https://www.nola.com/news/healthcare_hospitals/medicaid-work-rule-louisiana-coverage-losses-2025/article_5953dba9-15b8-4fa0-9480-4188de8a5b3b.html

Medicaid work requirement could mean loss of coverage for more than 100,000 in Louisiana

By EMILY WOODRUFF | Staff writer
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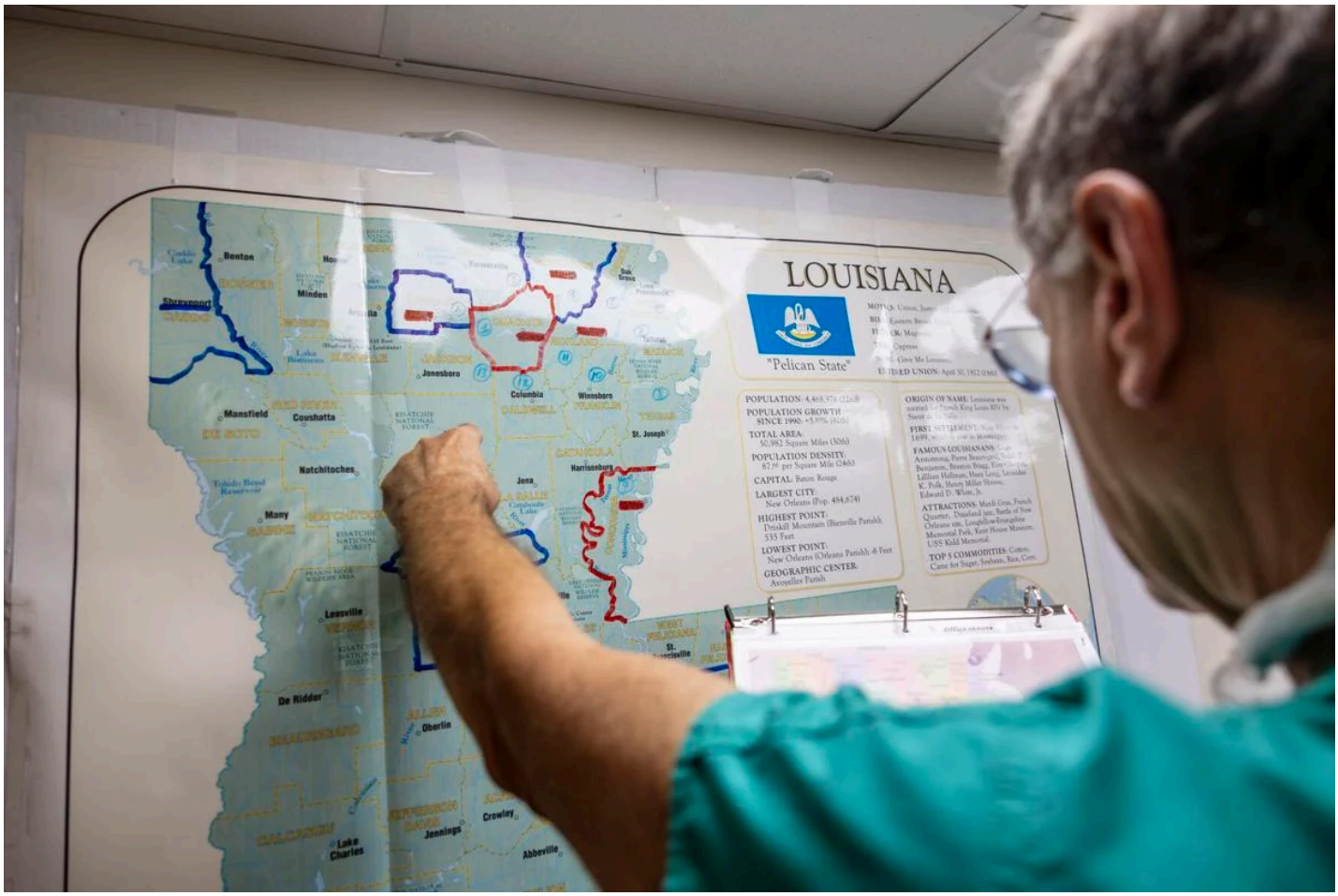


