

Where Jobs Are Scarce, Over 1 Million People Could Dodge Trump's Medicaid Work Rules

Medicaid enrollees in counties where unemployment is at least 8% or 1.5 times the national rate could be shielded from the work requirement.

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Millions of Medicaid enrollees may have a way out of the new federal work requirement — if they live in a county with high unemployment.

By January 2027, President Donald Trump's far-reaching [domestic policy law](#) will require many adult, nondisabled Medicaid enrollees in 42 states and Washington, D.C., to work or volunteer 80 hours a month or go to school.

But under the law, Medicaid enrollees in counties where unemployment is at least 8% or 1.5 times the national unemployment rate could be shielded from the work requirement, if their state applies for an exemption.

A [new analysis by KFF](#) shows that exemption in the GOP's [work requirement](#) could offer a reprieve to potentially millions of Americans caught in a tough spot — needing to work to secure health insurance but having trouble finding a job.

The Congressional Budget Office projected the work requirement would apply to 18.5 million Medicaid enrollees, causing about 5.3 million to lose their government health coverage by 2034. CBO spokesperson Caitlin Emma confirmed to KFF Health News that analysts factored the unemployment rate exemption into their projections. Only states that expanded Medicaid under the 2010 Affordable Care Act or a special waiver must enact a work requirement, under the federal law.

But how many people could be exempt depends on how the Trump administration interprets the law, in addition to whether their states' officials apply.

For example, if Trump officials exempt people in counties where the unemployment rate has been above the law's thresholds for any month over a 12-month period, about 4.6 million Medicaid enrollees in 386 counties could qualify for an exemption today based on the latest unemployment

data, according to KFF, a health information nonprofit that includes KFF Health News.

That amounts to just under a quarter of all Medicaid enrollees subject to the work requirement.

Under that one-month threshold, “the impact could be fairly significant,” said Jennifer Tolbert, a co-author of the analysis and the deputy director of KFF’s Program on Medicaid and the Uninsured.

But, she said, the Trump administration is more likely to adopt a stricter threshold based on average unemployment over a 12-month period. That would align with work requirements under the federal Supplemental Nutrition Assistance Program, the food assistance commonly known as food stamps.

Only about 1.4 million Medicaid enrollees living in 158 counties could be exempted under that standard, or about 7% of the total subject to work requirements, KFF found. That’s about 7% of enrollees who live in expansion states who would otherwise need to meet the new requirement.

Based on the 12-month criteria, about 90% of Medicaid enrollees who could be exempted based on high unemployment reside in five states, according to KFF: California, New York, Michigan, Kentucky, and Ohio. California alone accounts for over half of those who could be exempted.

The unemployment rate exemption is one of several carve-outs from the Medicaid work requirement in the GOP’s law. The law also exempts parents with children under 14, people who are disabled or frail, and those who are pregnant, incarcerated, or in a substance use disorder program, among others. The high unemployment provision is different than most because it exempts people living in entire counties.

Two top Republicans key to the bill’s passage — House Speaker Mike Johnson and Sen. Mike Crapo, chair of the Senate Finance Committee — did not respond to requests for comment.

To qualify for the Medicaid exemption, states would have to apply to the federal government on behalf of individuals in eligible counties. And if a county earned an exemption, the government would determine how long it applies.

Even if the federal government grants exemptions broadly, health advocates fear some Republican-led states could balk at applying for exemptions in order to keep enrollment down, as they say has been the case with SNAP exemptions. As of 2023, 18 states did not have an exemption under the SNAP program, even though some of their residents might be eligible.

“It’s not a guarantee that people can rely on,” said Emily Beauregard, executive director of Kentucky Voices for Health, an advocacy group that intends to push for the broadest possible exemptions to help people maintain their coverage. Eastern Kentucky has several counties with perennially high unemployment.

In advocating for Trump’s bill, [many Republicans in Washington argued](#) that most people who gained Medicaid benefits under the Affordable Care Act should be working to get off of

government assistance.

But as [Georgia's and Arkansas' experiences](#) have shown, Medicaid work requirements can be costly for states to run and [frustrating for enrollees to navigate](#). About 18,000 people in Arkansas, or nearly a quarter of the state's adults who gained Medicaid coverage through the ACA expansion, lost coverage when the state had a work requirement in 2018 and 2019. A court ended the state's work requirement program.

Critics point out that [most Medicaid enrollees already work](#) or have a disability or caregiving responsibilities, and they argue the reporting requirements merely serve as a bureaucratic hurdle to obtaining and keeping coverage. Under the GOP law, enrollees' work status needs to be verified at least twice a year.

Most of the coverage losses due to work requirements occur among people who work or should qualify for an exemption but nevertheless lose coverage due to red tape, [research shows](#).

Not every state must implement a work requirement under Trump's law, only those that chose to expand Medicaid coverage to more low-income people through the ACA or a federal waiver. The ACA has provided hundreds of billions in federal dollars to help states cover everyone making up to 138% of the federal poverty level — \$21,597 for an individual in 2025.

Forty states and Washington, D.C., took up the expansion. Georgia and Wisconsin partly expanded their Medicaid eligibility by getting a federal waiver, adding them to the list of states subject to the work requirement. These two states were not included in the KFF analysis because of a lack of county-level enrollment data.

Jennifer Wagner, director of Medicaid eligibility and enrollment at the left-leaning Center on Budget and Policy Priorities, said she is pleased the law makes some exceptions for places where jobs are scarce. It could limit how many people lose coverage because of the work requirement, she said.

Wagner said SNAP's unemployment rate exemption has helped millions of people avoid losing their food assistance, but its impact also depends on whether a state seeks the waiver.

She is concerned the Trump administration may make it difficult for counties to get exempted under the Medicaid law.

"I'm glad it's in there as it will certainly help people, but it's still a terrible bill," she said. "This will not really blunt the harm of the bill."

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