obtain exemption or report compliance	7,464	16,637
Share of all enrollees automatically deemed exempt or compliant by the state	60%	50%
Share of all enrollees requesting exemption or reporting compliance to the state	11%	9%
Share of all enrollees who did not obtain exemption or report compliance	29%	41%
Among enrollees not automatically deemed exempt or compliant by state, share who did not obtain exemption or report compliance	72%	82%

Source: Arkansas Department of Human Services, *Arkansas Works Section 1115 Demonstration Waiver: Quarterly Report* April 1, 2018–June 30, 2018; Arkansas Department of Human Services, *Arkansas Works Section 1115 Demonstration Waiver: Quarterly Report, July 1, 2018—September 20, 2018*; Ian Hill, Emily Burroughs, and Gina Adams, *New Hampshire's Experience with Medicaid Work Requirements: New Strategies, Similar Results*, February 2020, Washington, DC: Urban Institute; New Hampshire Department of Health and Human Services, "DHHS Community Engagement Report: June 2019," June 20, 2019, accessed February 4, 2025 via Internet Archive; Robin Rudowitz, MaryBeth Musumeci, and Cornelia Hall, *February State Data for Medicaid Work Requirements in Arkansas*, March 2019, San Francisco: KFF.

Notes: FPL=federal poverty level.

* The total number of New Hampshire Granite Advantage enrollees in June 2019 was 47,619; this table only includes New Hampshire enrollees who were either exempt from work requirements or who were subject to meeting the hours requirement with a June 1st start date. The 16,637 enrollees in New Hampshire who did not obtain an exemption or report compliance would have faced suspension of coverage by August 2019 if they had not made up their deficient hours in July (Hill, Burroughs, and Adams 2020). Arkansas' work requirement was phased in over four months, initially targeting adults ages 30 to 49 with incomes at or below 100 percent of FPL. Adults with incomes between 100 and 138 percent of FPL became subject to reporting requirements in January 2019, and reporting requirements were phased in for adults ages 19 to 29 between January and June 2019. We show data for the first month of reporting; reporting patterns held steady as more adults phased in over subsequent months, ultimately leading to the disenrollment of over 18,000 adults after three months of being deemed noncompliant by the state.

Out of 47,619 adults enrolled in New Hampshire's Granite Advantage Medicaid expansion as of June 2019 and therefore subject to the state's work requirement, 40,707 were either required to report their work activities with a June 1st start date or were exempt from the reporting requirement.[51] Of this group, 20,428 adults, or 50 percent, were automatically deemed exempt or compliant by the state using existing information from state databases. An additional 3,642 adults (9 percent) successfully requested an exemption or reported their work activities, and 16,637 (41 percent) did not satisfy the reporting requirement.

Among Medicaid enrollees who were not automatically deemed exempt or compliant by the state and were therefore subject to the reporting requirement in Arkansas and New Hampshire, 72 and 82 percent, respectively, neither obtained an exemption nor reported their compliance.[52] These outcomes highlight the important role of state data matching efforts in mitigating potential coverage losses. In both states, the most common reasons for automatically being deemed exempt from reporting included having wages consistent with meeting minimum work hour requirements; being exempt or compliant with work requirements in SNAP and/or TANF; having a dependent child in the home; and being medically frail or disabled (Arkansas Department of Human Services 2018a, 2018b; Hill, Burroughs, and Adams 2020; Musumeci, Rudowitz, and Hall 2018).[53]

Among adults enrolled in Medicaid through the ACA expansion in 2026, an estimated 4.6 to 5.2 million would lose eligibility for federal Medicaid funding under federal work requirements if implementation processes and reporting patterns followed previous state experiences.

Table 3 shows the national share of Medicaid expansion adults in 2026 with selected characteristics that states could use to automatically deem them exempt or compliant with work requirements if states applied the data matching processes implemented in Arkansas and New Hampshire. Of the 13.3 million adults in this eligibility group, 2.6 million live with a dependent child under 18, and 6.4 million are non self-employed workers with annual wages above $6,960 (or the $7.25 federal minimum wage multiplied by 80 hours per month). About 519,000 are potentially compliant with work requirements in SNAP. Overall, 7.0 million adults, or 52 percent, report at least one of these characteristics, consistent with the range of outcomes in Arkansas and New Hampshire shown in table 2. As noted above and in the Appendix, differences between our national estimates and the rate at which Arkansas and New Hampshire enrollees were automatically exempted from reporting requirements partially reflect differences in the target populations (i.e., adults ages 30 to 49 in Arkansas) and minimum hour requirements (i.e., 100 work hours per month in New Hampshire).

The remaining 6.3 million adults (48 percent) do not have any of these characteristics that states could use for data matching purposes and would have to request an exemption or report work or work-related activities to maintain coverage. Based on table 2 data showing noncompliance rates of 72 and 82 percent, respectively, for this group in Arkansas and New Hampshire, an estimated 4.6 to 5.2 million adults would lose eligibility for federal Medicaid funding and potentially lose coverage, representing 34 to 39 percent of expansion adults in this age group.[54]

TABLE 3

Number of Adults Ages 19 to 55 Enrolled in Medicaid Expansion with Characteristics That States Could Use to Grant Automatic Exemptions from Work Reporting Requirements Using Existing Data and Number Projected to Lose Federally Funded Coverage, 2026

	Number	Share
Total adults ages 19 to 55 enrolled in Medicaid expansion	**13,314,000**	**100%**
Characteristics that states could use to automatically exempt adults from work reporting requirements*		
Parent or guardian of dependent child <18	2,595,000	19%
Wages consistent with 80 work hours per month and not self-employed	6,409,000	48%
Potentially complying with SNAP work requirement	519,000	4%
Has one or more characteristics that states could use to automatically exempt adults from work reporting requirements	6,985,000	52%
Does not have one or more characteristics that states could use to automatically exempt adults from work reporting requirements	6,329,000	48%
Estimated number of adults losing federally funded coverage		
If 72 percent of adults subject to reporting requirements do not obtain an exemption or report compliance (in line with the share observed in Arkansas' waiver)	4,557,000	34%
If 82 percent of adults subject to reporting requirements do not obtain an exemption or report compliance (in line with the share observed in New Hampshire's waiver)	5,190,000	39%

Source: Authors' analysis of Urban Institute's Health Insurance Policy Simulation Model (HIPSM) data.

