

Holdout states consider expanding Medicaid—with work requirements

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In Humphreys County, Mississippi—about 70 miles north of the state capital, in the heart of the fertile Delta region—a third of the residents live in poverty. In Belzoni, the county seat, there are just a handful of health care clinics. The town's only major hospital closed more than a decade ago, around the same time its catfish industry collapsed.

Jobs in the area are scarce, said Wardell Walton, who was mayor of Belzoni from 2005 to 2013. But even if there were jobs, he said, a lot of Belzoni residents wouldn't be able to get to them—they don't own cars, and there is no public transportation.

Many people in Belzoni, and Humphreys County, would get free health care coverage if the state expanded Medicaid under the Affordable Care Act. But for a decade, Mississippi and nine other states have declined to do so. Republican opponents have long derided expansion as a government handout. They also have warned that the federal government would someday renege on its promise to cover nearly all of it.

Now there is growing momentum in deep-red Mississippi and several other holdout states to shift course, with many GOP lawmakers swayed by the prospect of giving a financial infusion to struggling rural hospitals.

But they support expanding Medicaid on one condition: that enrollees get a job.

Medicaid is a joint program run by states and the U.S. government, and the federal Centers for Medicare & Medicaid Services has to sign off on specific rules. That includes requiring recipients to work.

The Biden administration has repeatedly refused to give states permission to impose work requirements, and it has rescinded approvals granted by its predecessor. However, the prospect of a second Trump administration, which almost certainly would allow work rules, has sparked renewed GOP interest in Medicaid expansion.

"We all feel like politically and as an incentive to get Mississippians back to work, that it's important to be in the bill," said Mississippi Republican state Rep. Sam Creekmore, who chairs the House's public

health committee. Creekmore noted that Gov. Tate Reeves, a Republican, is still opposed to expansion. "If we're going to have a veto-proof bill or a bill that can override a veto, the work requirement is going to have to be in there."

Some states that already have expanded Medicaid, including Arkansas, Idaho and Louisiana, also are considering adding work requirements.

Meanwhile, some Democrats in holdout states see work rules as way to finally get expansion over the finish line. And if a second Biden administration strips them out later on, all the better.

But Walton cautions that in places like Humphreys County, a work requirement might prevent Medicaid expansion from being much help at all.

"I know it would not be effective for this community if it's a requirement," Walton said. "Here, if you don't have a job, you cannot even afford the gas—even if you have a vehicle to travel."

Coverage gap

The Affordable Care Act, enacted in 2010 and also known as Obamacare, included a requirement that states expand Medicaid to cover all adults with low incomes up to 138% of the [federal poverty level](#) (about \$20,780 for an individual) instead of limiting it to parents of young children and people with disabilities.

But in 2012, the U.S. Supreme Court ruled that Medicaid expansion was optional for states. Since then, the District of Columbia and 40 states have expanded the program; other states have not.

Mississippi and the other nine holdouts have resisted substantial financial

incentives. The federal government covers from 50% to nearly 78% of the cost for people enrolled in traditional Medicaid, depending on a state's per capita income. The federal share for the expansion population is 90%.

If every holdout state fully expanded Medicaid under the ACA, nearly 3 million uninsured adults would get coverage.

In Kansas, Mississippi and Wyoming, some lawmakers are pushing for work requirements as part of a full-fledged expansion, triggering the 90% match. Other non-expansion states, including Georgia and South Carolina, have asked the federal government to allow them to include work requirements in something less than a full expansion under the ACA. (States can make more people eligible for Medicaid, but if they don't expand it to everyone making 138% of the poverty level, they don't get the full 90% match.)

The idea of imposing a work requirement on Medicaid enrollees is not new: The Trump administration approved 13 states' requests to do so. But the Biden administration and the courts rescinded those approvals, and now only Georgia, which is fighting the administration in court, has a strict work rule for any of its Medicaid enrollees.

Even without actual requirements, 60% of non-disabled, non-elderly Medicaid recipients work either full or part time, according to KFF, a health care research organization.

