

Hospitals Take Up Medicaid Work Rules to Save Their Bottom Lines

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Summary by Bloomberg AI

- Hospitals are helping patients navigate new Medicaid work requirements that threaten the health industry's finances and patient care.
- The new work requirements, which apply to individuals who gained coverage through the Affordable Care Act Medicaid expansion, are estimated to cause between 3 million and 7 million individuals to lose coverage.
- Hospitals are at risk of losing reimbursements and potentially shuttering due to a greater share of uninsured patients, prompting some to add staffing and outreach to help patients navigate the new requirements.

Hospitals are stepping in to help patients navigate a new avalanche of paperwork thanks to Medicaid work requirements required by the GOP's 2025 tax bill, rules that threaten the health industry's finances as well as patient care.

Nebraska already started implementing the new law at the beginning of May, and other states will start enforcing the new Medicaid rules by January 2027. The new work requirements only apply to individuals who gained coverage through the Affordable Care Act Medicaid expansion, and there are exemptions.

Still, with \$900 billion in cuts through 2034, the Robert Wood Johnson Foundation estimates between **3 million and 7 million individuals** will lose coverage.

It's another burden on an already-struggling sector; the Nebraska Hospital Association estimated that 32% of its rural hospitals operated at a loss earlier this year.

"This no doubt will compound that," said Jeremy Nordquist, president and CEO of the Nebraska Hospital Association. "It will erode their financial standing."

But Republicans on Capitol Hill, including from Nebraska, appeared unfazed.

Sen. [Deb Fischer](#) (R-Neb.) said the work requirements are a “state issue” when asked if she was hearing from her constituents about it.

Her counterpart in the House, Rep. [Mike Flood](#) (R-Neb.), reiterated his support for the work requirements. “If you’re 28 years old, and you can work, and you choose not to work, and you’re able-bodied, you don’t get free healthcare,” he said. “I think Nebraskans agree with that.”

Hospital Risks

For many hospitals, the danger isn’t just to individual patient coverage. Hospitals lose out on reimbursements with a greater share of uninsured patients, putting some facilities at risk of shuttering entirely.

“We just thought the public wasn’t ready for this,” said Nordquist, the NHA president.

The association in April launched a website to help patients navigate the new work requirements, and the group has encouraged member hospitals to do outreach.

“Some of our hospitals have taken it on to add additional staffing in their patient navigation areas,” he said.

And commercial insurers groups, who represent private insurers contracting with state Medicaid programs to deliver benefits, also told Bloomberg Government that they are educating their users on the changes. The Blue Cross Blue Shield Association said plans are “helping enrollees understand how these changes affect them and stay connected to the care they need,” according to David Merritt, senior vice president of external affairs.

Many advocates and hospitals worry that the strict new requirements will remove patients who should be eligible. Trinity Health, which operates 91 hospitals across several states, will be training staff to help patients navigate through the requirements and help with other health insurance options if former Medicaid enrollees are no longer eligible.

“We’ve seen predictions that suggest that almost half of those who lose their coverage could do so because they are challenged to navigate the system, and not because they’re not truly legally eligible,” said Tina Weatherwax-Grant, senior vice president of advocacy and public policy for the system.

Retiring Rep. [Don Bacon](#) (R-Neb.), who has occasionally bucked his own party, defended the new requirements, saying there's always potential for errors and mistakes. For healthy adults that do not have small kids, he said "there should be some requirements that you got to work or look for a job or get training. Most Americans agree with that."

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