

Medicaid Work Requirements

Policy Considerations & More

I. Overview

Medicaid work requirements are one of the top Medicaid policies currently being considered for inclusion in Budget Reconciliation. This document includes ten ideas to consider when drafting / agreeing to policy language so as to maximize the chance of the policy leading to meaningful employment and/or educational engagement, and minimize the negative impact on coverage loss and health. It also includes five ideas for key things to keep an eye on in terms of poison language that could be slipped into the bill. Examples of work requirements from three states are highlighted and compared: Georgia's Pathways to Coverage program, Arkansas' ArkansasWorks (ARWorks), and Alabama's approach. To better understand the GOP's perspective, summaries of work requirement language from Project 2025, the Heritage Foundation, the House Budget Committee's list of potential policies for Budget Reconciliation, and the draft [Limit, Save, Grow Act \(H.R. 2811\)](#) are also outlined.

II. Ten Ideas for Minimizing the Negative Impact / Policy Language to Ideally Include

1) Maximize state flexibility.

- Utilize language such as “allows” rather than “requires.” Permit states to take certain actions or require states to accomplish certain goals but give them the independence to determine the approach themselves.
- This is an opportunity to build on the National Governors' Association's (NGA's) statement about the importance of flexibility and working with states to design programs and implementation.

2) Make Medicaid work requirements an allowable Medicaid option and allow CMS to approve pilot programs.

- This will delay their adoption nationwide, expand the body of evidence regarding their impact, and allow states to opt to adopt them once evidence is clearer. Currently, the legal interpretation is that states cannot adopt work requirements as they violate the spirit of the underlying statute.
- [Project 2025](#) explicitly states that work requirements should be added to Medicaid. Notably, Project 2025 phrases the recommendation as clarifying “that states have the ability to adopt work incentives for able-bodied individuals” and does not specify requiring or incentivizing state participation in work requirements.

3) Minimize the number of required hours and maximize the time period over which someone is required to complete it.

- Currently, 80 hours per month is the requirement in Georgia, Arkansas, and the [Limit, Save, Grow Act \(H.R. 2811\)](#), which is the draft legislation referred to in policies listed by the House Budget Committee for potential inclusion in Budget Reconciliation.

4) Maximize the opportunities included in the definition of “community engagement”

5) Maximize the number of exemptions and broadly define terms such as disability, homeless, and maternal health related.

- Include exemptions that align with bipartisan priorities such as exemptions for seniors, caregivers, disabled persons, and possibly veterans.
- Alabama has exemption language that is worth considering for inclusion. See section IV below for ideas.
- Considering qualification on the basis of a **disability**, for example, traditional Medicaid currently utilizes a highly restrictive definition of disability. An individual generally has to meet the Supplemental Security Income ([SSI definition](#)) for disability and receive SSI benefits to qualify as disabled under traditional Medicaid. As a result, many disabled persons only qualify for Medicaid through Medicaid expansion and other waivers. A broader, more accurate definition of disability is important. Alabama's is worth considering (see below). Additionally, SNAP allows staff who are determining eligibility to interpret "disabled" fairly expansively if the disability would impact a person's ability to work. In that case, it can include ADHD, dyslexia, anxiety, etc. Often, however, applicants do not know that and incorrectly interpret questions about disability to mean "verified" (i.e. SSI) or "profound". Consumer and eligibility staff education regarding what qualifies as a disability – and thus as fulfilling the requirement and thus continuing to qualify for Medicaid coverage – will be important.
- Use SNAP exemptions as a guide and **broadly define "homeless."** SNAP's rules allow eligibility determination staff to exempt an individual as homeless across a spectrum of homelessness – ranging from residing on the streets to living in a car to staying at a homeless shelter to moving every night from one friend's house to another – all of which entails not having a permanent, reliable residence precludes an individual from being able to hold a job. Allowing or requiring states to expansively interpret homelessness will accurately identify homeless persons and prevent unnecessary coverage loss.
- When **defining pregnancy**, the text could include "pregnancy-related exemptions" that could include protections during pregnancy, after birth, and following the loss of a child / miscarriage. The exemption included in Alabama's approved waiver application could also be modeled after: "Anyone who is pregnant or receiving post-partum care." Similarly, Arkansas' would allow for time to recover after a miscarriage although inadequate time to recover after giving birth. It is written as: "are pregnant or were pregnant within the last 60 days."
- Advocate for an **exemption based on federal minimum wage** akin to which is included in SNAP. The rule for SNAP is that someone fulfills the work requirement if they are "working at least 30 hours per week or earning at least 30 hours per week at federal minimum wage". Since the federal minimum wage is \$7.25, this means that if someone's gross earnings are at least \$217.50 (\$7.25 X 30 hours) weekly, that client 'earns' an exemption under this reason. To convert it to a monthly amount: if someone is earning \$935.20 or more each month, they are exempt under this category. Since minimum wage in Colorado is \$14.81, for example, most clients would be exempt if they are able to work at least 15 hours per week ($\$217.50 / \$14.81 = 14.68$ hours).