Notes: SNAP=Supplemental Nutrition Assistance Program. Earnings consistent with 80 work hours per month are based on annual earnings at the federal minimum wage ($7.25 * 80 hours per month = $6,960). Potentially complying with SNAP work requirement is based on adults ages 19 to 54 in households without children receiving SNAP and in which the adult works an average of 80 hours per month. Estimates are rounded to the nearest thousand.

*These characteristics were among those used most in Arkansas and New Hampshire for automatic exemption from reporting requirements under their work requirements waivers.

More than 8 in 10 Medicaid expansion adults unlikely to be automatically exempted from work reporting requirements are participating in one or more qualifying activity or have a characteristic that could make them exempt.

Although a large majority of the 6.3 million adults not automatically exempted from work reporting requirements would be expected to lose eligibility for federal Medicaid funding based on the experiences of Arkansas and New Hampshire, most of these adults have characteristics that should either qualify them for an exemption or demonstrate some form of work effort or community engagement. Table 4 shows that 3.8 million adults, or 60 percent, work for some or all months during the year (43 percent), are enrolled in school (26 percent), or are the primary caregivers of a disabled household member (6 percent), with some fulfilling multiple roles. Among those who reported working, gaps in employment could reflect the high levels of employment instability, barriers to work, and precarious work schedules facing many in this segment of the labor force (Bauer, East, and Howard 2025; Guth et al. 2023; Karpman 2019; Karpman, Hahn, and Gangopadhyaya 2019; Tolbert et al. 2025). In addition, 17 percent of adults without an automatic exemption are in fair or poor health, and 7 percent have one or more functional limitations with vision, hearing, mobility, cognition, self-care, or independent living, which may limit employment opportunities.[55]

Overall, more than 5.1 million of these 6.3 million adults, or 81 percent, report one of these characteristics or are actively looking for work. Although the remaining adults are not in the labor force for unknown reasons, there are many additional exemption criteria (e.g., pregnancy, substance use treatment, other disabilities and health conditions) and qualifying activities (e.g., caregiving for individuals outside the household, job training, community service) that we are unable to observe in the survey data. These results suggest noncompliance with work reporting requirements is unlikely to be driven by lack of work or community engagement but rather by lack of information, understanding, or awareness of the policy; confusion or difficulty requesting exemptions or reporting qualifying activities to the state; health problems; unstable work schedules; and other employment barriers, consistent with findings from qualitative research in Arkansas and New Hampshire (Greene 2018; Hill and Burroughs 2019; Hill, Burroughs, and Adams 2020; Musumeci, Rudowitz, and Lyons 2018).

TABLE 4

Characteristics of Adults Ages 19 to 55 Enrolled in Medicaid Expansion Potentially Lacking Automatic Exemption from Work Reporting Requirements, 2026

	Number	Share
Total Medicaid expansion adults ages 19 to 55 potentially lacking automatic exemption from reporting requirements	**6,329,000**	**100%**
Worked some or all months of the year, enrolled in school, or primary caregiver of a disabled household member	3,813,000	60%
Worked some or all months of the year	2,729,000	43%
Self-employed	567,000	9%
Enrolled in school	1,663,000	26%
Primary caregiver of a disabled household member	350,000	6%
Looking for work	1,562,000	25%
In fair or poor health or has a functional limitation	1,279,000	20%
In fair or poor health	1,082,000	17%
Has a functional limitation	423,000	7%
Any of the above characteristics	**5,145,000**	**81%**

Source: Authors' analysis of Urban Institute's Health Insurance Policy Simulation Model (HIPSM) data.
Notes: Estimates are rounded to the nearest thousand.

If work requirements are not explicitly limited to the Medicaid expansion population, up to 30 million adults ages 19 to 55 could be subject to them, and coverage losses would be higher.

As indicated in figure 1, the number of adults subject to work requirements could be more than twice as high as indicated here if a potential policy is not explicitly limited to the Medicaid expansion population, reaching not only the 13.3 million adults ages 19 to 55 in the expansion group but also the 10.6 million adults enrolled through traditional nondisabled eligibility pathways and 6.1 million enrolled through SSI or other disability-related pathways in this age group.[56] Even more adults could be subject to work requirements if they were extended to adults up to age 64; as noted, a total of 34.5 million adults ages 19 to 64 are projected to be enrolled in federally funded Medicaid programs in 2026. Under a scenario where work requirements are not limited to expansion enrollees, it is unclear whether or how states would use data matching to exempt some or all adults in other eligibility groups or if these adults would be required to request an exemption or report their work activities to the state. Expanding the share of the Medicaid population subject to work requirements beyond the expansion group would lead to far larger potential coverage losses than estimated in our analysis, including for a substantially larger

number of adults who are living with children and/or have disabilities and for millions of additional adults in the 10 states that have not adopted the ACA Medicaid expansion.

