

Policy Summary: Medicaid Work Requirements

Proposals Under Review

The current work requirements proposal under review as part of the Congressional budget reconciliation process would tie Medicaid benefits and eligibility to demonstration of employment or related activities, as included in the House-passed Limit, Save, Grow Act (H.R. 2811).

House Estimated Savings: \$100B; CBO Score for estimated 10-year savings (2025-2034): \$109B, based on H.R. 2811, which passed the House in 2023.

Background

Historical exploration of work requirements in Medicaid has focused on linking Medicaid eligibility to employment to reduce dependency on government programs, encourage workforce participation, and potentially cut federal spending. Health policy researchers [highlight](#) that work requirements can also create challenges, including healthcare access barriers given a higher risk of individuals becoming uninsured.

As the Trump administration enters its second term, it is expected to encourage states to revisit work requirements. While previous Republican efforts to establish federal work requirements through legislation—such as during the 2023 debt ceiling negotiations (Limit, Save, Grow Act, 2023)—were unsuccessful, Congress may renew these efforts as part of broader government spending reductions.

The Limit, Save, Grow Act sought to impose federal Medicaid work requirements for adults under 65, without disabilities or dependents, requiring at least 80 hours per month of employment or related activities. Exemptions applied to pregnant individuals, caregivers or those who have a medical condition that prevents them from meeting the work requirements. While proponents argue that such requirements promote self-sufficiency, opponents highlight evidence that they lead to coverage losses and administrative burdens without significantly increasing employment. Specifically, state costs associated with monitoring compliance and processing appeals would likely increase, which could result in higher uninsured rates and increased reliance on more expensive healthcare options, potentially offsetting any short-term savings achieved through work requirements.

Historical Traction

Work requirements in public assistance programs date back to the 1996 welfare reform law, which imposed similar conditions on cash assistance through Temporary Assistance for Needy Families (TANF). Section 1115 waivers introducing Medicaid work requirements in 13 states were approved during the Trump Administration's first term. Most Medicaid work requirements approved under the Trump administration were not enforced due to legal challenges and operational issues related to the COVID-19 pandemic, which prompted federal protections against disenrollment. The Biden administration withdrew waivers approved during Trump's first administration.

Arkansas was the only state to fully implement work requirements, leading to significant coverage losses before a court invalidated their waiver. More recently, Arkansas has announced efforts to revive the policy

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with significant changes, raising questions about whether such a model provides a viable framework for future implementation. Georgia continues to enforce work requirements as part of its partial Medicaid expansion. However, Georgia has recently [proposed](#) scaling back key aspects of the program, including the monthly work documentation requirement and premium payments.

Key Considerations

- **Concerns related to work requirements** – [Analyses](#) of Medicaid Work Requirements have identified several concerns, including:
 - **Administrative Costs:** The [GAO](#) found that administrative costs for these requirements varied widely, from under \$10 million to over \$270 million, with federal funds expected to cover most costs due to matching rates of 75% and 90% for applicable IT expenses. Notably, GAO determined that CMS did not consider these administrative costs when approving Medicaid work requirement demonstrations. Additionally, KFF [reported](#) that Georgia’s “Pathways” program cost over \$40 million (through June 2024), with nearly 80% of expenditures going to administration and consulting fees instead of healthcare. Such activities [involve](#) complex system changes, including adapting eligibility and enrollment systems, enrollee outreach, and staff training.
 - **Coverage Loss:** Implementing work requirements introduces significant administrative challenges which can contribute to coverage loss, as evidenced by Arkansas’ experience where approximately 25% of individuals subject to the requirement lost coverage due to difficulties in reporting work activities. Estimates suggest that up to 36 million enrollees – ranging from 17% to 63% of state enrollees and 44% nationally -- could be at risk of losing coverage under proposed work requirements, including individuals who are working or should be exempt but may face barriers in meeting documentation requirements.
 - **Workforce Participation:** Research indicates that work requirements do not, in practice, significantly increase employment. The Congressional Budget Office concluded that the Limit, Grow, Save Act would lead to coverage loss with “no change in employment or hours worked.” According to the [Center on Budget and Policy Priorities’ \(CBPP\) analysis](#) of the March 2024 Current Population Survey, 64% of Medicaid enrollees aged 19-64 without Supplemental Security Income or Medicare worked in 2023—44% full-time and 20% part-time. Rather than a lack of willingness to find work among those unemployed, the primary reasons included caregiving (12%), illness or disability (10%), and schooling (6%), while only 2% cited being unable to find work.
- **Current State Interest** – Medicaid work requirements have been or are being explored in several states. See below for status by relevant states that have pursued or are considering currently. As discussions on Medicaid work requirements continue, key scenarios have emerged including

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implementing work requirements for specific Medicaid beneficiaries by targeting subsets of enrollees, including able-bodied adults without dependents.

States with Current/Prior Interest in Medicaid Work Requirements

Currently Has Medicaid Work Requirements	Medicaid Work Requirements Waivers Approved During the First Trump Administration	Medicaid Work Requirement Waivers Submitted Under Trump, Not Finalized at 2020 Administration Transition	Considering Medicaid Work Requirements in 2025 (% of all adult enrollees at risk)
Georgia	Arizona, Arkansas, Georgia, Indiana, Kentucky, Maine, Michigan, Nebraska, New Hampshire, Ohio, South Carolina, Utah, Virginia, Wisconsin Note: These initiatives did not materialize due to factors such as changes in state administrations and policy priorities, waiver withdrawals, program suspensions, court rulings and implementation delays caused by COVID-19.	Alabama, Idaho, Kansas, Mississippi, Montana, Oklahoma, South Dakota, Tennessee, Virginia	Arkansas (38%), Connecticut (51%), Idaho (37%), Indiana (48%), Kansas (17%), Mississippi (18%), New Hampshire (45%), New York (48%), North Carolina (47%), Ohio (42%), South Dakota (34%), South Carolina (34%).

References:

- Kaiser Family Foundation. (2024). [Medicaid work requirements: Current waiver and legislative activity.](#)
- Kaiser Family Foundation. (2025). [Section 1115 waiver tracker: Work requirements.](#)
- Center on Budget and Policy Priorities. (2025). [Medicaid work requirements could put 36 million people at risk of losing health coverage.](#)