

Medicaid Cuts Hurt Workforce Participation - Feb. 2025

Overview

- Medicaid provides [services](#) that help disabled people work. Medicaid cuts will restrict the [15 million](#) disabled people enrolled in Medicaid from obtaining the services they need to be gainfully employed.
- People in better health [work more](#) than people in fair health. Medicaid is necessary to improve people's health, so Medicaid cuts will likely impair many enrollees to the point of unemployment.
- Nearly two-thirds of Medicaid covered adults under 65 [are already working full or part time](#).
- [More than 75% of Americans, across political party lines, have favorable views of Medicaid](#).
- Medicaid enables enrollees—both those with and without disabilities—to lead independent, self-determined lives.

Medicaid Work Requirements Worsen Employment

- [Majority of working age adults on Medicaid are already working](#).
- Medicaid work requirements force people to choose between keeping their healthcare and keeping their job.
- Work requirements [do not increase employment rates](#).
- Work requirements are [costly to implement and would increase state spending](#), overwhelmingly on wasteful administration and consulting costs, instead of people's health. [Georgia exemplifies this](#).
- A carve out won't fix the problem. People with disabilities can't be carved out of work requirements because [disabled people \(and their caregivers\) are represented in every eligibility pathway](#). Work requirements harm people with disabilities because it results in fewer disabled people getting the basic healthcare they need in order to work.
- The [bureaucratic red tape and unnecessary reporting paperwork](#) created by work requirements limit working people's ability to keep their health care, particularly if they work multiple jobs or experience language and accessibility barriers.
- [Work requirements will most hurt rural Americans](#), who already face employment barriers from inadequate transportation assistance, child care, and job training.
- Work requirements [harm people already struggling](#) to provide for themselves and their families, such as parents, caregivers, and workers in unpredictable jobs.
- [36 million](#) people are at risk of having health coverage taken away by Medicaid work requirements.

Medicaid Both Enables People to Work & Strengthens America's Economy

Home and Community-Based Services (HCBS)

- Medicaid's coverage of HCBS enables people with disabilities to receive the types of services necessary to improve the requisite skills for [finding and keeping competitive integrated employment](#).
- HCBS services include job coaches and employment support staff, and also life-saving habilitation support for activities of daily living, like eating, dressing, transportation, and bathing.
- Medicaid HCBS are provided through a Medicaid Waiver program, which is optional.
 - All 50 states have a waiver for HCBS because of the need for long-term services and supports (LTSS) in the community.
 - Medicaid covers [nearly 70% of all HCBS and 61% of all LTSS](#).
- Cuts to HCBS eligibility and benefits will have downstream harms to workforce readiness, workforce participation including community-based jobs, and the amount of money people receiving services can contribute to the economy.

Healthcare Workers and Direct Service Providers (DSPs)

- Medicaid funding for healthcare workers and DSPs creates more jobs and helps the economy.
 - Medicaid cuts mean increased staffing shortages and fewer jobs at nursing homes and hospitals because Medicaid covers over [40% of births](#) and helps pay the costs for [almost two-thirds of nursing home residents](#).
- More than 1/10th of Medicaid enrollees aren't working because they're [family caregivers](#). Therefore, many more people could be working if their family members got Medicaid coverage for professional caregivers.

Medicaid in Schools

- "Just one extra year of Medicaid coverage during childhood leads to [higher earnings and better productivity as an adult](#), boosting the nation's economy."
- Schools are eligible to be [reimbursed](#) for qualifying expenses in the provision of medically-necessary services to Medicaid-eligible students.
- Cuts to Medicaid undermine the health of the country's future workforce.

Medicaid Buy-In Programs

- [Medicaid buy-in programs](#), available in 46 states, allow individuals to maintain Medicaid coverage while working. Medicaid buy-in helps incentivize more people to work.
- Medicaid buy-in programs allow people with disabilities to work without being forced to choose between their jobs and the care and services they need to maintain their health.