Work Requirements Threaten Health and Increase Costs

In programs with work requirements, participants risk having their health insurance coverage or other benefits terminated unless they document employment or another approved activity or else qualify for an exemption. Supporters of work requirements argue that these policies are intended to help people get jobs and decrease their need for government assistance. But decades of research show that work requirements do not help people reach these goals. Instead, work requirements increase costs to states and taxpayers, deter people who are eligible from seeking assistance, terminate essential health insurance coverage and other benefits for millions of program participants—most of whom already work—and push people and families deeper into poverty.

Executive Summary

Policymakers are **considering** adding work requirements to Medicaid nationwide and increasing them for the Supplemental Nutrition Assistance Program (SNAP). Supporters of work requirements argue that they will increase labor force participation and reduce reliance on government assistance. This argument hinges on **incorrect assumptions** that people in these programs do not work and must be compelled to do so. Most people who get their health insurance through **Medicaid** and most **SNAP** participants are already working, and the majority of those who are not working have unpaid caregiving responsibilities or health conditions that make finding and maintaining employment difficult.

The evidence is clear: Work requirements do not achieve their stated goals. Instead, they create bureaucratic red tape that terminates health insurance and nutrition benefits for millions of eligible individuals. For example, when Arkansas implemented Medicaid work requirements, **over 18,000** people had their healthcare coverage terminated in just seven months, primarily due to difficulties navigating reporting requirements, and there were no significant employment gains. If work requirements were implemented to Medicaid nationwide, as many as **36 million** people could be at risk of having their coverage terminated. These cuts will harm everyone, including seniors whose families rely on Medicaid to pay for their long-term nursing care, children, people with disabilities, and working families with low incomes.

Beyond harming individuals, work requirements are costly and inefficient. Tracking and enforcing work requirements requires states to invest millions in administrative oversight, diverting funds from direct assistance. Arkansas' Medicaid work requirement cost **$26.1 million** to administer but failed to increase employment. And Georgia's Medicaid program with work requirements cost more than **$40 million** in its first year, with nearly 80% of funds going to administrative and consulting fees rather than healthcare.

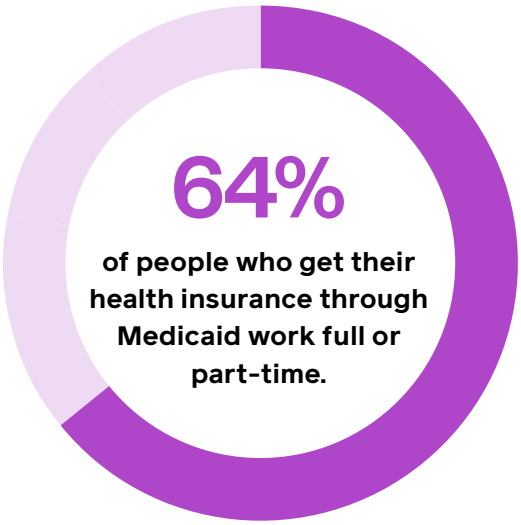
> Most **Medicaid** and **SNAP** participants are already working

These punitive work requirements deny people—most of whom are already working—of essential healthcare coverage and other health-promoting benefits and push people deeper into poverty. If the objective is truly to increase labor force participation and reduce reliance on government programs, lawmakers should invest in solutions that support employment, such as job training, affordable childcare, and higher wages.

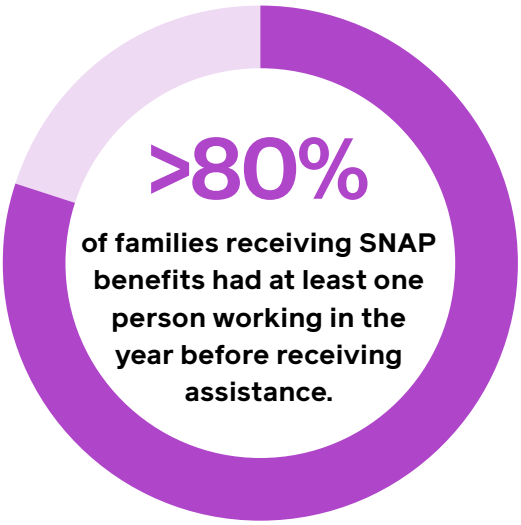
Most Medicaid and SNAP Participants Are Already Working

Proponents of work requirements argue that they build self-sufficiency and lead to good, long-term jobs for participants, eventually moving them off assistance and out of poverty. This incorrectly assumes that people who are eligible for assistance aren't employed, but research shows us that the exact opposite is true: Most people who get their health insurance through Medicaid and most SNAP participants already work.

