

How Many Expansion Adults Could Lose Medicaid under Federal Work Requirements?

Findings from “Assessing Potential Coverage Losses among Medicaid Expansion Enrollees under a Federal Medicaid Work Requirement”

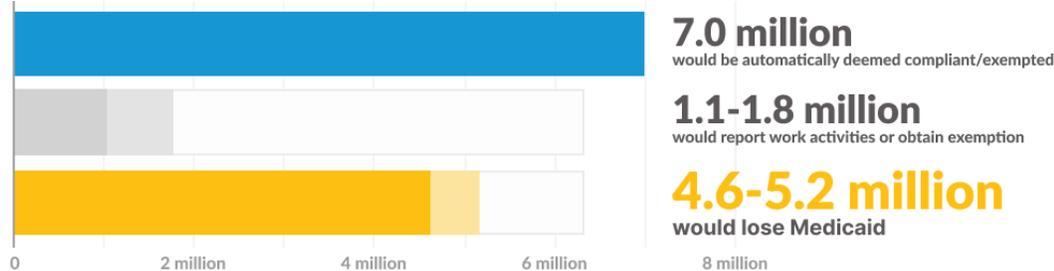
Michael Karpman, Jennifer M. Haley, and Genevieve M. Kenney

Majority leadership in Congress is considering establishing work requirements in Medicaid. In this analysis, we apply lessons from two states with prior experience with work requirements to project how many Affordable Care Act expansion adults would lose federally funded Medicaid if this policy is mandated for all states in 2026. We base our analysis on the Limit, Save, Grow Act, a 2023 bill passed by the House that may inform congressional discussions in 2025. That bill would have withheld federal funding for Medicaid expansion enrollees¹ ages 19 to 55 who did not report working or participating in a work-related activity for at least 80 hours per month unless they qualified for and obtained an exemption from the work requirement.

About 5 million expansion adults could lose Medicaid in 2026 under a federal work requirement similar to the Limit, Save, Grow Act.

We apply program experiences in Arkansas and New Hampshire that implemented Medicaid work requirements for expansion enrollees in 2018–19 to national data from the Urban Institute’s Health Insurance Policy Simulation Model for 2026. We estimate that 13.3 million expansion adults ages 19 to 55 would be subject to a federal work requirement in 2026 and that states could automatically exempt or deem compliant about half of them using information from state databases if they followed approaches like Arkansas and New Hampshire. The remaining adults would have to request an exemption based on other criteria or report work activities to maintain coverage. Assuming reporting patterns follow those observed in Arkansas and New Hampshire, an estimated 4.6–5.2 million would lose federally funded Medicaid, constituting 34–39 percent of expansion enrollees ages 19 to 55 (figure 1).

FIGURE 1
Potential Coverage Losses among Adults Ages 19 to 55 Under Medicaid Work Requirements for Expansion Enrollees, if Exemptions and Reporting Matched Previous State Experiences, 2026



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Source: Authors’ analysis of Urban Institute’s Health Insurance Policy Simulation Model (HIPSM) data.

Notes: Losing Medicaid refers to withholding of federal funding. Assumes states would be required to use existing databases to automatically determine exemptions and compliance due to earnings, parental status, and meeting Supplemental Nutrition Assistance Program work requirements. The range is based on enrollee reporting patterns for exemptions and work activities in Arkansas and New Hampshire where 72 and 82 percent, respectively, of the adults who were not automatically exempted from or deemed compliant with work requirements did not satisfy the work reporting requirement. Estimates are rounded.

Nearly all expansion enrollees who would be subject to work requirements are working, engaged in work-related activities, or could meet exemption criteria.

More than 9 in 10 expansion adults ages 19 to 55 are either engaged in activities prescribed under the policy or could meet exemption criteria: 91 percent work some or all months of the year, are parents or caregivers for children under 18, attend school, are looking for a job, care for a disabled household member, or are in fair or poor health or have a functional limitation. Others may be pregnant, have health conditions, or have additional attributes unobservable in our data that should exempt them from work requirements or show community engagement. Implementation experiences in Arkansas and New Hampshire suggest noncompliance with work reporting requirements reflects low awareness or understanding of the policy, reporting challenges and confusion related to state notices, limited job opportunities, and employment barriers rather than lack of work effort.

Coverage losses could be even higher under some proposals.

Our analysis assumes work requirements would only apply to expansion enrollees and that states use available data to automatically exempt enrollees from reporting requirements as Arkansas and New Hampshire did under prior waivers. However, some states may not replicate the data-matching efforts employed by Arkansas and New Hampshire, meaning potential coverage losses would be higher. For instance, Georgia's Pathways to Coverage work requirement, where enrollment has fallen far short of projections, does not use data-matching to determine compliance. On the other hand, other states may develop alternative approaches to limit coverage losses.

In addition, some recent proposals would extend work requirements to a larger segment of the Medicaid population.² Coverage losses would be considerably higher than we estimate if new legislation differs from the Limit, Save, Grow Act in the following ways:

- More adults in the expansion group, such as adults ages 56 to 64, are subject to work requirements.
- Work requirements affect expansion enrollees as well as adults in traditional eligibility categories, including low-income parents and adults who qualify for Medicaid based on a disability.
- Exemptions for caregivers and other groups are more limited.

Our analysis has several limitations and caveats described in the study cited below. Even if states maximize the use of data to automatically exempt enrollees from reporting, however, many Medicaid enrollees who are meant to be exempt or who are working or engaged in work-related activities could lose coverage and access to health care.

ADDITIONAL READING

Assessing Potential Coverage Losses among Medicaid Expansion Enrollees under a Federal Medicaid Work Requirement

Michael Karpman, Jennifer M. Haley, and Genevieve M. Kenney urban.is/41yJRb1

¹ Though not specified in the legislation nor assumed by all observers, the US Department of Health and Human Services interpreted the bill as applying only to the expansion population. See: US Department of Health and Human Services, "[Fact Sheet: Medicaid Work Requirements Would Jeopardize Health Coverage and Access to Care for 21 Million Americans](#)," accessed February 25, 2025.

² US Congress, House, *Jobs and Opportunities for Medicaid Act*, HR 1059, 119th Congress, introduced in House February 6, 2025, <https://www.congress.gov/bill/119th-congress/house-bill/1059/actions>.