6) Maximize automatic renewal and electronic income verifications using existing data systems

- 7) Minimize how often data must be reported and ensure it is administratively efficient.
 - Include state flexibility to determine the frequency of reporting and allow states to set requirements based on what makes sense and minimizes administrative waste. For example, requirements regarding the number of hours worked might be made monthly or quarterly. For individuals meeting the requirement by enrolling in education, however, perhaps once per semester. For those in job training, only at the beginning and end of the job training program.
- 8) Allow someone to re-enroll in Medicaid if they demonstrate that they meet the work requirements or complete the necessary paperwork for an exemption
 - Arkansas blocked individuals from eligibility for Medicaid for the remaining calendar year if they lost coverage even if they were working or subsequently submitted paperwork for exemptions and qualified for them.
- 9) Fund job training, job search assistance, education opportunities, and wrap around services including childcare to make working / studying possible. Create systems for identifying and removing barriers to employment and education. Include exemptions when such supports are not available and thus an individual is unable to work.
 - “Pathways out of poverty” is a term that could be used to describe the services and supports needed for an individual to access education and employment.
 - The following ideas have minimal chance of advancing in a GOP controlled Congress but make working and moving out of poverty possible: increasing the minimum wage, lowering the cost of education, subsidizing childcare, and increasing all day free preschool as well as subsidized before and after school care.
 - Other programs offer proven ideas for job training that works, and likely lessons learned about what doesn’t. The TANF intern program through which TANF recipients access paid professional opportunities for job skill development has been effective in local communities where wages have been subsidized to ensure they are a livable wage.
- 10) Create efficient, streamlined, and ideally automated reporting processes. Emphasize efficiency and minimizing administrative waste.
 - Build upon streamlined enrollment processes and systems that confirm work using electronic systems such as the Income and Eligibility Verification System (IEVS). Ensure existing electronic income verification systems are effective and efficient. If not, invest to improve them.
 - Consider linking to additional electronic data systems to confirm work hours, enrollment in education, and/or completion of work training. For reporting systems about education, if the requirement is to be enrolled “at least half time”, as is the case in other benefit programs, ensure that the data system indicates the level of enrollment and whether this threshold is met. For work training, it would be useful for staff members who process eligibility determinations to know which applicants are receiving assistance through the Department of Vocational Rehabilitation, who is receiving worker’s compensation, and anyone going through a state training program like [WIOA](#).

Participation with any group like that should be considered an exemption from work requirements regardless of how many hours per week.

- *Expand upon Medicaid's existing "self-attestation" policies and allow applicants to self-report work, volunteer, and community engagement hours.*
- *See CBPP's [How to Streamline Verification of Eligibility for Medicaid and SNAP](#) for recommendations.*

III. Policy Language to Avoid

- 1) **Avoid language that limits state flexibility.**
 - a. *For example, replace terminology such as "require" with "allow".*
- 2) **Look closely at definitions related to exemptions and hence they are not overly narrow.**
 - a. *This includes but is not limited to the definitions of "disability" and "homeless."*
- 3) **Block any limitation on the length of time someone can qualify for an exemption.**
 - a. *Georgia currently limits eligibility for "Good Cause Exemptions" (see [details](#)) to 120 hours per certification year.*
- 4) **Avoid lifetime or other prolonged limits.**
 - a. *In Arkansas, if someone failed to meet the requirement for 3 months without an exemption, they lost coverage for the remaining calendar year even if they were working or were eligible for an exemption.*
 - b. *Project 2025 calls for time-limited or lifetime caps to "disincentivize dependency".*
- 5) **While not explicitly regarding work requirements, Project 2025 frames the following recommendations to CMS as improvements to Medicaid eligibility standards to protect Americans in need:**
 - a. *Hold states accountable for improper eligibility determinations.*
 - b. *Require more robust eligibility determinations.*
 - c. *Strengthen asset test determinations within Medicaid.*

Therefore, any proposals that address Medicaid eligibility should be examined for language that opens the door for broader eligibility reform pursuing the above Project 2025 priorities.

