

## Making Sense of Medicaid Work Requirements

**Drew Altman** (<https://www.kff.org/person/drew-altman/>)

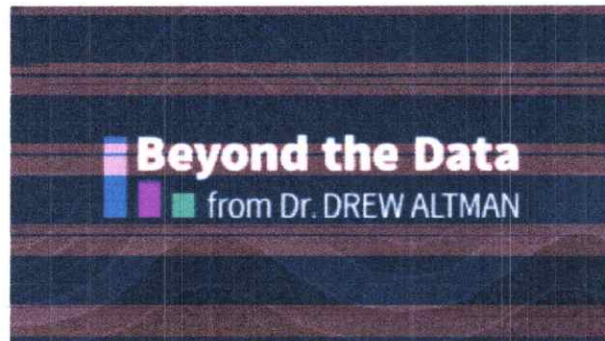
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([https://www.kff.org/from-drew-](https://www.kff.org/from-drew-altman/search/)

[altman/search/](https://www.kff.org/from-drew-altman/search/)) Among the health policy changes likely to be enacted during the second Trump administration, Medicaid work requirements are near the top of the list. Adding work requirements to Medicaid would cut federal health spending modestly at a time when Republicans will be scrambling to pay for tax cuts. And on the surface, the idea of promoting work is popular, even though the one thing Medicaid work requirements don't deliver is, well, work. If work requirements are not added to Medicaid through legislation, they almost certainly will be pursued by individual red states through Medicaid [waivers](https://www.kff.org/medicaid/issue-brief/medicaid-work-requirements-current-waiver-and-legislative-activity/) (<https://www.kff.org/medicaid/issue-brief/medicaid-work-requirements-current-waiver-and-legislative-activity/>), likely with encouragement from Trump's Centers for Medicare and Medicaid Services (CMS).



The Congressional Budget Office (CBO) recently [analyzed](https://www.cbo.gov/publication/59109) (<https://www.cbo.gov/publication/59109>) a work requirement proposal and found:

- Work requirements would save the federal government \$109 billion over 10 years, which is significant, but not overwhelming, in the context of federal Medicaid spending (projected to be \$7.4 trillion (<https://www.cbo.gov/data/baseline-projections-selected-programs#9>) over the next decade).
- They would result in 600,000 more uninsured Americans.
- That number of uninsured is predicated on CBO's assumption that states would pick up the costs of 60% of the beneficiaries who lose federal funding (900,000 people out of 1.5 million).

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- Most important of all, CBO said these programs would have NO impact on work. Undoubtedly that's because most Medicaid beneficiaries are already working or exempt for other reasons (caring for a family member, in school, etc.), though they are typically in jobs that don't provide health benefits. Mostly what these programs do is force beneficiaries to go through lots of red tape to prove they are working or are exempt. When some don't, or can't, or are not even aware of the requirement, they drop off the rolls. It's a backhanded way to cut Medicaid eligibility much more than a way to promote work. For more on the intricacies of Medicaid work requirements see [our policy brief \(https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-work-a-look-at-what-the-data-say/\)](https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-work-a-look-at-what-the-data-say/).

Unlike the welfare reform programs in which I was heavily involved in state government, Medicaid work programs offer no new investments in job training, child care, transportation or anything else that facilitates work. Those programs were based on what former president Bill Clinton called a “reciprocal obligation”: welfare recipients were obligated to look for jobs, go to school or enter job training or to work; government was obligated to provide the tools to facilitate that, including job training and child care. Medicaid work, by contrast, is a one-way street; the obligation falls entirely on the Medicaid beneficiary.

For all these reasons, Medicaid work requirements, which are a huge [administrative lift \(https://kffhealthnews.org/news/article/georgia-work-requirement-medicaid-food-stamps/\)](https://kffhealthnews.org/news/article/georgia-work-requirement-medicaid-food-stamps/), for states to implement and oversee, may be a bad cost-benefit bet proposition for states even as they have ideological appeal for conservative state politicians.

Lurking beneath the debate about Medicaid work requirements has always been a deeper ideological conflict between the right and the left about Medicaid. For conservatives on the right, Medicaid work requirements are a way to dial back a program they see as no different from cash assistance—a form of welfare that, in their view, should never have been expanded from its early days when it largely covered mothers and kids on the old Aid to Families with Dependent Children program. Viewed as “welfare,” it makes sense to conservatives to impose restrictions and make it tougher for people to get Medicaid coverage. It's a view that is anathema to liberals. They see Medicaid as an insurance program for lower-income people and a vital part of the safety net to be protected and expanded when possible. And if people are healthier and their lives are more stable, they argue, they are much more likely to work. As the debate goes on about the merits of work requirements, behind it has always been this longstanding difference in basic views about Medicaid. More than the details and the pros and cons, it explains why Medicaid work requirements have been such a polarizing issue.



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And with Medicaid so large, valued, and ingrained in American life today, cutting it back would almost certainly not play well politically.

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