Joan Alker, executive director of Georgetown University's Center for Children and Families, said the problem with work requirements largely is one of paperwork: Many Medicaid recipients who work struggle with the administrative burden of proving it, causing them to lose their coverage.

"Work requirements don't work," Alker told Stateline. "If you want to support people working, you are much better off helping them address their health problems that may be preventing them from working."

Mississippi middle ground?

In Mississippi, Rep. Creekmore laments that his state's failure to expand Medicaid means it is leaving billions of federal dollars on the table—money that would help support struggling rural hospitals by providing health insurance to about 123,000 people. Creekmore represents several rural counties with small hospitals.

For many conservatives, however, opposition to Medicaid expansion is fundamental, a function of their antipathy toward former President Barack Obama and welfare in general.

Gov. Reeves is one of them. He has pledged to veto any expansion bill, and last month he reiterated his opposition on X, formerly known as Twitter. "Our country is going broke, and he wants to add millions more to the welfare rolls," Reeves wrote after President Joe Biden's State of the Union speech. "We have to stand strong in Mississippi! NO Obamacare Medicaid expansion!"

In February, the Mississippi House approved bipartisan legislation that would fully expand Medicaid under the ACA, with a work requirement of 20 hours a week. However, the bill states that expansion would happen even if federal officials rejected the work rule. And Medicaid recipients would be allowed to meet the work rule by being full-time students or participating in workforce training.

Alker said the Mississippi House bill "builds in different pathways to get to the end result."

"There's lots of ways to think about the intersection of Medicaid and work," she said. "So, they just built in flexibility to the bill, so that they can negotiate and get at the end of the day access to that extra federal funding and give people health care."

Mississippi Democratic state Rep. Zakiya Summers, who co-authored the bill with Republican colleagues, said "the goal would be that we could get people better so that they actually can work." Summers noted that even if the Biden administration rejected the work requirement, Mississippi could seek approval from a GOP administration later on.

But last month, the state Senate approved an amended version with expansion only up to 100% of the federal poverty level, and a provision that Mississippi would only implement the limited expansion following federal approval of a work requirement.

Now Mississippi lawmakers are trying to find middle ground, knowing that they need a bill that can garner a veto-proof majority.

In Belzoni, Walton, who is a Democrat, wants the state to expand Medicaid to its fullest without any work requirements. But he said people in Humphreys County could live with the flexible requirements in the House expansion bill.

"I could go along with that," he said. "And I think that will be more acceptable in these rural areas."

Resistance in Kansas

In Kansas, another holdout state, Democratic Gov. Laura Kelly is pushing a full-fledged Medicaid expansion bill that includes work requirements, designed to win the approval of the Republican-dominated legislature. It would cover an estimated 152,000 Kansans.

At a news conference last month, Kelly emphasized that expansion would help Kansas hospitals in danger of closing.

"At this point, any legislator standing in the way of Medicaid expansion is going against a commonsense, fiscally responsible proposal that benefits their constituents, their hospitals, their businesses, their community and our entire state," Kelly said.

"I don't know how many more hospitals, health clinics and emergency rooms must close before we expand Medicaid in Kansas," she added. "The answer should be zero."

But Kansas House Speaker Dan Hawkins, a Republican, remains fiercely opposed. At a town hall meeting last week, Hawkins called Kelly's plan "smoke and mirrors," according to the Kansas Reflector.

"We don't want to make a huge mistake," Hawkins said. "Medicaid expansion is a huge mistake."

And in Wyoming, Republican state Sen. Cale Case, who supports expansion, said in an interview that he doesn't think work requirements are enough to win approval—even with the possibility of another Trump administration. Case represents Fremont County, which is about to get a new hospital. He also represents much of the Wind River Indian Reservation, which has a poverty rate of 22.6%, twice the statewide rate.

"My colleagues refuse to accept the basic proposition that this would benefit our rural health care system," Case said. "They actually think it would hurt our rural health care system and they are wrong. They're blatantly wrong."

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