Discussion

Summary of Findings

Our analysis finds that between 34 and 39 percent of expansion enrollees ages 19 to 55, or approximately 5 million adults, would lose eligibility for federal Medicaid funding in 2026 under mandatory federal Medicaid work requirements, even if state data sources were used to determine exemptions and compliance along the lines of what Arkansas and New Hampshire did under prior waivers. Further, we find that at least 8 in 10 adults who would be likely to lose coverage because their exemptions or compliance are not readily identifiable through state databases have characteristics indicating that they should be exempt or that they are engaged in work, school, caregiving, or job-seeking activities. If work requirements are not explicitly limited to the expansion population, they could pose coverage risks to far more people, with the number of adults losing federal Medicaid funding much larger than 5 million. In addition to the 13.3 million adults ages 19 to 55 in the expansion group in 2026, 10.6 million in this age group are projected to be enrolled through traditional nondisabled eligibility pathways, and 6.1 million would be enrolled in disability eligibility groups, including many adults in nonexpansion states.

This analysis finds that just over half of expansion enrollees could qualify for an exemption or be deemed compliant with work requirements through data matches (52 percent), while at least 81 percent of the remainder (or 39 percent) appear to be engaged in the work activities prescribed under work requirements or meet other exemption criteria. Thus, overall, more than 9 in 10 (91 percent) expansion enrollees are already demonstrating the workforce and community engagement activities promoted by work requirement policies or may not be expected to work based on caregiving responsibilities, disability, or health status, with many of them nevertheless projected to lose coverage despite having these characteristics. Moreover, because of difficulties getting an exemption or reporting their work hours or other qualifying activities, most coverage losses would be among enrollees who appear to qualify for an exemption or are working rather than enrollees who would not qualify for an exemption or would not be fulfilling the prescribed work activities.

Potential for Larger Coverage Losses under Higher Administrative Barriers, Broader Reach, or Fewer Exemptions

Experience with work requirements in Medicaid is limited, hampering any definitive effort to estimate the impacts of a national requirement. Our analysis draws heavily on patterns of state and enrollee actions in Arkansas and New Hampshire under waivers implemented for their expansion populations in 2018–19, recognizing that those experiences may not generalize to other states, populations, legislative provisions, or periods. For instance, Arkansas and New Hampshire used data matching to identify exemptions and compliance for many enrollees and conducted extensive outreach about the policy change. Arkansas also allowed self-attestation of exemptions and work activities, and New Hampshire required only limited documentation and often allowed self-attestation of work activities when submitting monthly reporting (Hill and Burroughs 2019; Hill, Burroughs, and Adams 2020). Barriers would be even larger, as would losses of Medicaid, if states implemented requirements with more limited data matching, more burdensome documentation requirements, or fewer resources toward outreach. If work requirements are implemented alongside other federal Medicaid funding reductions currently being considered, states would have even fewer resources to implement effective data matching and automatic exemption approaches to mitigate coverage losses than these states did when implementing waivers. Changes beyond the Medicaid program could also affect states' implementation of work requirements. For instance, majority leadership in the House of Representatives is considering reductions in SNAP funding, which could lower SNAP enrollment and states' ability to perform data matches between their Medicaid and SNAP programs (Gonzalez et al. 2025).[57] The executive branch is also proposing staff reductions within the Social Security Administration that would likely result in greater backlogs for disability determinations, which could make it more difficult for adults to qualify for Medicaid based on SSI receipt.[58] These actions could in turn limit automatic exemptions from Medicaid work requirements and raise risks of larger coverage losses.

Furthermore, given that work requirements in Arkansas and New Hampshire were in place for only a short period, we have no insights on how enrollment, coverage, and employment would be affected if work requirements were in place for years. However, these experiences suggest that if work requirements were imposed nationwide, significant coverage losses would likely occur even if legislation required states to use data to automatically confer exemptions or compliance and allow self-attestation of work activities without documentation. Moreover, though SNAP work requirements are structured differently from those proposed for Medicaid, research has found that work requirements are associated with reduced participation in SNAP (Bauer and East 2023).

The number of adults subject to work requirements would be much larger if a policy is not explicitly limited to the 13.3 million adults ages 19 to 55 in the Medicaid expansion population but also includes the 10.6 million enrolled through traditional nondisabled eligibility pathways and 6.1 million enrolled through SSI or other disability-related pathways in this age group, or if it extends to adults ages 56 to 64, potentially subjecting all 34.5 million nonelderly adults enrolled in federally funded Medicaid programs nationwide to work requirements. It would also be higher if exemptions are more limited than we model. One recently proposed bill, the Jobs and Opportunities for Medicaid Act, would apply to a wider age group (ages 18 to 65), with more limited caregiver exemptions that are available only to the primary parent or caretaker of a child who is under age 6 or who has serious medical conditions or disabilities. This bill would also offer no exemptions based on compliance with work requirements under federal programs other than unemployment insurance, and only employment and volunteering, and not school attendance or job training, for example, would be considered qualifying activities.[59] Like the Limit, Save, Grow Act, this bill does not specify which eligibility groups would be subject to work requirements, but the more limited caregiver exemption suggests it would at least reach beyond expansion adults to also include parents enrolled in traditional eligibility pathways for nondisabled adults.

Comparison with Previous Estimates and Recent State Actions

Our estimates, which build on experiences in Arkansas and New Hampshire, find that 34 to 39 percent of expansion enrollees would lose federal Medicaid funding under a national work requirement, which is higher than CBO's estimate from 2023 of a 10 percent reduction in average monthly enrollment. If we assume that almost all of those who were disenrolled would have lost Medicaid coverage after three months, which is consistent with the experience of Arkansas and New Hampshire, our implied average monthly Medicaid coverage loss would be between 26 percent and 29 percent for 2026. As indicated above, Medicaid coverage losses in subsequent years would likely be even higher than this unless all those who are disenrolled are automatically reinstated. For our estimate to be closer to the CBO estimate of 10 percent, it would have to be the case that states would use additional data sources for granting exemptions beyond what Arkansas and New Hampshire did and/or that enrollees who are not automatically exempt from the reporting requirements successfully obtain exemptions and report compliance with prescribed work and community engagement activities at substantially higher rates than occurred under those state waivers.

