



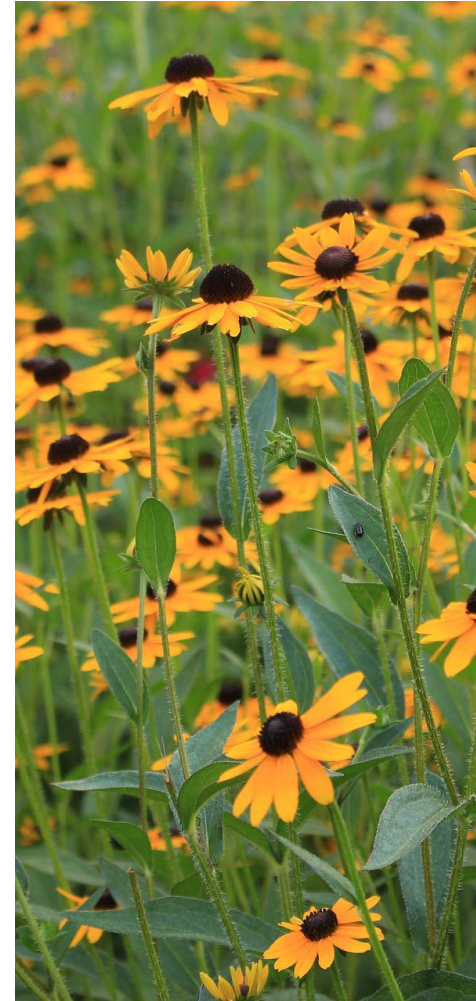
The Hilltop Institute

A Tale of Two States: Reconciling Medicaid Work Requirement Enrollment Impacts in Georgia and Arkansas

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About Medicaid

- Medicaid is publicly funded health insurance jointly funded by states and the federal government, but administered by each state
- Large program: approximately 77 million individuals on Medicaid
- Approximately \$900 billion per year (69% federal, 31% state)

Medicaid Work Requirements

139 STAT. 78

PUBLIC LAW 119-21—JULY 4, 2025

Sec. 71115. Provider taxes.

Sec. 71116. State directed payments.

Sec. 71117. Requirements regarding waiver of uniform tax requirement for Medicaid provider tax.

Sec. 71118. Requiring budget neutrality for Medicaid demonstration projects under section 1115.

SUBCHAPTER D—INCREASING PERSONAL ACCOUNTABILITY

Sec. 71119. Requirement for States to establish Medicaid community engagement requirements for certain individuals.

Sec. 71120. Modifying cost sharing requirements for certain expansion individuals under the Medicaid program.

- Section 71119 of H.R. 1 established Medicaid work requirements for 41 states + DC will be implemented by 2027
- First ever **federal** Medicaid work requirement
- Single largest source of federal savings from H.R. 1
 - \$317 billion reduction in deficit 2025-2034

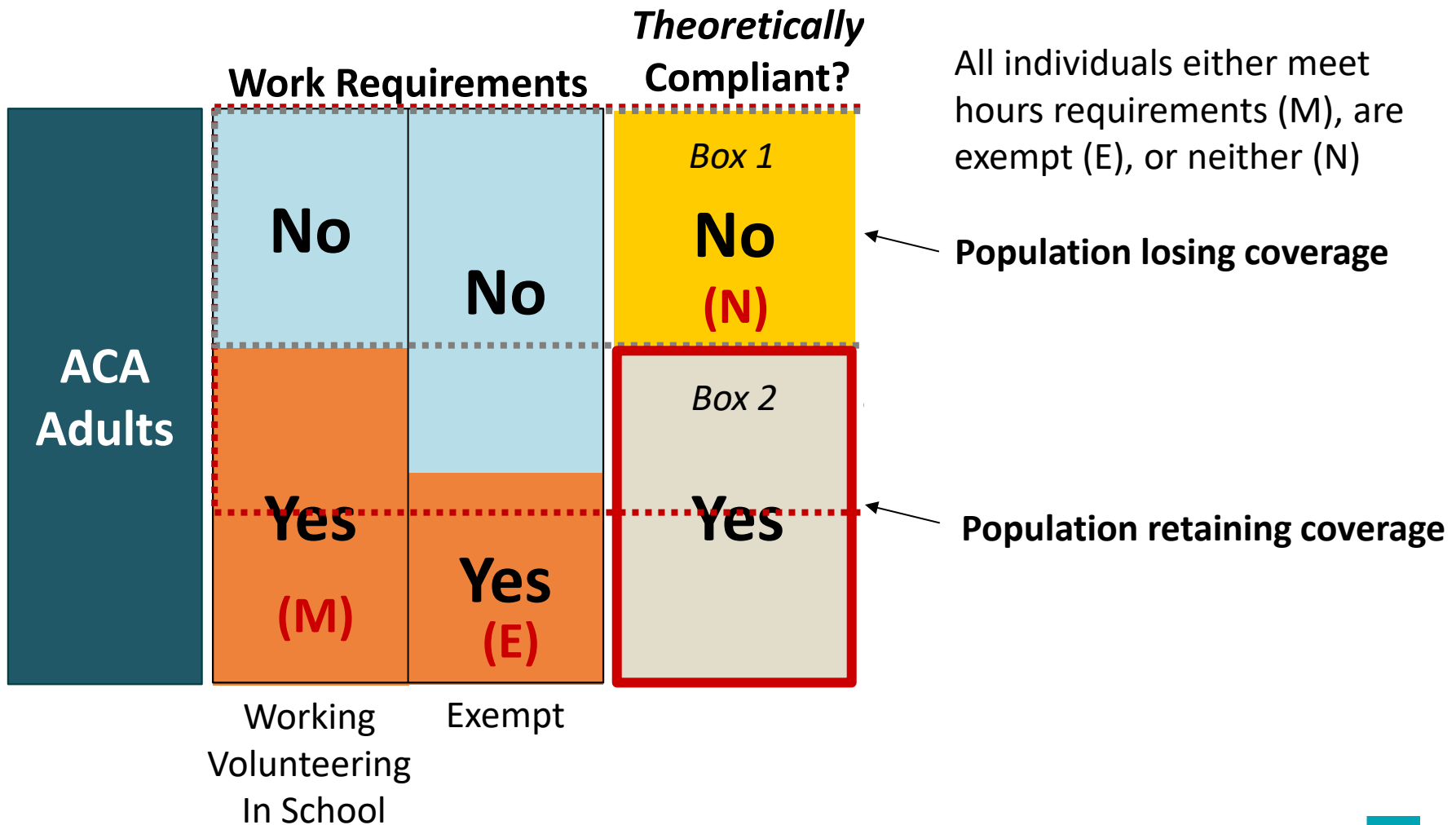
What do we know about Medicaid work requirements?