Among **Medicaid** participants who are not enrolled in Supplemental Security Income, Social Security Disability Insurance, or Medicare, 64% work full or part-time. The most common reasons for not working include unpaid caregiving responsibilities (12%), illness or disability (10%), and school attendance (7%). Still, 48% of Medicaid enrollees with one disability do work. Data from the 2023 American Community Survey also confirm that **more than 80%** of families receiving SNAP had at least one person working in the past 12 months before receiving benefits, including families with and without people who have disabilities.



Recent polling shows that 62% of the public incorrectly believe that most people who get health insurance through Medicaid are unemployed. When those who initially supported work requirements learned that most people on Medicaid are already working and would be at risk of having their health insurance terminated because of bureaucratic red tape, approximately half of respondents switched to opposing work requirements. Learning that they would not significantly increase employment but would increase state administrative costs also caused people to drop their support for work requirements.



Because most Medicaid and SNAP participants already work, work requirements do not meaningfully increase labor force participation or help people become self-sufficient. Instead, they terminate the same healthcare coverage and benefits that are **shown** to help people obtain and maintain employment.

Work Requirements Terminate Coverage and Strip People of Benefits that Promote Health and Wellbeing

Programs like Medicaid and SNAP benefit everyone, not just people and families with low incomes.

- **Research has repeatedly shown** that access to health insurance through Medicaid lowers mortality rates—especially for deaths typically prevented by early diagnosis or medical intervention—and improves health outcomes, including those associated with cancer, diabetes, cardiovascular and liver disease, substance use disorders, and other illnesses.
- **SNAP**—which provides assistance to purchase food—reduces hunger and poverty and improves outcomes for education, health, economic security, and self-sufficiency. Food insecurity is linked to chronic health conditions in working-age adults, and SNAP prevents this.
- Both Medicaid and SNAP **improve maternal and child health outcomes**, reducing the risk of maternal and infant death and low birthweight.

Work requirements make it harder to maintain coverage from assistance programs, while discouraging countless others from trying to obtain assistance. Many studies find that the bureaucracy and red tape involved with proving these requirements are often prohibitive and **strip people of vital benefits**. This results in worsened physical, mental, and behavioral health problems that **make it more difficult**, not easier, to obtain or retain employment that is a condition of maintaining assistance.

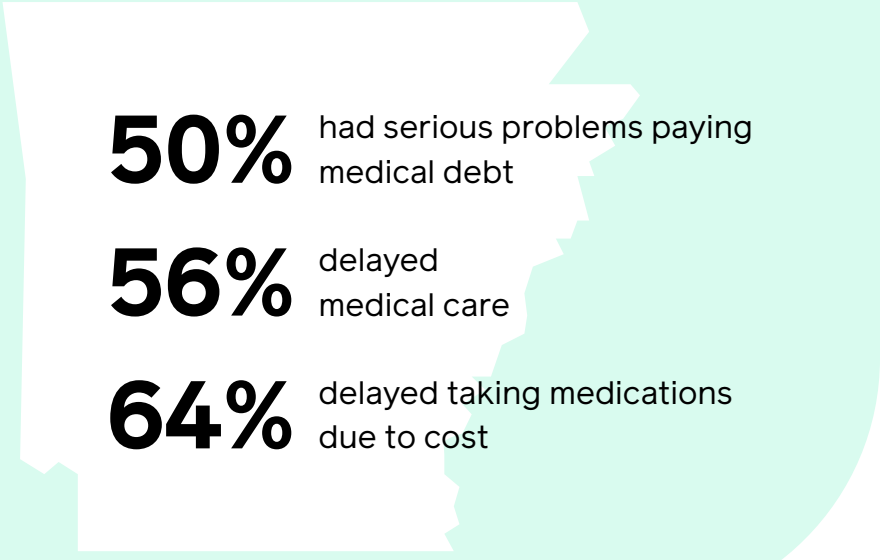
When **Arkansas implemented** work requirements in its Medicaid program, more than 18,000 people had their health insurance terminated within seven months, primarily because of difficulties reporting work hours or navigating red tape to claim an exemption. **Of those who lost coverage**, 50% had serious problems paying medical debt, 56% delayed medical care, and 64% delayed taking medications due to cost. There was also no significant increase in employment. **New Hampshire** attempted to implement Medicaid work requirements but ultimately reversed the policy because of confusion and concerns that about 33% of the state's Medicaid enrollees were at risk of losing coverage.

These examples show that nationwide Medicaid work requirements would put millions of people at risk of losing health insurance coverage. If implementation processes and reporting patterns for a nationwide Medicaid work requirement follow the pattern seen in Arkansas and New Hampshire, **between 4.6 and 5.2 million people could lose coverage** if the government limits work requirements to adults who gained coverage under Medicaid expansion. If requirements are not explicitly limited to the expansion population, the Center on Budget and Policy Priorities estimates that as many as **36 million** people—about 44% of all Medicaid enrollees—could be at risk of having their coverage terminated.

