


## Medicaid Work Reporting Requirements: Bureaucratic Burdens That Threaten Working Families, Providers and Local Economies

Medicaid provides vital health insurance to almost 80 million Americans and provides a financial backbone for the clinics and hospitals on which we all rely.<sup>1</sup> Yet, fueled by misinformation about Medicaid enrollees, some policymakers promote proposals that would undercut the program’s effectiveness by instituting work reporting requirements (also referred to as “community engagement” programs).

**These policies represent a “solution” in search of a problem: The fact is that more than 92% of the people who rely on Medicaid for health insurance are already working or attending school, or else are caregivers, ill or disabled.**<sup>2</sup> The remaining percentage includes people experiencing layoffs, divorce, or gaps in between jobs, including those who need continuous care for chronic conditions or to address substance use or mental health issues so they can be ready to rejoin the workforce. These requirements do nothing to improve those circumstances, but instead create costly bureaucracy and paperwork that cause low-income working families, older Americans and veterans to fall off the health coverage they need to stay healthy, working and contributing to their communities.

**Medicaid work reporting requirement programs are a failed experiment.** In every state that has tried to enact a work reporting requirement, the end result is the same:



Working people lose health coverage.

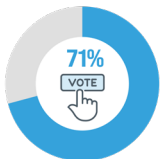
States waste money on bureaucracy and pricey consultants.

Employment stays stagnant.

Providers lose money.

American families experience economic instability.

---



**71% of voters from across political parties want Congress to guarantee coverage** for low-income people through Medicaid. Federal and state policymakers must stand with the American people and oppose work reporting requirement proposals.<sup>3</sup>

## WORK REPORTING REQUIREMENTS RESULT IN MASSIVE COVERAGE LOSSES

An estimated **36 million people who rely on Medicaid are at risk of losing health coverage** under federal work reporting requirement proposals — *a whopping 44% of all Medicaid enrollees*.<sup>4</sup> These coverage losses are not hypothetical, as multiple states that attempted to implement these programs between 2017 and 2020 demonstrated sharp losses in Medicaid coverage, including:

- **Arkansas:** In just seven months, before a federal court stopped the program, 18,000 people lost coverage — 1 in 4 people subject to the requirement.<sup>5</sup>
- **Georgia:** Despite the stated goal of expanding eligibility, only 4,231 people enrolled in the program's first year, far from the 100,000 projected goal, in part due to prohibitive enrollment processes and punitive eligibility criteria.<sup>6</sup>
- **New Hampshire:** More than 17,000 enrollees were projected to lose coverage in just two months (67% of those subject to the requirement).<sup>7</sup> The program was suspended by state lawmakers due to coverage losses and widespread confusion about how to comply with the requirements.<sup>8</sup>
- **Michigan:** More than 80,000 people were poised to lose coverage within the first month — about one-third of those subject to the state's requirement — because of extreme administrative burden.<sup>9</sup> Ultimately, courts halted the program a few months after it launched.<sup>10</sup>

## WORK REPORTING REQUIREMENTS FAIL TO IMPROVE EMPLOYMENT

**There is no evidence that work reporting requirements result in higher employment rates.**<sup>11</sup> In fact, multiple government and independent analyses conclude these programs do not result in sustainable employment gains; instead, they skyrocket the uninsured rate.<sup>12</sup> The truth is that people with health insurance are more likely to be healthy, and healthy people are more likely to be able to work.<sup>13</sup> And because many low-wage jobs do not offer private health insurance, millions of American workers rely on Medicaid to stay healthy and continue working.

## WORK REPORTING REQUIREMENTS ARE EXPENSIVE TO IMPLEMENT

Work reporting requirements are extremely costly to states and counties.<sup>14</sup> They require substantial financial resources to administer, draining available resources for other public services, including transportation, public safety and education.<sup>15</sup> CBO estimates that a national work reporting requirement would result in \$65 billion in new costs to states over 10 years.<sup>16</sup> These projected costs are not hypothetical, given prior state experience:

- **Arkansas:** Actual costs between June 2017 and December 2018 were **\$24.1 million**, not including increased payments to qualified health plans for administering the program.<sup>17</sup>
- **Georgia:** Actual costs in the first year alone were **\$58 million**, or \$13,360 per enrollee (significantly more than the initial estimate of \$2,490 per enrollee),<sup>18</sup> with more than 92% of costs paying for program administration and not medical services.<sup>19</sup>
- **Ohio:** Projected state costs over five years on technology and case management services were **\$380 million**, with counties projected to pay \$12.8 million per year to determine eligibility.<sup>20</sup>

## WORK REPORTING REQUIREMENTS WORSEN THE AFFORDABILITY CRISIS FOR AMERICAN FAMILIES

With Medicaid, families have reduced exposure to medical debt, are better able to put food on the table and are less likely to be evicted from their homes.<sup>21</sup> People without health insurance are less likely to use preventive care (checkups and screenings) — leaving them sicker and less able to work or go to school.<sup>22</sup>

- **Arkansas:** People who lost coverage because of the state’s work reporting requirement had increased medical debt (averaging over \$2,200). The program roughly doubled the portion of adults who reported having serious problems paying their medical bills.<sup>23</sup>

## WORK REPORTING REQUIREMENTS PUT HOSPITALS AND THE HEALTH CARE SYSTEM AT RISK

Medicaid coverage reduces the burden of uncompensated care,<sup>24</sup> and a loss of coverage means fewer paying patients and less money for our health system. A study of 13 states that previously considered work reporting requirements found **hospitals could expect up to a 22% loss in Medicaid revenue**, threatening their financial stability, with particularly severe impacts on rural states and communities.<sup>25</sup> Further straining the system, people who lose insurance are forced to seek care in expensive settings like emergency rooms, which are already overburdened and understaffed.<sup>26</sup>

## THE BOTTOM LINE: WORK REPORTING REQUIREMENTS DO NOT WORK

Weakening the health care system with work reporting requirements only worsens existing challenges and endangers the financial and physical health and well-being of American families. Policymakers should reject work reporting requirements and instead move to strengthen our health care infrastructure by ensuring continued access to care for all patients — Medicare, private insurance and Medicaid alike — supporting healthier communities and more stable economies.

For more information or to connect with the Families USA team, please contact [healthpolicy@familiesusa.org](mailto:healthpolicy@familiesusa.org).

To read the full publication with endnotes, please visit [familiesusa.org/workreportingreqsdontwork](https://familiesusa.org/workreportingreqsdontwork)