However, the only current Medicaid program with work requirements, Georgia's Pathways to Coverage program, is enrolling a far smaller share of potential enrollees than anticipated, with just

4,231 enrollees enrolled during its first year, much lower than projected and just 5 percent of potential enrollees who expressed interest in being considered for the program and acknowledged that they understood program requirements (Chan 2024). Although Georgia's work requirements program is structured differently than the 2023 House bill, the experience there suggests the importance of states using data sources to provide automatic exemptions and deem people as being compliant. Georgia's work requirement does not use data matching and requires applicants and enrollees reporting work activities to submit monthly verification such as pay stubs.[60] However, Georgia is seeking to ease some of the program's reporting requirements and exempt parents of young children from the work requirement.[61] In addition, case study work exploring implementation of work requirements in Arkansas and New Hampshire identified several barriers to compliance with work requirements, which would be hard to overcome even with extensive outreach efforts, such as technology and broadband access issues for reporting work activities, lack of transportation to locations for reporting activities online or in person, limited job opportunities, and other barriers to work (Gangopadhyaya and Kenney 2018; Gangopadhyaya et al. 2018a; Hill and Burroughs 2019; Hill, Burroughs and Adams 2020).[62]

Recent Medicaid demonstration waiver requests further illustrate the wide range of approaches states may take if required or allowed to implement work requirements. A proposed waiver in Ohio indicates the state believes all but 8 percent of Medicaid expansion enrollees would be deemed exempt or compliant with its new work requirement, in large part because the state would not require regular reporting by enrollees and would use data to identify those who meet exemption criteria, including a presumption that individuals with household earned income of at least 30 percent of FPL are employed (Ohio Department of Medicaid 2025). However, analysts have raised concerns about the states' assumptions and ability to automatically deem people as exempt or in compliance on that scale.[63] Another waiver request in Arizona would pair a work requirement with a five-year maximum lifetime limit for Medicaid expansion coverage of adults ages 19 to 55 who are neither deemed exempt nor in compliance with the requirement (Arizona Health Care Cost Containment System 2025). It would also require enrollees who are looking for work to make at least one job contact on at least four days of each week, with weekly reporting of compliance, which would constitute a much greater burden on enrollees than was implemented in Arkansas and New Hampshire.

Consequences for Adults and Their Families, Health Care Providers, States, and Communities

Our estimates focus on potential losses of Medicaid coverage among expansion enrollees, but the impacts would extend beyond the loss of Medicaid. We would expect that almost all those disenrolled

under work requirements would become uninsured, given that they would not be eligible for subsidized coverage through the Marketplace. We also expect that most would not have access to affordable employer-based coverage since low-wage workers often work for companies that do not offer health insurance, are not eligible for the insurance offered, or cannot afford the premiums (Johnston et al. 2020).

Increases in uninsurance would be expected to result in reduced access to and lower utilization of health care; greater unmet needs for care; greater financial burdens, medical debt, and problems paying medical bills; and worse health outcomes and increased mortality (Borgschulte and Vogler 2020; Caswell and Waidmann 2019; Guth and Ammula 2021; Lee, Dodge, and Terrault 2022). These greater barriers to care would impinge on critical health needs, including disrupting management of chronic health problems and access to substance use disorder and mental health treatment, as well as sexual and reproductive health services and access to screenings and treatment for life-threatening health conditions such as cancer (Bailey et al. 2021; Guth and Ammula 2021; Guth and Diep 2023).[64] Coverage losses could extend to a range of populations, including veterans, non-custodial parents, residents of rural areas, and other populations who rely on the Medicaid program.[65]

Even groups that might be nominally excluded from work requirements in potential legislation would be affected. For instance, some prior state waivers have excluded "medically frail" individuals, people with disabilities, and those with medical barriers to work. However, many adults with disabilities who face employment barriers are enrolled in income-based pathways that would make them subject to work requirements and require they seek exemptions or meet work activity requirements, including having to obtain medical documentation to verify that their health problems met state criteria (Bailey and Solomon 2018; Musumeci and Orgera 2020).[66] Many would likely have difficulty finding doctors who would be willing to certify that they are "physically or mentally unfit for employment."[67] Some adults with disabilities would be faced with a dilemma in which they must either stay out of the workforce to qualify for an exemption or risk losing their coverage by trying to meet the minimum work hour requirement or receive a reasonable accommodation from the state (Machledt 2024). Similarly, though some past state waivers have aimed to exempt people undergoing substance use treatment from work requirements or apply time in treatment to work hours requirements, treatment may not meet narrow qualifying definitions, and many in need of such treatment cannot access it.[68]

Research on Arkansas' work requirement found higher rates of delayed care and increases in medical debt following implementation of the policy (Sommers et al. 2020). Even if some lose coverage and later reenroll, churning in and out of coverage can harm access to care (Sugar et al., 2021). It is also

possible that the loss of Medicaid coverage among expansion enrollees may make it *harder* for them to obtain and maintain employment (Cross-Call 2018; Hill and Burroughs 2019; Tipirneni et al. 2018).[69]

Furthermore, effects could impact the financial stability of health care providers, including hospitals, with increases in uncompensated care burdens if the share of uninsured patients and unreimbursed costs increases and Medicaid revenue falls (Ammula and Guth 2023; Blavin 2017; Dranove, Garthwaite, and Ody 2017). Community health centers, including federally qualified health centers, could also face financial hardship if millions of adults lose Medicaid coverage, given that Medicaid is the single largest revenue source for federally qualified health centers and that many health centers are already facing workforce challenges and recovering from fallout related to the COVID-19 pandemic and Medicaid unwinding (Pourat et al. 2018).[70]

