

AAFP Position

The American Academy of Family Physicians (AAFP) has long [advocated](#) for preserving and strengthening Medicaid, a program upon which many vulnerable Americans rely. Recent efforts to impose work requirements on Medicaid beneficiaries conflict with the [Joint Principles on Section 1115 Demonstration Waivers](#) adopted by a group of six front-line physician organizations representing more than 560,000 physicians and medical students nationwide. The principles state that imposing work requirements, lock-outs, premiums, and other out-of-pocket costs limit access to preventative and primary care services and inhibit Medicaid beneficiaries from seeking care that helps them avoid costlier health conditions and maintain wellness. The AAFP is concerned that work as a mandatory condition of Medicaid eligibility would create unacceptable barriers to care. The AAFP opposes changes to Medicaid that would limit eligibility and coverage for beneficiaries.



Background: Medicaid Eligibility & Employment Status

Until recently, the Centers for Medicare and Medicaid Services (CMS) and state Medicaid agencies did not consider employment status when determining Medicaid eligibility. CMS [rejected](#) work requirement waivers submitted during the Obama Administration because they would have undermined access, efficiency, and quality of care provided to Medicaid beneficiaries and did not support the objectives of the Medicaid program.

61%

Approximately 61 percent of [working-age Medicaid enrollees already work](#), and an overwhelming majority of the remaining enrollees report that they have some sort of illness, disability, or are in school.

While a number of the work requirement programs, such as Georgia's Pathways, did take disability into account, such exceptions would unlikely prevent all disenrollment for non-compliance related to disability.



Under past administrations, [waivers](#) have been used to expand coverage, modify delivery systems, and restructure financing and other program elements.



Waiver Criteria Under the Trump & Biden Administrations

In a departure from previous administrations, the Trump Administration [shifted](#) Section 1115 waiver criteria from expanding coverage to promoting independence, upward mobility, and "responsible beneficiary decision-making." In support of these criteria, CMS approved 13 waivers with work requirements during the Trump Administration.

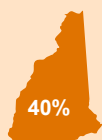
Due to a mix of court challenges and withdrawals of waiver approvals during the Biden Administration, only Arkansas implemented work requirements as part of its Medicaid programs. In 2021, President Biden issued an [executive order](#) that withdrew all work requirement waiver approvals. Subsequently, courts [halted](#) other efforts to implement work requirements, with higher courts dismissing the cases as moot.



CMS has the right to [withdraw](#) an approved waiver if the agency determines that the waiver does not support Medicaid's goals or objectives.

States have been able to [appeal](#) the Biden Administration's withdrawals of work requirement waivers to the HHS Departmental Appeals Board.

In the [withdrawal letters](#) that CMS issued to states that had approvals for work requirements, it cited evidence that...



of New Hampshire residents



of Michigan residents

... [subject to work requirements](#) were at risk of coverage loss if work requirements were to be implemented.

Spotlight: Georgia



Notably, Georgia challenged the withdrawal of its work requirements in court. In August 2022, a Federal District Court judge issued a decision vacating CMS's rescission of its Section 1115 waiver, finding that the rescission was "arbitrary and capricious" due to agency errors. As a result, [Georgia's Pathways program](#), the state's work-for-Medicaid program, became effective in July 2023. Georgia is currently the only state with a Medicaid work reporting requirement in effect nationwide. A [financial analysis](#) of the Pathways program was conducted shortly before enrollments began and found that since Pathways would only partially expand Medicaid for low-income adults, it would only be eligible for the standard 66 percent federal matching rate. As a result, the state will pay significantly more per person covered under Pathways than it would under a full expansion (\$2,490 per person versus \$496 per person, respectively).



Work Requirement Specifics

States that had attempted to impose work requirements as part of Medicaid eligibility through Section 1115 demonstration waivers generally **required** enrollees to work approximately **20** hours per week or **80** hours per month to receive Medicaid benefits.

Examples of work include:



full- or part-time employment



secondary or college education



some caregiving activities



job training programs



technical school



community service

In **most** states that attempted to establish work requirements, beneficiaries who reported three months of noncompliance would have been **disenrolled** from Medicaid. Depending on the state, those subject to disenrollment would have been **prohibited** from reenrolling until the following January, or may have had the opportunity to regain coverage, should they come to satisfy the work requirement.

Exempted Populations

The states that submitted waivers during the Trump Administration also exempted certain populations from work and community engagement requirements, including:

- children under age 18
- seniors
- the medically frail or disable
- pregnant women
- primary caregivers, and;
- other specific populations.

Because a majority of each state's Medicaid population falls into one of these exempted categories, most work requirements generally apply to approximately 3-30 percent of Medicaid enrollees in a state, which are disproportionately working-age, childless adults who first gained coverage through the Affordable Care Act's (ACA) Medicaid expansion.



Look Ahead

Medicaid work requirements could put **21 million** Medicaid beneficiaries at risk for coverage loss.

Many **states** have indicated that they may still pursue work requirements:



In June 2023, **Arkansas** submitted a new work requirement waiver request



Two states that did not previously pursue work requirement waivers - **Iowa** and **West Virginia** – are now considering legislation to require their Medicaid programs to apply for waivers that include work requirements.



In March 2023, **North Carolina** signed a **law** that would direct the state to expand Medicaid and to apply a work requirement.



AR, IA, WV, and **NC** all propose a work requirement to an existing Medicaid population rather than to a new coverage group, as in Georgia.

Research on Work Requirements' Impacts

Loss of population coverage subjects the entire health system to increases in uncompensated care costs and an increased uninsured rate.

Despite an estimated 18,000 beneficiaries losing coverage following the introduction of work requirements in **Arkansas**, there was not a commensurate increase in employment and confusion about the reporting requirements was common. Additional research into the implications of Arkansas' work requirements found that most people who had lost coverage under the new work requirements in 2018 regained coverage following the court order in 2019, which put the policy on hold.

- Work reporting requirements will reduce enrollment in health coverage, limit access to care, and not increase employment.
- Administrative burden is a significant issue with Medicaid eligibility, and new reporting requirements will only exacerbate this issue.
- A 2018 **analysis** estimated if all states were to implement Medicaid work requirements, 1.4-4.0 million Medicaid adults could lose coverage, with the majority of potential disenrollments among individuals who comply with the requirements and remain eligible but lose coverage due to new administrative reporting burdens.
- Work requirements could have particular **adverse effects** on certain Medicaid populations such as women, people with HIV, and adults with disabilities, including those aged 50-64.

Medicaid as a Public Assistance Program

Some **arguments** for and against Medicaid work requirements are grounded in views about whether Medicaid is considered a public assistance program like the Temporary Assistance for Needy Families (TANF) or provides health insurance, especially for uninsured Americans. Analyses of government programs like TANF suggest that work requirements do not spur many beneficiaries to seek and gain employment and that the evidence to support the idea that work has a positive impact on health and health coverage is mixed at best. In fact, a significant body of research supports the idea that access to health insurance, including Medicaid and Medicaid expansion, increases an individual's likelihood of obtaining and holding a job. **Medicaid coverage** helps low-wage workers get the necessary care to remain healthy enough to continue to work. Many individuals report that Medicaid coverage supports their ability to work demanding jobs.