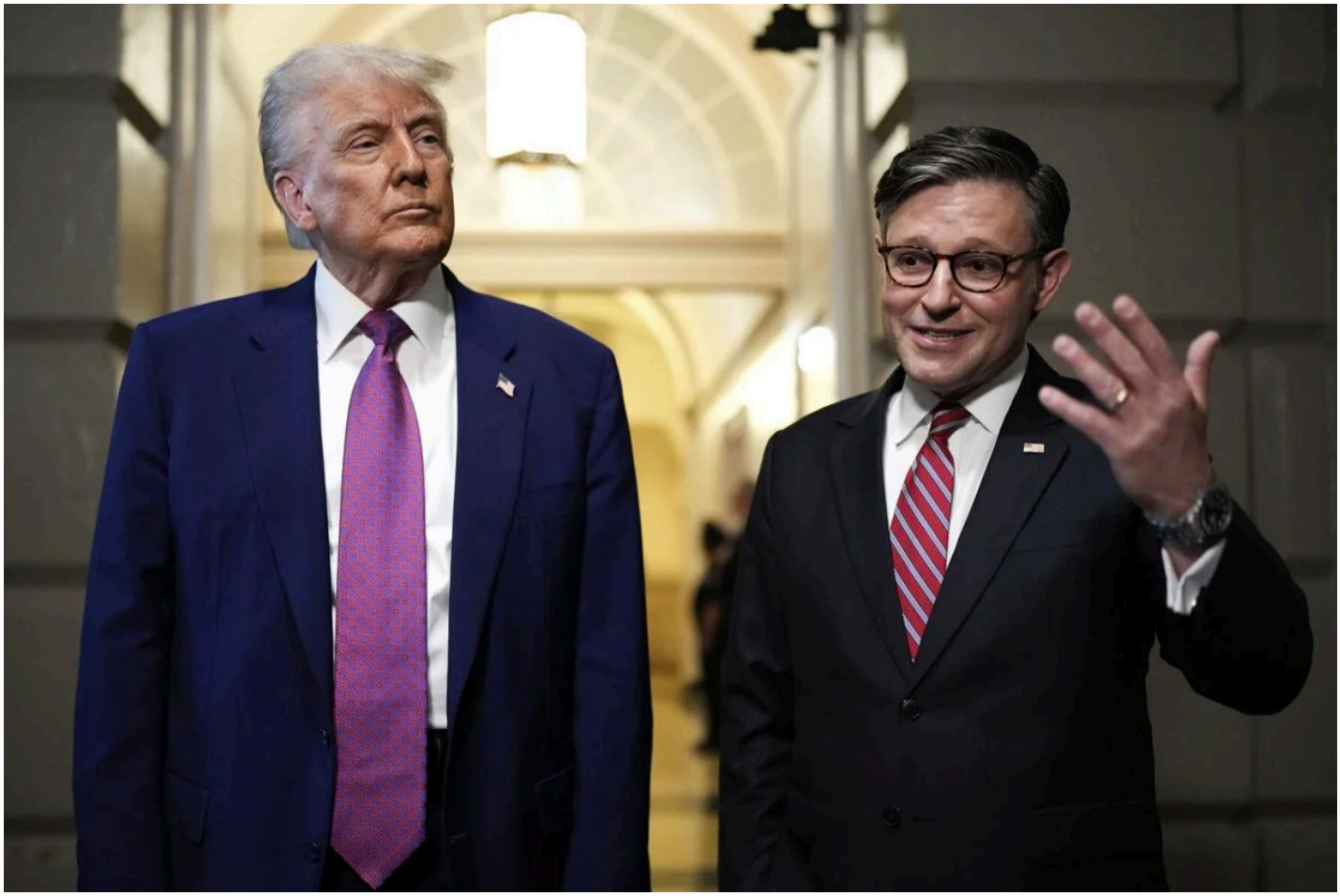
Medicaid covers 1 in 3 Louisiana residents, and health experts say cuts could create financial burdens on some working families.

Staff photo by Chris Granger NOLA.com | The Times-Picayune

Tucked inside the “big, beautiful bill” recently advanced by the U.S. House is a first-ever federal work requirement for Medicaid recipients. Starting at the end of 2026, the legislation would require that most childless adults document 80 hours a month of work, school or volunteering before they can enroll in the government health insurance program for people with limited incomes.

The Congressional Budget Office projects the change would save about $280 billion over six years. In Louisiana, however, it could also knock 139,000 to 158,000 adults off Medicaid in the first year — one of the largest per capita losses of any state, according to a study from the Urban Institute, a Washington, D.C.–based think tank that conducts economic and social policy research. Roughly 1.6 million Louisianans, or one-third of the population, currently relies on the program.

Proponents such as House Speaker Mike Johnson say the mandate will curb fraud, restore the “dignity of work,” and ensure taxpayers aren’t funding coverage for able-bodied adults who can support themselves. Critics argue that most adults on Medicaid already work or qualify for exemptions. They fear the new rule would sweep eligible people off the rolls for missing monthly paperwork, resulting in higher uncompensated-care costs for hospitals.