States' administrative costs would also increase under work requirements, including for updating eligibility systems, retraining staff, conducting outreach and education for consumers, updating state websites and other materials to describe the policy changes, and supporting managed care organizations in implementing the new rules. States that began implementing Section 1115 waivers under the prior Trump administration incurred millions in additional expenditures (GAO 2019). Analysis has found that Georgia's Pathways program cost the state over $13,000 per enrollee in the first year, with most spending going to cover administrative costs.[71] In addition, if new legislation reduces the federal matching rate on administrative expenditures, states would incur additional financial burdens for implementing systems changes.[72] If work requirements cause more churn, states would also likely face added costs associated with disenrollments, redeterminations of eligibility, and reenrollment (Swartz et al. 2015; Sugar et al. 2021). These added administrative burdens could also increase enrollment challenges for other categories of Medicaid enrollees, such as processing delays for applications. Several states already exceed the 45-day standard for processing income-based applications for children and families.[73] Cost increases may also extend to health plans and providers who would have to take on additional administrative tasks for enrollees churning on and off Medicaid.

In sum, even if limited to expansion adults, millions of Medicaid enrollees would potentially become uninsured and lose access to needed health care under Medicaid work requirements. Those losing Medicaid coverage would include many enrollees already engaged in work-related activities or who should be exempt from reporting requirements. Potential adverse effects would extend to their health and well-being, their families' financial stability, and the economic stability of health care providers and broader communities.

Appendix A. How Our Estimates Compare to the Disenrollment Rate in Arkansas

Previous analyses have estimated that approximately 23 percent of adults in the Arkansas Works Medicaid expansion population who were initially subject to work requirements were disenrolled by the end of 2018 because they did not receive an exemption and did not report sufficient work activities (Wagner and Schubel 2020).[74] This percentage is less than the share of adults who did not meet the work requirements in June 2018 (29 percent, as shown in table 2), the first month of the reporting requirement, a noncompliance rate that held steady in subsequent months at 29 percent in July 2018 and 27 percent in August 2018 (Arkansas Department of Human Services 2018a, 2018b), before the state began disenrolling people in September. Arkansas Works beneficiaries were disenrolled after three months of noncompliance with work requirements during the calendar year. The calculation of the cumulative disenrollment rate excludes some people who experienced case closures for reasons unrelated to noncompliance or who experienced a change in circumstances and were therefore no longer subject to the work requirement. In addition, the state avoided disenrolling some adults by resetting the number of months of noncompliance to zero at the end of the calendar year. It is also possible that some enrollees may have been noncompliant for one or two months and then obtained an exemption or reported their work activities before being disenrolled, though the number of adults reporting any work activities did not increase significantly over the implementation period.

However, our estimate that 34 to 39 percent of adults ages 19 to 55 who are projected to be in the Medicaid expansion population nationally in 2026 would lose eligibility for federal Medicaid funding exceeds both the cumulative disenrollment rate and the monthly rates of noncompliance observed in Arkansas. There are three primary reasons for this difference. First, and most importantly, Arkansas' work requirement initially applied to 30-to-49-year-olds, an age group more likely to be working and/or parents living with dependent children relative to the broader population of 19-to-55-year-olds in our analysis, and therefore more likely to have an automatic exemption identified through data matching processes. Had our analysis only applied to 30-to-49-year-olds, we would project that a lower share would potentially lose coverage. Second, Arkansas provided automatic exemptions to several thousand enrollees based on medical frailty, a designation that cannot be directly observed in our data and is unlikely to be identifiable in existing databases in many states. Unlike Arkansas and New Hampshire,

most states do not provide alternative benefit plans to their expansion population that differ from their traditional benefits package and therefore are not required to make medical frailty determinations for this eligibility group. Finally, Arkansas used data matching to exempt a small number of enrollees from reporting requirements based on additional criteria, such as receipt of unemployment benefits that we cannot observe in our data and may or may not fit exemption criteria under legislation similar to the 2023 House bill.

Notes

[1] Ben Leonard, "Energy and Commerce Committee's Medicaid Problem Just Got Tougher," *Politico*, February 12, 2025, https://www.politico.com/live-updates/2025/02/12/congress/energy-commerce-medicaid-guthrie-00203919.

[2] Throughout this brief, we refer to "work requirements" and "work reporting requirements" interchangeably. However, in some cases, we make a distinction between the full population of Medicaid expansion adults ages 19 to 55 who would be subject to work requirements under a proposal similar to the Limit, Save, Grow Act and the segment of that population that would have to report their employment or work-related activities because they have not received an exemption. Adults may therefore be subject to the work requirements but exempt from the reporting requirement. For instance, under the Arkansas Works demonstration waiver, many enrollees received notices indicating they were subject to the work requirement but did not have to report their work activities because they qualified for an exemption (Arkansas Department of Human Services 2018a).

[3] Amanda Seitz, Andrew Demillo, and Kevin Freking, "Republicans Consider Cuts and Work Requirements for Medicaid, Jeopardizing Care for Millions," *AP*, February 18, 2025, https://apnews.com/article/medicaid-cuts-work-requirements-congress-republicans-90ec1119f1d95de067c76f79eec7fa87.

[4] US Congress, House. *Limit, Save, Grow, Act of 2023*, HR 2811, 118th Congress, introduced in House April 25, 2023, https://www.congress.gov/bill/118th-congress/house-bill/2811. Benjamin Guggenheim, "GOP Budget Menu Outlines Sweeping Spending Cuts," *Politico Pro*, January 17, 2025, https://subscriber.politicopro.com/article/2025/01/reconciliation-menu-reveals-wide-ranging-gop-policy-priorities-00198940.

[5] *Limit, Save, Grow, Act of 2023*, HR 2811, 118th Congress.