- **Very little**
- Only two real-world instances of Medicaid work requirements: Arkansas and Georgia
- In Arkansas: relatively high compliance
- In Georgia: very low “compliance”
- States are currently establishing their H.R. 1 work requirement architecture

How do Medicaid work require- ments work?

- At a point in time, the population of income-eligible consists of into three groups:
 - Meets hours requirement (M)
 - Exempt from meeting hours requirement (E)
 - Neither meets hours requirement, nor exempt (N)
- M and E not mutually exclusive
- Can estimate M: $\sim 2/3$
- Can estimate N: $\sim 20\%$

Compliance in Theory ...



Compliance in Theory Vs. in Practice

ACA Adults	Work Requirements		Theoretically Compliant?		Practically Compliant?	
	Working Volunteering In School	Exempt				
	No	No	Box 1 No (N)	N/A	Box 3 No	Population losing coverage
	Yes (M)	Yes (E)	Box 2 Yes	+	Box 4 No Non-compliant because status is unobserved	
				Verified Compliance or Exemption?	Box 5 Yes	Population retaining coverage

This study

- **Main idea:** since status has to be observed by the state, reporting costs matter
- Reporting can be high-cost or low-cost
 - High-cost: manual reporting
 - Low-cost: administrative data-matching
- What do the Arkansas and Georgia Medicaid work requirement experiences tell us about the role of administrative reporting costs in enrollment impacts?
- Data from Arkansas monthly enrollment reports

Arkansas and Georgia Work Requirements

■ Arkansas

- Pre-existing Medicaid expansion population
- 80 hours/month + exemptions
- Extensive automated data-matching
- June 2018 – March 2019
- Compliance: 71% - 92% each month

