Medicaid Work Requirements Don’t Boost Employment, Study Shows

A state-level preview of the Big Beautiful Bill’s Medicaid reforms didn’t improve employment or result in gains in insurance coverage.

By Simar Bajaj

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A new study adds to a growing body of evidence suggesting that President Trump’s sweeping tax and domestic policy legislation, which is expected to cause millions of people who rely on Medicaid to lose benefits, might not produce meaningful job gains.

Published today in BMJ, the study found that tying proof of work to Medicaid coverage didn’t improve employment gains in Georgia. “These results have critical implications,” the study stated, as Mr. Trump’s law will soon implement so-called work requirements across the country.

The news comes at the precipice of a possible government shutdown in which congressional Democrats are demanding that any bill to extend funding must reverse Medicaid cuts. In July, Republican lawmakers passed President Trump’s bill, commonly known as the One Big Beautiful Bill Act, which ushered in roughly $1 trillion in federal Medicaid spending cuts. One provision, which models its policy details on Georgia’s program, requires proof of employment for many low-income Americans, saving the government an estimated $317 billion.

The New York Times previously reported that the bill used Medicaid work requirements to partially offset its tax cuts. Republicans say they are pushing able-bodied people to work and are thus extinguishing “waste, fraud and abuse.” On the political news show “Face the Nation,” Mike Johnson, the speaker of the House of Representatives, said, “If you are able to work and you refuse to do so, you are defrauding the system.”

Arkansas was the first state to implement work requirements, in 2018, but the rollout was narrow. It was restricted to adults ages 30 to 49 and stopped after nine months, a period that some policymakers argued was too short to see employment gains.

Georgia’s work requirements, implemented in 2023, have been running for the past two years and cover adults 19 to 64, similar to those in the federal bill, said Dr. Rishi Wadhera, a cardiologist at Beth Israel Deaconess Medical Center and the study’s senior author.

Georgia’s program may have informed the new legislation, but there’s a big difference between the two: The state didn’t take Medicaid coverage away; it expanded Medicaid, letting some working people in. The new law, however, takes away Medicaid from

people who don't have a job, become unemployed or otherwise fall through administrative cracks.

While Medicaid expansion has been consistently linked to expanded insurance coverage, Georgia did not see that effect.

The study compared Georgia, a state that expanded Medicaid *with* work requirements, with South Dakota, which expanded Medicaid in the same year *without* work requirements. This "natural experiment" helps isolate the effect of work requirements, said Katherine Baicker, a health economist at the University of Chicago who was not involved with the study.

In South Dakota, Medicaid coverage among adults below the federal poverty line rose to 45 percent, from 37 percent, and slightly decreased in Georgia to 32 percent, from 36 percent. The figures correspond to a 12 percentage point swing in Medicaid coverage between the two states during the same period — even as employment rates between the two states essentially stayed the same.

According to data from the state, only 7,500 people in Georgia, as of May, were able to receive Medicaid out of an estimated 345,000 eligible people. That's too few to move coverage or employment rates overall, said Dr. Benjamin Sommers, a health economist at the Harvard T.H. Chan School of Public Health and a former Biden administration official.

And, according to the Arkansas Center for Health Improvement, more than 18,000 adults in Arkansas lost coverage because of Medicaid work requirements, out of an estimated 100,000 people who were subject to them.

Proponents of work requirements argue that they support employment, self-worth and health. Kevin Corinth, a senior fellow at the American Enterprise Institute, a conservative think tank, said work requirements were one of the few levers to keep "disengaged individuals" in the work force.

He also questioned the relevance of the study. "It's just hard to know on the basis of these one-off studies whether the results generalize nationally," said Mr. Corinth, who worked for President Trump during his first administration. "What we're going to get at the national level will be probably more effective than what we've seen in particular states," he said, adding that the employment benefits in Georgia may mature over a longer period of time.

According to KFF, a health care research group, 92 percent of working-age adults on Medicaid are already employed or qualify for caregiving, disability or other exemptions, so the issue is rarely about people avoiding work, Dr. Sommers said. But a widespread

lack of awareness and administrative red tape may explain why people lost coverage in Arkansas, or never enrolled in the first place in Georgia.

“Folks on Medicaid are often working low-wage jobs, evening and nighttime shifts,” said Dr. John Ayanian, director of the Institute for Healthcare Policy and Innovation at the University of Michigan. “They don’t have a lot of flexibility to take time off from work to submit their documentation.”

Research has shown that Medicaid reduces the risk of catastrophic medical costs and saves lives. Work requirements threaten to erode those gains with seemingly little upside, Dr. Wadhera said.

Too often, he added, people may lose coverage for administrative reasons. “It won’t be for missing work; it will be for missing paperwork,” he said.

With the new federal law, states won’t have much flexibility to ease work requirements and will likely have less time and funding to prepare than Georgia or Arkansas had. This month, the Government Accountability Office reported that Georgia’s work requirements program had spent $54.2 million on administrative costs, more than double what it spent on health care.

Dr. Ayanian believes that states ought to be proactive in working with community organizations and hospitals to communicate work requirements to Medicaid patients and to offer support along the way.

By linking internal data sets, states can also exempt people from work requirements without additional paperwork, Ms. Baicker said, or send prepopulated forms to ease the burden.

It’s too early to say what will happen to Medicaid access and employment levels across the country when work requirements go into effect nationwide in January. But a number of experts believe that states are unlikely to be prepared, despite their best intentions to minimize disruptions and maintain coverage.