[6] US Department of Health and Human Services, "Fact Sheet: Medicaid Work Requirements Would Jeopardize Health Coverage and Access to Care for 21 Million Americans," April 21, 2023, accessed February 4, 2025. The authors note that automatic exemption from work reporting requirements of adults enrolled in Medicaid through eligibility pathways other than the ACA expansion would depend on implementation of the policy.

[7] Leonardo Cuello, "McCarthy Bill Would Radically Change Disability Standards for Medicaid and Reduce Coverage for Persons with Disabilities," *Say Ahhh!* (blog), May 1, 2023, https://ccf.georgetown.edu/2023/05/01/mccarthy-bill-would-radically-change-disability-standards-for-medicaid-and-reduce-coverage-for-persons-with-disabilities/.

[8] US Congress, House, *To amend title XIX of the Social Security Act to establish a community engagement requirement for certain individuals under the Medicaid program*, HR 1279, 119th Congress, introduced in the House February 13, 2025, https://www.congress.gov/bill/119th-congress/house-bill/1279/actions; US Congress, House, *Jobs and Opportunities for Medicaid Act*, HR 1059, 119th Congress, introduced in House February 6, 2025, https://www.congress.gov/bill/119th-congress/house-bill/1059/actions.

[9] Brian Neale, "RE: Opportunities to Promote Work and Community Engagement among Medicaid Beneficiaries," Centers for Medicare & Medicaid Services, January 11, 2018.

[10] New Hampshire Department of Health and Human Services, "DHHS Community Engagement Report: June 2019," June 20, 2019, accessed February 4, 2025 via Internet Archive.

[11] New Hampshire Department of Health and Human Services, "DHHS Community Engagement Report."

[12] Urban Institute, "The Health Insurance Policy Simulation Model," in "Quantitative Data Analysis," accessed January 30, 2025, https://www.urban.org/research/data-methods/data-analysis/quantitative-data-analysis/microsimulation/health-insurance-policy-simulation-model-hipsm.

[13] In this analysis, we assume that Medicaid enrollees in the 10 ACA nonexpansion states, composed of adults who are eligible for Medicaid through Supplemental Security Income (SSI) or other disability-related pathways and low-income parents and other adults who qualify for their state's traditional Medicaid programs, would be excluded from work requirements. Though Wisconsin is a nonexpansion state and therefore not included in the analysis, the state has a waiver to cover adults with incomes up to 100 percent of FPL, many of whom could be subject to work reporting requirements.

[14] These percentages constitute an estimated range for the share of expansion adults ages 19 to 55 who would lose Medicaid nationally if state and enrollee actions are consistent with the actions of state agencies and enrollees in Arkansas and New Hampshire. They are also similar to patterns observed during the implementation of a waiver in Michigan, under which approximately 80,000 Medicaid enrollees, or about one-third of those subject to the state's work requirement, did not report their work activities in the first month of reporting and were at risk of losing coverage before a court ruling blocked the state's waiver from advancing (Wagner and Schubel 2020).

Our estimates exceed the estimated disenrollment rate that has been reported for adults who were initially subject to work requirements in Arkansas for reasons we discuss in the Appendix. The primary reasons for these differences are: (1) Arkansas' work requirement initially applied to a narrower age group of adults ages 30 to 49, who were more likely to qualify for automatic exemptions based on their earnings or parental status; (2) Arkansas automatically exempted adults based on medical frailty, a designation that cannot be observed directly in our data and is unlikely to be identifiable in existing databases in many states; and (3) the estimated disenrollment rate that has been reported for Arkansas is lower than the rate of noncompliance with work requirements because the calculation of the disenrollment rate does not account for unrelated case closures or changes in circumstances in which some enrollees were no longer subject to the work requirement, as well as the resetting of the number of months of noncompliance to zero at the end of the calendar year.

[15] We identify primary caregivers of disabled adults by adapting an approach developed by Gangopadhyaya and Kenney (2018). Self-reported fair or poor health status is imputed from the Medicaid Expenditure Panel Survey.

[16] Cuello, "McCarthy Bill Would Radically Change Disability Standards for Medicaid and Reduce Coverage for Persons with Disabilities." The postpandemic unwinding of the Medicaid continuous coverage requirement revealed wide variation in states' capacities to use data matching to automatically process Medicaid renewals (Corallo and Tolbert 2024), suggesting there would be variation in use of data matching for granting automatic exemptions from work reporting requirements.

[17] Medicaid and CHIP Payment and Access Commission, "Eligibility," accessed February 4, 2025, https://www.macpac.gov/topic/eligibility/.

[18] Gideon Lukens, "Research Note: Most Medicaid Enrollees Work, Refuting Proposals to Condition Medicaid on Unnecessary Work Requirements," Center on Budget and Policy Priorities, November 12, 2024, https://www.cbpp.org/research/health/most-medicaid-enrollees-work-refuting-proposals-to-condition-medicaid-on.

[19] Neale, "RE: Opportunities to Promote Work and Community Engagement among Medicaid Beneficiaries."

[20] Neale, "RE: Opportunities to Promote Work and Community Engagement among Medicaid Beneficiaries."

[21] Other common exemptions in approved state waivers included caregiving for a disabled adult; school enrollment (full-time or part-time); exemption from or compliance with work requirements in SNAP or TANF; receipt of unemployment insurance; former foster care status among young adults up to age 26; homelessness; participation in alcohol or drug treatment programs; and medical frailty or other disability or health-related reasons.

[22] Arkansas automatically exempted enrollees based on previous identification of medical frailty, and New Hampshire did so based on disability, but it is unclear from publicly available information what sources of information were used to make these determinations.

[23] New Hampshire Department of Health and Human Services, "DHHS Community Engagement Report."

[24] In Arkansas, people who were disenrolled for noncompliance with work requirements would have to wait until the next calendar year and then reapply for Medicaid to receive an eligibility determination. They could reapply earlier if they qualified for Medicaid through another eligibility pathway or if they should have received a good cause exemption because their failure to comply "was the result of a catastrophic event or circumstances beyond the beneficiary's control." See Seema Verma, "Arkansas Works Section 1115 Demonstration," March 5, 2018.