Work requirements in SNAP have been **shown** to significantly reduce program participation, have no effect on employment, and **reduce food security and household income**. **One 2021 study** found that work requirements in SNAP increased program exits of eligible people by 23% while also discouraging many others from applying, and program participation among eligible adults fell by 53%. Another **study** shows that after Connecticut reintroduced SNAP work requirements in 2016, coverage declined by 25%. The work requirements disproportionately affected people with chronic illnesses.

When work requirements were first introduced to Temporary Assistance for Needy Families (TANF)—a cash and social service assistance program for families with low incomes—in the **1990s**, the participation rate among **families below the poverty line** declined sharply, and rates have continued to decline over the last three decades, suggesting that many families in need were unable to get assistance. Furthermore, work requirements in Medicaid and SNAP **adversely affect participant income** since they reduce benefits more than they increase employment or income.

After Arkansas implemented Medicaid work requirements, over 18,000 people had their health insurance terminated. As a result…



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Work Requirements Disproportionately Harm People With Disabilities

In particular, work requirements harm **people with disabilities** who often face structural barriers to employment and depend on access to Medicaid and other benefits to stay healthy and work when possible. Around **15 million** people with disabilities get their health insurance through Medicaid, but **66%** are unprotected from work requirements because they qualify through non-disability pathways like Medicaid expansion.

Even when exemptions exist for people with disabilities who are not enrolled through disability-specific pathways, people are often forced to navigate confusing processes and systems to claim an exemption, often resulting in unwarranted coverage terminations. When **Arkansas** implemented work requirements, the main disability-specific category only covered 45% of Medicaid enrollees with disabilities, leaving over half of the state's Medicaid enrollees with disabilities at risk of having coverage terminated. And in **Georgia**, applicants must prove they meet the program's work requirement before they can enroll or else navigate a complex exemption request process while applying.

In states that expanded Medicaid, employment among adults with disabilities increased by nearly **6%** after expansion allowed them to obtain healthcare coverage for the first time. Taking away this coverage risks reversing those gains, forcing more people with disabilities out of the workforce.

Employment among adults with disabilities increased by nearly 6% after Medicaid expanded

Red Tape Discourages Participation and Increases Administrative Costs and Burdens

Monitoring and enforcing work requirements **burdens** enrollees and program administrators alike. For example, TANF caseworkers must monitor and enforce work requirements by tracking *every* hour participants spend on *each* work activity *each* month. As a result, work requirements often raise the costs of administering assistance programs instead of lowering them.

Work requirements terminate health insurance coverage and other benefits and reduce enrollment without increasing labor force participation.

Arkansas witnessed this when the state temporarily introduced Medicaid work requirements, terminating coverage for over 18,000 people and costing the state and federal government **$26.1 million** in administrative expenses—without increasing employment. In **Georgia**, the only state enforcing Medicaid work requirements in their Pathways to Coverage program—which expands Medicaid eligibility to 100% of the federal poverty level—they're failing to meet their enrollment goal. Only **4,231 people** enrolled during the first year, less than 3% of those potentially eligible. The first year cost more than **$40 million** in state and federal spending, of which almost 80% was spent on administrative and consulting fees. As of February 2025, enrollment is still **under 7,000 people**, falling far short of the program's **goal** to reach 52,509 by 2028.

While work requirements may reduce federal spending, those reductions are often achieved through terminating coverage and denying benefits to otherwise eligible people. In 2023, the Congressional Budget Office **estimated** that the cost to states to cover individuals who lost their eligibility for federal Medicaid funding would increase by $65 billion over 10 years. This is unpopular among voters. Overall public support for work requirements **drops 40%** after supporters learn that enforcing work requirements would increase state administrative costs.

Policy Alternatives

Evidence shows that work requirements do not lift people out of poverty, but there are effective, alternative programs and strategies that can help people get the assistance they need, whether health, financial, or otherwise. Here are some ideas to consider:

- **Support employment and training programs.** Job search assistance and subsidized employment **help people get and keep work**, as has subsidized childcare.
- **Increase access to affordable childcare,** which benefits working parents and contributes to long-term child health and development.
- **Increase the federal minimum wage** and close the pay gap between men and women and across racial groups and geographies.
- **Provide guaranteed income.** Studies demonstrate that guaranteed income programs, like the **Stockton Economic Empowerment Demonstration**, increase financial stability and help people find employment and save for the future. And the **expanded Child Tax Credit**, which provided families with a form of guaranteed income, significantly reduced child poverty with no evidence of a negative employment effect.

The evidence is clear. Work requirements do not help people get jobs or decrease their need for assistance. Instead, they create a barrier to the healthcare and other health-promoting benefits that people need to live healthy lives. This plunges many of them deeper into poverty and ultimately costs our states and taxpayers more. Effective programs and strategies exist to help families and people flourish, and we must enact them to create a future where health is no longer a privilege, but a right.

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