



A Passionate Voice for Compassionate Care

WORK REQUIREMENTS: “THE ONE BIG BEAUTIFUL BILL ACT” (H.R. 1)

THE ISSUE

On May 22 the House of Representatives passed a budget reconciliation bill that substantially changes the Medicaid program by adding work requirements for the first time in its history. These changes, along with other proposed changes to Medicaid and health care coverage, will potentially cause 7.8 million Americans to lose health care coverage.¹

Under section 44141 of the bill, starting December 31, 2026 (or earlier if a state chooses), states that have [expanded Medicaid under the Affordable Care Act](#) would be required to implement work requirements for adults aged 19-64 without dependents. To enroll in Medicaid, an individual subject to the work reporting requirements would need to satisfy the work requirement for at least one month before application for Medicaid and must meet the work requirement for at least one month during each six-month period in which they are enrolled in Medicaid. States will have the option of making individuals complete additional months of work requirements if they choose.

To meet the work requirement, individuals must complete at least 80 hours per month of work, volunteering, education, or job training to maintain Medicaid eligibility. Parents, guardians, caretaker relatives of dependent children, disabled family members, individuals with disabilities, people with substance use disorders and serious medical conditions, veterans with disabilities, and former foster youth are exempt from these requirements. However, those who cannot complete the paperwork verification, understand the reporting requirements, or obtain exemptions they qualify for may face difficulties enrolling or risk being disenrolled.

Simultaneously, states and the Secretary of the U.S. Department of Health and Human Services (HHS) would be restricted from waiving any aspects of the work reporting requirement to introduce additional exemptions or expand current ones. Moreover, states would be barred from obtaining an optional short-term hardship exemption from the work reporting requirements for unemployment rates below 8 percent.

MINISTRY TRADITION

We are inspired by the wisdom of the social doctrine of the Church, which teaches that each person is created in the image of God; that each human life is sacred and possesses inalienable worth. Our faith teaches us that work is a gift, and that health care is a fundamental necessity to live in accordance with our human dignity, not a privilege reserved for the employed. Medicaid was created as a safety net for times of need, not as a reward for productivity. CHA and its members advocate for programs such as Medicaid to increase healthcare accessibility, enhance health, and allow people to live in accordance with their human dignity.

CHA’S CONCERNS WITH PROPOSED WORK REQUIREMENTS IN H.R. 1

- The Congressional Budget Office estimated that the work requirements and other Medicaid policy changes in H.R. 1 will lead to 7.8 million people becoming uninsured.
- Medicaid provides health insurance coverage that helps keep people healthy, supporting people’s ability to work. That is why most enrollees are already working, often doing more than one job.

¹ <https://www.cbo.gov/publication/61461>

Medicaid work requirements have proven to lead to Medicaid coverage loss and no corresponding increase in work.^{2,3} Instead, Medicaid work requirements led to enrollees losing coverage, taking on more medical debt, delaying getting needed medical care, and delaying taking medications.⁴

- Adding these new regulations to Medicaid will create more government bureaucracy and force state governments to spend millions of taxpayer dollars just to implement them. For example, H.R. 1 provides only \$100 million to implement the work requirements in states. The GAO found that the real cost of implementing work requirements can range from millions to hundreds of millions *per* state.⁵ Georgia alone has spent more than \$26 million to implement its Medicaid plan with work requirements, 90% of which went to administrative costs rather than coverage.⁶
- Affected Medicaid enrollees will be required to fill out burdensome paperwork multiple times a year, which is costly to process and leaves too many people at risk of losing their coverage by mistake. Work requirements are difficult to understand, and in states that have implemented them, awareness and understanding remain low. Exceptions place an additional paperwork burden on patients and providers to certify the existence of disabilities or caregiving responsibilities.
- H.R. 1 creates a one-size-fits-all federal mandate that limits the ability of the Secretary of HHS and States to design their plans to meet the health and employment realities of their communities. States with high unemployment rates (above 8%), significant numbers of seasonal workers, or those working in “gig” economy jobs will be limited in their ability to receive hardship waivers or to craft their program in a way that meets the work reporting requirements without significant coverage losses.
- Specific populations, like people experiencing homelessness, would be negatively affected because of new and burdensome administrative paperwork. The lack of stable housing, access to mail, phones, and the internet are challenges that need to be addressed in H.R. 1. Providing work hours, exemptions, and address verification impacts both the enrollee and provider, who will spend more time on compliance paperwork.
- States under H.R. 1 would have less than 18 months to create and implement their work requirement plans to meet the implementation deadline of December 31, 2026. State plans and administrators will need to create processes and programs for Medicaid recipients to meet their Medicaid reporting requirements. In addition, public awareness efforts will be needed to ensure Medicaid beneficiaries understand the changes in the law and can meet the requirements.
- H.R. 1 would change Medicaid and Supplemental Nutrition Assistance Program (SNAP) work requirements to include individuals up to age 64. Traditionally, in SNAP, these work requirements were limited to individuals up to age 55. By increasing the age range, those individuals most likely to have age-related health needs and greater challenges in finding new employment will lose coverage if they are unable to meet the new work reporting requirement.

² <https://onlinelibrary.wiley.com/doi/10.1111/1475-6773.14624>

³ https://www.nber.org/system/files/working_papers/w24899/w24899.pdf

⁴ Benjamin D. Sommers *et al.*, “Medicaid Work Requirements in Arkansas: Two-Year Impacts on Coverage, Employment, and Affordability of Care,” *Health Affairs*, September 2020, <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00538>; Benjamin D. Sommers *et al.*, “Medicaid Work Requirements – Results From the First Year in Arkansas,” *New England Journal of Medicine*, June 19, 2019, <https://www.nejm.org/doi/full/10.1056/NEJMSr1901772>

⁵ <https://www.gao.gov/products/gao-20-149#:~:text=We%20found%20that%20costs%20to,supposed%20to%20increase%20Medicaid%20spending.>

⁶ <https://kffhealthnews.org/news/article/georgia-medicaid-work-requirements-experiment-high-cost-low-enrollment/>
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