IV. State Examples

This section outlines and compares Georgia's, Arkansas', and Alabama's Medicaid work requirements. Georgia and Arkansas operationalized them; Alabama withdrew their proposal after submitting it to CMS. A comparison of key elements is included in table A.

Georgia

Georgia's *Pathways to Coverage* program requires adults aged 19-64 year with incomes up to 100% FPL (\$15,060 annually) to report at least **80 hours of work or volunteer activities each month**. **The program does not include exemptions for individuals with disabilities or chronic illnesses.** Enrollees can request a "Good Cause Exemption" for up to 120 hours per certification year ([details](#)). Good Cause Exemptions include those listed below. This [table](#) includes additional details such as documentation requirements. Individuals with a disability can request a "[reasonable modification](#)" or extra time to complete the required 80 hours.

Good Cause Exemptions

- Family emergency or life event.
- Birth, adoption, foster placement, or death of an immediate family member.
- Temporary illness/short term injury.
- Serious illness or hospitalization of yourself, or immediate family member.
- Natural or human-caused disaster.
- Temporary homelessness.
- COVID-19 illness or exposure.

Arkansas

ArkansasWorks (ARWorks) **only applied to the Medicaid expansion population**. It required individuals younger than age 50 to complete at least 80 hours of qualifying activities each month or have an exemption. **See image in appendix A for details.** Individuals who qualified for Medicaid due to a disability or as low-income parents did not have to report work hours or seek an exemption.

ARWorks' exemptions included the following:

- Receive Transitional Employment Assistance ([TEA](#)) Cash Assistance;
- Receive unemployment benefits;
- Work and make more than \$740 per month;
- Have a disability or need help with daily living activities (including blindness);
- Have a child under 18 living in your home;
- Are pregnant or were pregnant within the last 60 days;
- Care for a person who cannot care for him or herself;
- Can't work or look for work because of a short-term disability;
- Attend an alcohol or drug treatment program; and/or
- Go to school, vocational, or job training full time.

Of note, 1 in 4 people subject to the requirement lost coverage. ARWorks was replaced by the [Arkansas Health and Opportunity for Me](#) (ARHOME) program, which uses Medicaid dollars to buy private health insurance, on January 1, 2022.

Alabama

In 2018, Alabama submitted an 1115 Medicaid waiver to impose work requirements targeting "unemployed or underemployed able-bodied Parents or Caretaker Relatives (POCRs);" the proposal was ultimately withdrawn. The program would have required 35 hours per week for "employment-related activities" for parents or caretaker relatives or 20 hours per week for parents or caretaker relatives with children under six years old. Participation would have been restricted to individuals making less than 13 percent of the federal poverty level and included the following exemptions:

1. *Anyone who has a disability, is medically frail, or has a medical condition that would prevent them from complying with the work requirement, as validated by a medical professional, including anyone receiving Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI), or Medicare.*
2. *Anyone who is pregnant or receiving post-partum care;*

3. *Anyone age 60 or older;*
4. *Anyone required to care for a disabled child or adult;*
5. *Anyone participating in an intensive, authorized medical treatment program for alcohol or substance abuse or addiction (including opioid addiction);*
6. *Anyone enrolled in and compliant with the TANF JOBS program;*
7. *Anyone exempt from the TANF JOBS Program;*
8. *Anyone who is a single custodial parent of a child age 12 months or younger;*
9. *Anyone who is a single custodial parent caring for a child under the age of 6 for whom appropriate childcare is not available; or*
10. *Anyone who failed to meet the employment requirements for “good cause”, similar to those in the TANF JOBS Program.*

