

# MSDA

MEDICAID | MEDICARE | CHIP  
SERVICES DENTAL ASSOCIATION

**MSDA's Medicaid Watch**

**Thursday- March 6, 2025**

**3:00 PM ET**

# Agenda



Weekly Recap



Federal Update



Potential Impact



State Updates



Work Requirements: **FAMILIESUSA ANALYSIS**

# Recap

- ▶ House of Representatives passed a budget resolution to cut \$880 B from Medicaid
- ▶ Senate proposed \$340 B budget framework
- ▶ No Updates on this- except, President is saying “No cuts to Medicaid”
- ▶ Four levers: *Eligibility, Benefits, Cost-Sharing and Provider Payments*
- ▶ *Trigger Laws and States*

## Options on the Table

- ▶ Substituting a federal fixed *rate* to states
- ▶ Implementing Block Grants-fixed *amount*
- ▶ Eliminating Medicaid Expansion
- ▶ Adjusting Federal Medicaid Assistance Percentages (FMAP)
- ▶ Adjusting FMAP for “Medicaid Expansion” enrollees
- ▶ Imposing annual per capita caps
- ▶ Imposing work requirements
- ▶ Eliminating optional benefits: i.e. Adult Dental

# HHS Terminations

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid  
Services 7500 Security Boulevard, Mail  
Stop S2-26-12 Baltimore, Maryland  
21244-1850



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***CMCS Informational Bulletin***

**DATE:** March 4, 2025

**FROM:** Drew Snyder, Deputy Administrator and Director  
Center for Medicaid and CHIP Services

**SUBJECT:** Rescission of Guidance on Health-Related Social Needs

To support implementation of coverage of certain services and supports to address “health-related social needs” (HRSN) in State Medicaid programs and Children’s Health Insurance Programs (CHIP), the Center for Medicaid and CHIP Services (CMCS) issued two Center Informational Bulletins (CIBs). The first, *Coverage of Services and Supports to Address Health-Related Social Needs in Medicaid and the Children’s Health Insurance Program*, was released on November 16, 2023 (November 2023 CIB), and discusses opportunities available under Medicaid and CHIP to cover certain services and supports that purport to address HRSN. With the issuance of the November 2023 CIB, CMCS also published a document, *Coverage of Health-Related Social Needs (HRSN) Services in Medicaid and the Children’s Health Insurance Program (CHIP)*, which CMS has referred to as the “Framework of Coverage of HRSN Services in Medicaid and CHIP” or the “HRSN Framework.” The second CIB, released

# Work Reporting Requirements

# Proposed Rationale

Medicaid work reporting requirements generally mandate that certain beneficiaries work, volunteer, or engage in job training to maintain their health coverage. Supporters argue that these requirements can lead to several benefits, including:

1. **Encouraging Employment** - By incentivizing work, training, or volunteering, these policies may help Medicaid recipients gain skills, find jobs, and potentially transition to employer-sponsored health insurance.
2. **Promoting Self-Sufficiency** - Work requirements can encourage independence by helping beneficiaries become less reliant on government assistance over time.
3. **Reducing Program Costs** - If more people move into the workforce and secure private insurance, Medicaid spending could decrease, potentially leading to budget savings for states and the federal government.
4. **Improving Health Outcomes** - Some argue that employment and community engagement can positively impact mental and physical health by increasing financial stability and social interaction.
5. **Ensuring Program Integrity** - Work requirements may help focus Medicaid resources on the most vulnerable populations, such as those who are elderly, disabled, or experiencing severe hardships.



## Evidence on Impact of Medicaid Work Requirements

Studies showing limited success in promoting employment and reducing dependency while often leading to coverage losses.

### 1. Limited Impact on Employment

- ▶ A 2020 study in *Health Affairs* analyzing Arkansas' Medicaid work requirements found no significant increase in employment among beneficiaries. Many people subject to the requirements were already working or faced barriers such as disability or caregiving responsibilities.
- ▶ Other studies suggest that most Medicaid recipients who can work **already do**—about 60% of nonelderly adults on Medicaid are employed, and many of the rest have disabilities or caregiving duties.

# Evidence on Impact of Medicaid Work Requirements

## 2. High Coverage Losses

- ▶ When Arkansas implemented work requirements in 2018, over **18,000 people lost Medicaid coverage** within a few months.
- ▶ Many lost coverage due to **bureaucratic issues**, like failing to report work hours online, rather than failing to meet requirements.
- ▶ A Government Accountability Office (GAO) report found that work requirements in Arkansas led to **confusion and lack of awareness**, resulting in unintended loss of coverage for eligible individuals. <sup>10</sup>

# Evidence on Impact of Medicaid Work Requirements

## 3. No Clear Cost Savings

- ▶ While removing beneficiaries from Medicaid can reduce immediate state spending, studies suggest that **costs may rise elsewhere**, such as increased emergency room visits and uncompensated hospital care.
- ▶ Some states, like Michigan, estimated that implementing work requirements would **cost millions in administrative expenses**, sometimes outweighing potential savings.

# Evidence on Impact of Medicaid Work Requirements

## 4. Health and Economic Risks

- ▶ Losing Medicaid coverage due to work requirements has been linked to **worsened health outcomes**, particularly for people with chronic conditions who may struggle to maintain stable employment without consistent healthcare.
- ▶ Research shows that stable access to healthcare helps people stay healthy enough to work, meaning coverage loss could actually hinder long-term employment goals.

# Conclusion

The evidence suggests that Medicaid work requirements often lead to **coverage losses without significantly boosting employment.**

- ▶ The administrative burden and potential harm to vulnerable populations have led several courts to block work requirements in states like Arkansas, Kentucky, and New Hampshire.
- ▶ **While proponents argue these policies encourage self-sufficiency, research indicates that most Medicaid recipients who can work already do, and the policy may create more harm than benefit.**

## FACT:

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.

- ▶ The remaining percentage **includes people in transition**: 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.

## 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>



**Working people  
lose health  
coverage.**



**States waste money  
on bureaucracy and  
pricey consultants.**



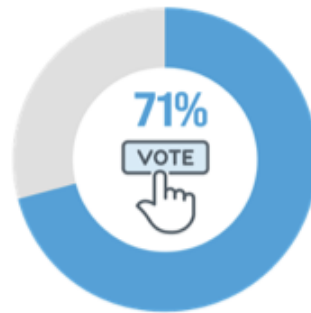
**Employment  
stays stagnant.**



**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 Cause:



Employment to stagnate.



## 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 Cause:



Working people to lose coverage.



## Work Reporting Requirements Cause:



States to waste money on  
bureaucracy and pricey consultants.



## 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 Cause:



States and providers to lose money.



## 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>

## Work Reporting Requirements Cause:



Economic instability for  
American families.





## 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>

## **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.

# Discussion

# 2025 MSDA National Medicaid Medicare and CHIP Oral Health Symposium

*Engaging Partners to Foster Excellence in  
Medicaid Program Administration*

May 4-6, 2025

Belle Haven County Club and The Alexandrian Hotel  
Alexandria, VA

<https://www.medicaidental.org/2025%20symposium>

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