New Hampshire's waiver required people to "cure" their deficient hours from one month in the subsequent month. If they failed to cure, their eligibility was suspended until they (1) cured the deficiency in work/community engagement hours, (2) obtained an exemption from the work requirement, (3) qualified for a good cause exemption, or (4) became eligible for Medicaid under another eligibility category. If they were still not compliant by the time of their redetermination period, their eligibility would be terminated. People whose eligibility was terminated at redetermination could reapply for Medicaid at any time and their previous noncompliance would not be factored into the eligibility determination (CMS 2018b).

[25] KFF, "Medicaid Waiver Tracker: Approved and Pending Section 1115 Waivers by State," February 7, 2025, https://www.kff.org/report-section/section-1115-waiver-tracker-work-requirements/.

[26] KFF, "Medicaid Waiver Tracker: Approved and Pending Section 1115 Waivers by State."

[27] *Limit, Save, Grow, Act of 2023*, HR 2811, 118th Congress.

[28] Cuello, "McCarthy Bill Would Radically Change Disability Standards for Medicaid and Reduce Coverage for Persons with Disabilities."

[29] US Department of Health and Human Services, "Fact Sheet: Medicaid Work Requirements Would Jeopardize Health Coverage and Access to Care for 21 Million Americans."

[30] Phillip Swagel, "Re: CBO's Estimate of the Budgetary Effects of Medicaid Work Requirements Under H.R. 2811, the Limit, Save, Grow Act of 2023," April 26, 2023, letter to Honorable Frank Pallone Jr. Congressional Budget Office.

[31] Edwin Park, "Taking a Closer Look at the CBO Estimates of Speaker McCarthy's Damaging Medicaid Work Reporting Requirement," *Say Ahhh!* (blog), April 27, 2023, https://ccf.georgetown.edu/2023/04/27/taking-a-closer-look-at-the-cbo-estimates-of-speaker-mccarthys-damaging-medicaid-work-reporting-requirement/.

[32] Ben Leonard, Meredith Lee Hill, and Kelsey Tamborrino, "House GOP Puts Medicaid, ACA, Climate Measures on Chopping Block," *Politico*, January 10, 2025, https://www.politico.com/news/2025/01/10/spending-cuts-house-gop-reconciliation-medicaid-00197541; House Budget Committee, "Chairman's Mark 10 Year Balance," accessed February 26, 2025; Guggenheim, "GOP Budget Menu Outlines Sweeping Spending Cuts."

In addition, as noted above, lawmakers have proposed other bills with work and community engagement requirements in Medicaid but that would apply to adults ages 18 to 65.

[33] Guggenheim, "GOP Budget Menu Outlines Sweeping Spending Cuts."

[34] Urban Institute, "The Health Insurance Policy Simulation Model."

[35] CBO, "Congressional Budget Office Baseline Projections," June 2024.

[36] We do not include enrollees in state-only-funded programs such as programs for noncitizens who are excluded from federally financed Medicaid because of eligibility restrictions based on immigration status. See: National Immigration Law Center, "Medical Assistance Programs for Immigrants in Various States (Table)," October 25, 2024, https://www.nilc.org/resources/medical-assistance-various-states/.

[37] KFF, "Status of State Medicaid Expansion Decisions," February 12, 2025, https://www.kff.org/status-of-state-medicaid-expansion-decisions/.

[38] "Ways and Means Committee," via *Politico*, accessed February 4, 2025, https://www.politico.com/f/?id=00000194-74a8-d40a-ab9e-7fbc70940000.

[39] Authors' analysis of 2024 Current Population Survey data.

[40] Seema Verma, "New Hampshire Health Protection Program Premium Assistance 1115 Demonstration," May 7, 2018. Also, according to a state policy services manual, Arkansas was planning to determine whether enrollees were earning the equivalent of the state minimum wage for at least 80 hours per month through ongoing employment or self-employment using enrollees' reported incomes at the time of applying for or renewing Medicaid. See "Medical Services Policy Manual," Arkansas Department of Human Services, accessed March 3, 2025.

[41] USDA Food and Nutrition Service, "SNAP Work Requirements," accessed February 4, 2025, https://www.fns.usda.gov/snap/work-requirements.

[42] Although Arkansas and New Hampshire also used state data on compliance with TANF work requirements to exempt Medicaid enrollees from work reporting requirements, we do not incorporate information about potential compliance with TANF work requirements in our analysis because requirements vary widely across states and by family type. However, nearly all adults receiving TANF live with children; therefore, we already identify this group under other exemption criteria. Center on Budget and Policy Priorities, "Policy Basics: Temporary Assistance for Needy Families," accessed February 4, 2025, https://www.cbpp.org/research/family-income-support/policy-basics-an-introduction-to-tanf.

[43] USDA Food and Nutrition Service, "SNAP Work Requirements."

[44] Data matching was also used in New Hampshire to automatically exempt a small number of adults who were pregnant or postpartum, parents or caretakers of a child with a developmental disability, exempt from work requirements in TANF, or enrolled in the state's Health Insurance Premium Payment program (Hill, Burroughs, and Adams 2020). In Arkansas, data matching was used to exempt a small number of adults based on pregnancy or receipt of TANF or unemployment benefits. Cindy Gillespie, "Arkansas Medicaid."

[45] Medically frail individuals include those with disabling mental disorders; chronic substance use disorders; serious and complex medical conditions; a physical, intellectual, or developmental disability that significantly impairs the ability to perform one or more activities of daily living; or a disability determination based on Social Security criteria. These individuals are exempt from mandatory enrollment in alternative benefit plans and must be given the option to enroll in a traditional Medicaid benefit package. States identify medically frail Medicaid beneficiaries through various means; for instance, some states allow self-identification while other states authorize entities such as health plans, providers, and state Medicaid agencies to make medical frailty determinations (Musumeci, Chidambaram, and O'Malley Watts 2019). "§ 440.315 Exempt individuals," *Code of Federal Regulations*, title 42.