Table A: Medicaid Work Requirements				
	Georgia	Arkansas	Alabama	H.R. 2811
Population Subject to the Requirements	Adults ages 19-64 year with incomes up to 100% FPL	Medicaid expansion population only; < 50 years old	Unemployed or underemployed able-bodied Parents or Caretaker Relatives (POCRs)	Ages 19 through 55 years
Number of Hours / Time Period	80 hours per month	80 hours per month	35 hours per week when the child in the home is 6-19 or 20 hours per week for a parent or caretaker with a child under six	80 hours per month
Options for Work / Community Engagement	Work or volunteer activities	Work or community engagement including work, attending school, vocational training, or job training; volunteering; job searching and job search training (up to 39 hours per year); attending health education classes (up to 20 hours per year); or meeting	Work, engage in community service, school enrollment, or participate in a work program (or a combination of these)	Work, engage in community service, or participate in a work program (or a combination of these)

		SNAP work requirements.		
Exemptions	(1) Individuals with disabilities can request a Reasonable Modification or extra time to complete the 80 hours; (2) "Good Cause Exemptions" are available for up to 120 hours per certificate year and include: (A) Family emergency or life event; (B) Birth, adoption, foster placement, or death of an immediate family member; (C) Temporary illness/short term injury; (D) Serious illness or hospitalization of yourself or immediate family member; (E) Natural or human-caused disaster; (F) Temporarily homeless; (G) COVID-19 illness or exposure.	(1) Receive Transitional Employment Assistance (TEA) Cash Assistance; (2) Receive unemployment benefits; (3) work and make more than \$740 per month; (4) Have a disability or need help with daily living activities (including blindness); (5) Have a child under 18 living in your home; (6) Are pregnant or were pregnant within the last 60 days; (7) Care for a person who cannot care for him or herself; (8) Can't work or look for work because of a short-term disability; (9) Attend an alcohol or drug treatment program; and/or (10) Go to school, vocational, or job training full time.	(1) physically or mentally unfit to work; (2) pregnant or postpartum; (3) over 60; (4) parents or caretakers of a disabled child or adult; (5) enrolled in intensive substance use treatment; (6) enrolled in and compliant with and/or exempt from the TANF JOBS program; (7) single custodial parent of a child age 12 months or younger or a child under the age of 6 for whom appropriate childcare is not available; or (10) failure to meet the employment requirements for "good cause", similar to those in the TANF JOBS Program	(1) physically or mentally unfit to work; (2) pregnant; (3) parents or caretakers of children or incapacitated individuals; (4) complying with work requirements for other federal programs; (5) participating in a drug or alcohol treatment and rehabilitation program; or (6) enrolled at least half-time in school.
Other				Prohibits federal payments for, and allows state Medicaid programs to disenroll, individuals who do not meet these

				requirements for three or more months in a year.
Links	Eligibility ; “Reasonable Modifications” ; “Good Cause Exemptions” ; CBPP analysis ; ProPublica	ARWorks 1115 Waiver ; ARHOME (replaced ARWorks); CPBB analysis	Alabama 1115 Waiver materials	Limit, Save, Grow Act (H.R. 2811) (Title III)

V. Republican Policy Positions

Draft legislation and policy recommendations endorsed by Project 2025 and the Heritage Foundation offer insight into the GOP’s position on Medicaid work requirements. A sampling of these is noted below. Others to consider looking into include the [Paragon Health Institute](#).

Draft Legislation:

The [Limit, Save, Grow Act \(H.R. 2811\)](#) passed the House of Representatives during a previous Congress and is the draft legislation referenced in the Medicaid work requirements section of the list of potential policies to consider in budget reconciliation by the House Budget Committee earlier this year. Title III of H.R. 2811 is the relevant title and is included below:

TITLE III: Community Engagement Requirements for Applicable Individuals

(Sec. 321) This section establishes community engagement requirements (i.e., work requirements) for certain adults under Medicaid.

Specifically, the community engagement requirement is for individuals ages 19 through 55 to work, engage in community service, or participate in a work program (or a combination of these) for at least 80 hours per month. The section prohibits federal payments for, and allows state Medicaid programs to disenroll, individuals who do not meet these requirements for three or more months in a year.

The requirements do not apply to individuals who are (1) physically or mentally unfit to work, (2) pregnant, (3) parents or caretakers of children or incapacitated individuals, (4) complying with work requirements for other federal programs, (5) participating in a drug or alcohol treatment and rehabilitation program, or (6) enrolled at least half-time in school.

