Republicans Pass Strictest Medicaid Work Requirement They've Ever Put Forward

A new hurdle for poor Americans, approved by the House, would cause millions to lose coverage, including many who are working but can't meet reporting rules.



Protesters shouted "Shame" at lawmakers early Thursday morning after the House passed a bill that included a stringent work requirement for Medicaid. Credit... Haiyun Jiang for The New York Times



By Margot Sanger-Katz and Sarah Kliff

The reporters have covered Medicaid since before the program was expanded as part of the Affordable Care Act.

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Among the spending cuts proposed in House Republicans' "big, beautiful bill" is a policy they have sought to enact for a decade: a requirement that Medicaid recipients provide proof of employment as a condition of receiving health insurance.

Republicans have repeatedly tried and failed to enact such rules. They <u>proposed laws</u> that didn't pass, and <u>attempted</u> state-level experiments that were blocked in court.

The work requirement in the bill that <u>just passed the House</u> represents the strictest version Republicans in Congress have ever put forward. The reporting requirements are more stringent than in previous bills. It would be easier to lose benefits, and harder to re-enroll. And it would apply to a larger set of Medicaid recipients, including Americans previously determined to be too old to need such requirements.

The legislation, which President Trump supports, still needs to pass the Senate, where Republican members are supportive of work requirements but where a few have expressed reservations about <u>large Medicaid cuts</u>.

Republican leadership has described the policy as combating "waste, fraud, and abuse." President Trump has said no one will lose health insurance under the legislation. But experts say it would leave millions uninsured.

While House Republicans fought fiercely among themselves over other Medicaid cuts, like <u>dialing back funding</u> for the Obamacare expansion, they have universally embraced work requirements. The policy is popular with the public, too: <u>Recent polling</u> finds that 60 percent of Americans and even 47 percent of Democrats support the idea.

But by designing the work requirement proposal to be so rigid, the change could be just as transformative to the program as <u>other large</u> cuts that Republicans rejected. The Congressional Budget Office estimates that this and other Medicaid changes in an earlier version of the bill would cause <u>7.6 million people</u> to become uninsured. Most of the people expected to lose coverage would be eligible for the program but unable to prove it under the law's strict paperwork standard.

The C.B.O. <u>estimates</u> that the work requirement would save the federal government \$280 billion over six years, about triple what the nonpartisan budget office had <u>estimated</u> earlier Republican plans would cut. All of those savings, which would help pay for President Trump's tax cuts, are expected to come from fewer people having Medicaid.

"What this is really about is producing budget savings," said Benjamin Sommers, a professor of health policy at Harvard who has <u>studied</u> Medicaid work requirements. "This is not savings through improved efficiency, or more people going to work. It's savings by kicking people out of the program who are mostly eligible."

The current proposal would require childless adults without disabilities who want Medicaid coverage to prove that they had worked, volunteered or attended school for 80 hours in the month before enrollment. But states could require that people work six months or even a year before becoming eligible for public benefits.

Those who fail to meet the work requirement would also be blocked from receiving subsidies for private plans sold on the Obamacare marketplace, another new restriction in this version of the Republican plan. The legislation is unclear on how long the prohibition would last.

The law includes a series of possible exceptions — such as having a substance abuse disorder or caring for a sick family member — but does not detail how people will qualify or how frequently they will need to do so to remain covered. States could lose Medicaid funding if they fail to stop covering people who do not document their eligibility.

Older versions of Medicaid work requirements were somewhat more flexible, although they still came under intense opposition from Democrats. The plan that congressional Republicans came up with in 2023, for example, allowed poor people to prove they were working after they signed up for Medicaid, and exempted those older than 55.

Those who support Medicaid work requirements say the policy is about more than money. Some, like House Speaker Mike Johnson, say the requirement will <u>encourage</u> <u>more poor Americans to</u> contribute to society.

"You return the dignity of work to young men who need to be out working instead of playing video games all day," he <u>told reporters</u> last month. The budget office, however, has said that these policies do not increase employment.

Others believe that <u>asking people to take some effort</u> in exchange for public benefits builds trust in the programs.

"It's reasonable to have a work requirement because it sends an important message," said Kevin Corinth, a senior fellow at the American Enterprise Institute, a conservative think tank. "If you're not going to comply, that suggests you don't value the insurance and it's maybe not worth the government spending those extra dollars."

Mr. Corinth, who <u>worked for President Trump during his first administration</u>, did concede that there could be health effects, <u>pointing in particular to a sweeping academic study</u> from earlier this month finding that Medicaid saves lives.

The federal government already has work requirements as part of its food assistance and welfare systems. Those programs boost the incomes of poor Americans, potentially making it easier for them to get by while working less.

Opponents of Medicaid work requirements contend it's a fundamentally different program because it does not provide cash benefits to individuals.

They also note that most Medicaid enrollees are already working, in school or too sick to be employed, as several <u>studies</u> have found. While Speaker Johnson has highlighted young men as a group that a work requirement could "get off the couch," unemployed Medicaid enrollees are <u>more likely</u> to be older women.

In the first Trump administration, a couple of states were allowed to test work requirements. They now offer a preview of what a national work requirement could mean for poor Americans' coverage.

Arkansas put in a work requirement in 2018 for people enrolled in the Medicaid expansion. It allowed beneficiaries to miss three months of reporting before losing coverage. The state also went to great lengths to automatically exempt people when it had the necessary payroll or medical data to do so. Research from Mr. Sommers found that the Arkansas plan still led to lost coverage for 18,000 people, without increasing the number of poor Arkansas residents who worked. Most people who lost coverage simply didn't know about the rule or didn't understand how to comply.

In 2019, Georgia gained approval to start <u>a different work requirement program</u> that required proof of work to sign up, a design similar to the congressional proposal. Unlike Arkansas, Georgia had not expanded Medicaid, so the plan did not cause any insured people to lose coverage. The program began in 2023, and the state has spent more than \$30 million to manage it. But only 7,000 people have enrolled, falling significantly short of the 100,000 enrollees Georgia officials had thought could sign up.

Cynthia Gibson works for Georgia Legal Services Program, a nonprofit that helps Georgians appeal their Medicaid denials. She has seen numerous cases in which an application should have been approved but wasn't, including those where the state took too long to process the application and the work information was out of date.

"When you add different layers and more red tape, people will get kicked off and denied even when they meet the eligibility requirements," she said.

Both states made large investments to help manage the data and paperwork involved in administering the work requirement. The Republican bill sets aside \$100 million to help all 50 states get ready.

The legislation originally gave states four years to prepare, with work requirements beginning in 2029, just after the next presidential election. Mr. Johnson defended the delay on Fox News last week, saying that states needed time to "retool their systems." But more conservative lawmakers have fought hard to move up the start date. The current version of the bill would require states to set up their systems by the end of 2026.

"The idea they're going to be able to stand up these fairly complicated systems to implement a work requirement seems unlikely, unless they do it in ways that just basically put all of the burdens on individuals," said Pamela Herd, a professor of social policy at the University of Michigan, who has co-written a book about how administrative burdens affect participation in government programs. "If they implement it poorly, they're just going to end up kicking tons of people off the program."