[46] Phillip Swagel, "Re: CBO's Estimate of the Budgetary Effects of Medicaid Work Requirements Under H.R. 2811, the Limit, Save, Grow Act of 2023."

[47] Josh Goodman, "Lawmakers Face Budget Crunches, Tough Decisions to Close Expected Shortfalls: State Fiscal Debates to Watch in 2025," January 13, 2025, Pew.

[48] Centers for Medicare & Medicaid Services, "Expenditure Reports from MBES/CBES," accessed February 26, 2025, https://www.medicaid.gov/medicaid/financial-management/state-expenditure-reporting-for-medicaid-chip/expenditure-reports-mbescbes/index.html. During mid-2024, some states were still unwinding the pandemic-related continuous coverage requirement, so enrollment is likely to be lower in subsequent months.

[49] Penny Thompson, "MACPAC Letter to Secretary Alex Azar," November 8, 2018, Washington, DC: MACPAC.

[50] We only show Arkansas program outcomes in the first month of the reporting requirement. The number of enrollees receiving exemptions through state data matching processes is less clear in state program reports for subsequent months but is consistent with June 2018 data showing they accounted for most of those who were exempt from reporting work activities. The overall monthly rate of noncompliance also held steady at 29 percent in July 2018 and 27 percent in August 2018. See the Appendix for how our estimates compare to the cumulative disenrollment rate in Arkansas.

[51] The total number of adults enrolled in New Hampshire's Granite Advantage Health Care Program does not include beneficiaries who were in the advance notice period for their case closing due to any reason. In addition, 6,912 Granite Advantage enrollees were not exempt from the work requirement but did not have to meet the requirement by June 1st. New Hampshire Department of Health and Human Services. "DHHS Community Engagement Report: June 2019."

[52] Overall noncompliance rates among adults subject to work requirements were likely higher in New Hampshire than Arkansas (i.e., 41 percent versus 29 percent) for several reasons: (1) Arkansas initially targeted a narrower age group that was more likely to include workers and/or parents. (2) Arkansas offered more limited Medicaid eligibility for parents outside of its Medicaid expansion. (3) New Hampshire provided a caregiver exemption that was available only to parents and caregivers of children under age 6 or disabled children of any age and had a higher minimum work hour threshold (100 hours per month instead of 80 hours). (4) New Hampshire had stronger documentation requirements for obtaining exemptions than Arkansas, which relied more heavily on self-attestation by Medicaid enrollees.

[53] New Hampshire Department of Health and Human Services, "DHHS Community Engagement Report: June 2019."

[54] Coverage losses would be higher if work requirements apply to a larger segment of the expansion population or if caregiver exemptions are more limited (i.e., if work requirements target all Medicaid expansion adults ages 19 to 64 rather than those ages 19 to 55, if policies limit caregiver exemptions to a single primary caregiver per household, or if this exemption only applies to primary caregivers of children under age 6; data not shown). Moreover, only about two-thirds of Medicaid applications in states adopting the ACA Medicaid expansion collect information on whether applicants are the primary caregiver for a dependent child who is living with them, so automating exemptions may be more challenging under this scenario.

[55] As noted above, functional limitation measures in the American Community Survey substantially underestimate the prevalence of disability.

[56] The 10.6 million adults ages 19 to 55 who are enrolled through traditional nondisabled eligibility pathways and 6.1 million enrolled through SSI or other disability-related pathways include those who live in Medicaid expansion and nonexpansion states.

[57] Meredith Lee Hill, "House GOP Budget Plan Targets Deep SNAP Cuts, *Politico*, February 12, 2025, https://www.politico.com/live-updates/2025/02/12/congress/house-gop-budget-targets-snap-cuts-00203872

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About the Authors

Michael Karpman is a principal research associate in the Health Policy Division at the Urban Institute. His work focuses on quantitative analysis related to health insurance coverage, health care access and affordability, medical debt, health service use and spending, social determinants of health, and federal and state safety net programs. This work includes overseeing data collection and analysis for the Urban Institute's Well-Being and Basic Needs Survey. Before joining Urban in 2013, he was a senior associate at the National League of Cities Institute for Youth, Education, and Families. He received his MPP from Georgetown University.

Jennifer M. Haley is a principal research associate in the Health Policy Division, focusing on maternal, child, and parental health and health care; Medicaid and CHIP; and health equity. Her current research assesses challenges immigrant families face accessing public programs; coverage, access, and health care utilization during the postpartum period; barriers to enrollment in publicly subsidized health insurance coverage; opportunities for improved collection and use of data on race and ethnicity; implications of the unwinding of pandemic-related coverage policies; and other issues related to coverage and care for children and families. Haley holds an MA in sociology from Temple University.

Genevieve M. Kenney is an institute fellow and the former vice president for health policy at the Urban Institute. She is a nationally renowned expert on Medicaid, CHIP, health insurance coverage, health care access and quality, and health outcomes for low-income adults, children, and families. She has played a lead role in several Medicaid and CHIP evaluations, including multiple congressionally mandated CHIP evaluations, and has conducted state-level evaluations of the implementation of managed care and other service delivery reform initiatives and policy changes in Medicaid and CHIP. Currently, she is leading a project focused on health equity that involves working with a community advisory board. In other work, she assesses reproductive health access and Medicaid policies aimed at improving outcomes in the postpartum period and the unwinding of the continuous coverage requirement in Medicaid. She received a master's degree in statistics and a doctoral degree in economics from the University of Michigan.

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