In summary, the bill would require individuals ages 19-55 to work, participate in a work program, and/or engage in community service for at least 80 hours per month. Medicaid agencies would be **allowed but not required** to disenroll individuals who did not meet this requirement for three or more months in a year. Federal payments, however, would be prohibited if individuals did not meet the requirements for 3 or more months in a year. A range of exemptions are included. As a follow up, it may be valuable to

dive into how terms are defined in the legislation as that may offer greater insight as to what would be valuable to include or avoid in Budget Reconciliation.

Project 2025

[Project 2025](#) explicitly states that work requirements should be added to Medicaid. The document suggests introducing work requirements for "able-bodied" individuals, eliminating benefits unrelated to health care, and reducing the participation of middle- to upper-income individuals as ways to address inefficiencies within the system (p.468). This section also includes proposals to allow beneficiaries to use Medicaid dollars to purchase outside coverage, impose time-based or lifetime caps in order to disincentivize long-term or permanent program enrollment and give states increased flexibility to adopt increased cost-sharing and premiums to higher-income enrollees. Notably, Project 2025 phrases the recommendation as clarifying "that states have the ability to adopt work incentives for able-bodied individuals" and does not specify requiring or incentivizing state participation in work requirements.

Heritage Foundation

The Heritage Foundation has [echoed](#) many themes from Project 2025, also calling for flexibility to use Medicaid dollars to purchase outside coverage and to reinstate and expand Medicaid work requirements established under the first Trump Administration. Historically, Heritage has argued that the elderly and disabled should be protected from work requirements, though they do not believe that previous Republican proposals were likely to threaten coverage for either of these populations. Previous publications have also called out [limiting Medicaid enrollment growth](#), especially post-COVID, as well as state [flexibilities](#) to avoid adopting work requirements.

House Budget Committee List of Policies to Consider for Budget Reconciliation

As noted, the House Budget Committee's list of policies to consider for Budget Reconciliation included the recommendation to establish Medicaid work requirement (see [pg. 20](#)). Per the document, Medicaid work requirements would save an estimated \$100 billion. The specific text is as follows:

"The policy would restore the dignity of work by implementing work requirements for able-bodied adults without dependents to qualify for Medicaid coverage, as included in the House-passed Limit, Save, Grow Act (H.R. 2811). Certain populations would be exempted, such as pregnant women, primary caregivers of dependents, individuals with disabilities or health-related barriers to employment, and full-time students."

Details regarding H.R. 2811 are included earlier in this document.

VI. Resources:



- RWJF: [How Many Expansion Adults Could Lose Medicaid Under Federal Work Requirements?](#) (March 2025)
- Kaiser Family Foundation: [5 Key Facts About Medicaid Work Requirements](#) (Feb. 2025); [Understanding the Intersection of Medicaid and Work: An Update](#) (Feb. 2025)
- Center on Budget and Policy Priorities: [Medicaid Work Requirements Could Put 36 Million People at Risk of Losing Health Coverage](#) (Feb. 2025)
- Commonwealth Fund: [Work Requirements for Medicaid Enrollees](#) (Jan. 2025)

Appendix A:

Image reprinted
Source: Arkansas Department
of Human Services, December 19, 2018

12.19.18

Arkansas
WORKS
Work Requirement

 Activities	 Exemptions
<p>Report Each Month to Keep Health Insurance:</p> <ul style="list-style-type: none"> • Working and making less than \$740 a month before taxes • Attending school, vocational or job training less than full time • Volunteering • Job searching & job search training. (Up to 39 hours a year) • Attending health education classes. (Up to 20 hours a year) • Meeting SNAP work requirement <p><small>*Must report at least 80 hours of work and community engagement activities a month.</small></p>	<p>Make sure DHS knows if you:</p> <ul style="list-style-type: none"> • Receive TEA Cash Assistance. • Receive Unemployment Benefits. • Work and make more than \$740 a month before taxes. • Have a disability or need help with daily living activities. (Includes blindness) • Have a child under 18 living in your home. • Are pregnant or were pregnant within last 60 days. • Care for a person who cannot care of him or herself. • Can't work or look for work because of a short-term disability. • Attend an alcohol or drug treatment program. • Go to school, vocational, or job training full time. <p><small>*Some exemptions must be reported every 2 or 6 months.</small></p>

Report your activities and exemptions by the 5th of the following month.