President Donald Trump and Speaker of the House Mike Johnson, R-Benton, speak to reporters after departing a House Republican conference meeting, Tuesday, May 20, 2025, at the U.S. Capitol in Washington.

Associated Press Photo by Julia Demaree Nikhinson

The bill passed the House on a narrow vote and now heads to the Senate, where health policy analysts expect the work requirement to survive.

"If I had to bet on it, I would say that this is probably something that that we will see implemented," said Kevin Callison, a health policy economist at Tulane University.

High stakes in Louisiana

Louisiana expanded Medicaid in 2016, one of the few Southern states to do so, which added roughly 640,000 low-income adults to the rolls.

Before the expansion, non-disabled adults were largely barred unless their income fell below 24 percent of the federal poverty line, or about $6,400 a year for a family of three. The expansion raised the eligibility to 138 percent of poverty, or $20,800 for a single adult today.

As a result, Louisiana relies on Medicaid more than almost any other state for basic health care.

Still, Louisiana politicians have voiced support for the new restrictions.

“A lot of what they’re proposing is reasonable,” said U.S. Sen. Bill Cassidy, a Baton Rouge Republican and physician.

People who are in school, working or volunteering at least 80 hours per month are exempt, as are those who are pregnant or disabled," Cassidy said. "That leaves the affected group “a pretty small population.”

Cassidy also said hospitals could retroactively enroll patients in emergencies for up to 90 days before admission, so acute care would not go uncovered.

But the politically popular idea hasn't translated to savings or higher employment in other states, which show that large numbers of eligible people lose coverage for missed paperwork, employment rates barely budge and hospitals absorb higher uncompensated-care costs.

Bill Cassidy.

"It sounds good to say if people are able to work, they should work," Callison said. "But from a practical standpoint, it just doesn't seem to do what you want it to do."

Lessons from Arkansas and Georgia

To examine how a work requirement might play out, Louisiana can look next door at Arkansas, which tied Medicaid to work in 2018.

Beneficiaries could skip reporting for up to three months before their coverage was revoked, and the state actively exempted people whenever payroll or medical records showed they already met the criteria.

Still, by early 2019, 18,000 people had lost coverage and state labor data showed no employment bump. Surveys found that most people who were dropped never understood the online reporting system, according to a Harvard study.

The Arkansas requirement was short-lived; a federal judge ruled it was unlawful in April 2019.

But if the requirement had remained in place statewide, the average Arkansas hospital's uncompensated-care costs would likely have risen by about $1 million a year, roughly a 10% jump, according to study from The Commonwealth Fund.

In 2023, Georgia started a "Pathways to Coverage" program, which allowed lower-income residents who would not normally qualify for Medicaid to get coverage if they complete 80 hours a month of professional, academic or community activities. The state spent more than $86 million on consultants and software but enrolled only about 6,500 adults in the first 18 months, well below the 100,000 the state projected.

If Louisiana had to implement such a system, that could mean less money for paying for medical care, said Caroline Meehan, executive director of the Community Provider Association of Louisiana.

"We could expect to see similar things here, of coverage losses and not necessarily an uptick in work," Meehan said. "When you add layers of bureaucracy and reporting, people sort of inevitably fall through the cracks."

Paperwork missteps

About 69% of adults on Medicaid in Louisiana do work, according to the Kaiser Family Foundation. A lot of people at risk of losing coverage would likely be pushed off for paperwork issues or missing a notice in the mail, not because they don't meet work requirements, said Dr. Isolde Butler, chief medical officer at CrescentCare in New Orleans.

Butler routinely sees what happens when coverage lapses. Patients who lose their insurance skip prescriptions for blood-pressure pills and wind up with expensive heart problems in emergency rooms.

Hospitals will foot the bill for uncompensated care, which will get passed on to privately insured people to offset that cost, said Butler.

“We're still going to pay for this,” Butler said. “We're just going to pay in a different way."

Gig-economy Louisiana is vulnerable

For people who work in Louisiana’s hospitality or tourism industry, the work requirement could hit especially hard. In busy seasons around Mardi Gras and Jazz Fest, servers or musicians might easily top 80 hours. Come late summer, their income can flatline.

Peggy Honoré, who heads the New Orleans Musicians' Clinic, said the nature of work for many patients would mean complicated reporting from several sources of income.

"A lot of them have multiple jobs," Honoré said. "They are self-employed kind of things – they could be doing contracting work, they could be doing painting."

The state deals with employment dips resulting from hurricanes, and also ranks near the bottom for households with broadband access, which could interfere with documenting hours.

Senate committees begin looking at the bill in June. A handful of GOP members have voiced unease with deep Medicaid cuts, but Johnson is urging colleagues to keep the bill intact.

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