■ Georgia

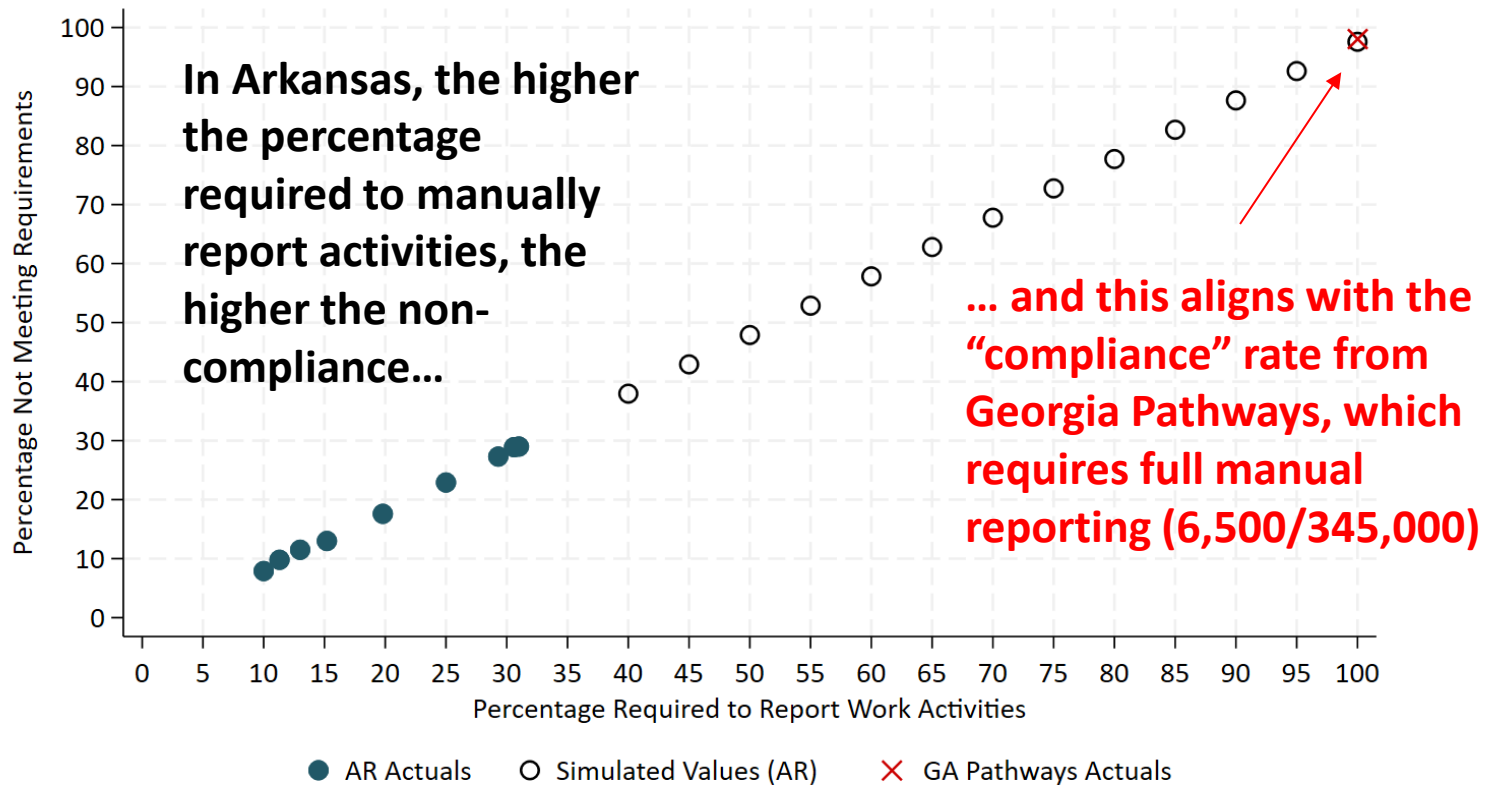
- New (limited) Medicaid expansion
- 80 hour/month + no exemptions
- **No** automated data-matching
- Since July 2023
- Enrollment: 6,500 as of January 2025

Arkansas Works Enrollment Data

Table 1: Monthly Arkansas Works Enrollment and Compliance Data

Month	Subject to Work Requirements (A)	Exempt from Reporting (B)	Required to Report Work Activities (C)		Did not meet requirement (D)	
			N	%	N	%
Jun. 2018	25,815	17,906	7,909	30.60%	7,464	28.90%
Jul. 2018	43,794	30,228	13,566	31.00%	12,722	29.00%
Aug. 2018	60,012	42,437	17,575	29.30%	16,357	27.30%
Sep. 2018	73,266	54,977	18,289	25.00%	16,757	22.90%
Oct. 2018	69,041	55,388	13,653	19.80%	12,128	17.60%
Nov. 2018	64,743	54,889	9,854	15.20%	8,426	13.00%
Dec. 2018	60,680	54,593	6,087	10.00%	4,776	7.90%
Jan. 2019	105,158	93,327	11,831	11.30%	10,258	9.80%
Feb. 2019	116,229	101,115	15,114	13.00%	13,373	11.50%

Arkansas Works Enrollment Data



Caveats

- This analysis is *illustrative*
 - Very small number of data points
- Arkansas and Georgia Medicaid work requirements differed
 - Arkansas: existing population
 - Georgia: new program
- But it's all the data we have...

Takeaways (1/2)

- Administrative reporting design will be very important for work requirement compliance
 - More manual reporting → greater enrollment drop
- This will likely vary significantly across states
 - H.R. 1 directs states to “where possible” use automated data-matching to determine eligibility”
 - Interpretation differences + aggressive implementation timeline

Takeaways (2/2)

- This introduces substantial uncertainty into the projected enrollment impacts of work requirements
 - How to ex-ante model the impact of administrative reporting costs?
- Selection into Medicaid
 - Who will opt to bear the reporting costs to enroll (or stay enrolled) in Medicaid?
- Interaction with other policies
 - Shift to 6-month redeterminations