

August 5, 2025

Secretary Robert F. Kennedy, Jr.
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Re: Utah Medicaid Reform Section 1115 Demonstration Amendment

Dear Secretary Kennedy,

The Center on Budget and Policy Priorities and the Georgetown University Center for Children and Families appreciate the opportunity to comment on Utah's proposed amendment to its "Utah Medicaid Reform" section 1115 demonstration.¹ The Center on Budget and Policy Priorities (CBPP) is a nonpartisan research and policy organization based in Washington, D.C. Founded in 1981, CBPP conducts research and analysis to inform public debates and policymakers about a range of budget, tax, and programmatic issues affecting individuals and families with low or moderate incomes. The Georgetown University Center for Children and Families (CCF) is an independent, nonpartisan policy and research center founded in 2005 with a mission to expand and improve high quality, affordable health coverage for America's children and families. As part of the McCourt School of Public Policy, Georgetown CCF conducts research, develops strategies, and offers solutions to improve the health of America's children and families, particularly those with low and moderate incomes.

Utah is seeking authority to amend its "Medicaid Reform" demonstration to impose work requirements on non-exempt Medicaid expansion adults age 19 to 60. The state submitted its amendment to CMS on July 3rd, one day before H.R.1 became law (P.L. 119-21) which includes a mandatory work requirement for all expansion adults. Expansion states must begin imposing the mandate by January 1, 2027, although states may elect to implement the work requirements at an earlier date with CMS approval and subject to all of the requirements in the new law. (Utah seeks to operate this amendment through the end of the demonstration period, June 30, 2027).

Work requirements create a demonstrable threat to health care access and wellbeing on low-income adults. While Utah will be required under federal law to impose this problematic policy in the next eighteen months, it *is not* required to begin implementing work requirements under the rapid timeline the state is proposing with its current amendment. To mitigate the harm, the state should take its time to develop the necessary systems, engage stakeholders, and educate affected enrollees. **We urge you to reject the state's proposed amendment, or at a minimum, send the proposal back to the state until further implementation guidance is available.**

Work requirements create unnecessary obstacles to accessing coverage.

Utah's proposal would require expansion adults under age 60 to meet a set of work search-related requirements in order to maintain Medicaid coverage, unless they meet an exemption criteria (which

¹ Utah Department of Health & Human Services Medicaid Reform 1115 Demonstration Amendment Request, July 3, 2025, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ut-medicaid-reform-pa-comm-engagement.pdf>.

includes working at least 80 hours per month). Individuals would be exempt if they are working at least 80 hours per month or have earned income equal to at least the federal minimum wage times 80 hours (\$580 per month), enrolled in an educational program part time, or complete a combination of 80 hours of work, education, and community service per month. Other exemptions include parents of children age 13 or under, pregnant/postpartum individuals, and individuals who are “physically or mentally unable to meet the requirements.” Those who do not meet one of the exemptions would have to meet *all* of the following requirements within a three-month period: 1) register for work through a state system; 2) complete an evaluation of employment training needs; 3) complete relevant job training modules determined by the state; and 4) apply for *at least 48 jobs* (with different employers). If an individual does not meet these requirements, they would have their coverage suspended for three months, at which point they would be disenrolled from Medicaid.

Work requirements create red tape barriers to accessing and maintaining coverage, resulting in coverage loss. When Arkansas implemented work requirements in 2018, twenty-five percent of the individuals subject to the work requirement (over 18,000 people) lost coverage in five months, including individuals who were working or eligible for an exemption.² Despite Utah’s purported goals of the policy to “increase employment and wage earnings,” the proposal would instead do the opposite. Research has consistently shown that work requirements fail to promote employment.³ In fact, access to Medicaid coverage is supportive of finding and maintaining work.⁴ Individuals who lose Medicaid benefits from not meeting the proposed requirements or due to the red tape of documenting proof of an exemption would have reduced access to medical care and greater unmet health needs – counter to the state’s claim the policy would “increase an individual’s health and well-being.”⁵

While the proposal provides individuals who may experience job loss or periods of transition an alternative to meeting a set hour threshold so that they can keep Medicaid, it does not account for the realities of employment opportunities that may be available nor the resources necessary to apply for jobs with almost 50 different employers (i.e., transportation, broadband access, computer access, etc.). Furthermore, the proposal does nothing to increase the availability of appropriate jobs across the state or support for programs that could help individuals find potential employment. The state does indicate it will provide information about existing public transportation and childcare resources in addition to other supports that could assist with completing the proposed requirements;⁶

² Elizabeth Hinton and Robin Rudowitz, “5 Key Facts About Medicaid Work Requirements,” KFF, February 2025, <https://www.kff.org/medicaid/issue-brief/5-key-facts-about-medicaid-work-requirements/#:~:text=3.in%20care%2C%20and%20medical%20debt>.

³ Congressional Budget Office, “Work Requirements and Work Supports for Recipients of Mean-Tested Benefits,” June 9, 2022, <https://www.cbo.gov/publication/57702>; LaDonna Pavetti, “TANF Studies Show Work Requirements Proposals for Other Programs Would Harm Millions, Do Little to Increase Work,” Center on Budget and Policy Priorities, November 2018, <https://www.cbpp.org/sites/default/files/atoms/files/11-13-18tanf.pdf>; Benjamin Sommers, et al., “Medicaid Work Requirements In Arkansas: Two-Year Impacts on Coverage, Employment, and Affordability of Care,” <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00538>.

⁴ Madeline Guth, Rachel Garfield, and Robin Rudowitz, “The Effects of Medicaid Expansion under the ACA: Studies from January 2014 to January 2020,” KFF, May 17, 2020, <https://www.kff.org/report-section/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review-report/>; Larisa Antonisse and Rachel Garfield, “The Relationship Between Work and Health: Findings from a Literature Review,” KFF, August 7, 2018, <https://www.kff.org/medicaid/issue-brief/the-relationship-between-work-and-health-findings-from-a-literature-review/>.

⁵ Utah Medicaid Reform Demonstration 1115 Amendment, pg. 1.

⁶ Ibid, pg. 5.

however, providing information is very different than investing in or expanding those supports to make them more accessible. Without adequate supports that enable people to apply for, get, and maintain employment, individuals are more likely to face barriers to work and will be at even greater risk of losing access to coverage due to the proposed work requirement.

Implementing the federal requirements sooner than required will cause additional administrative burdens and risk greater coverage losses.

Utah is seeking to implement its proposal quickly, as soon as six months after potential approval. The implementation process for any state's work requirement will require developing policy, updating systems, and training workers; this is a substantial undertaking for state agencies and necessitates ample time to properly put all operational pieces in place. The state revised some of the details of its proposal between the state comment period and its submission to CMS to align with the new statutory requirements set out in P.L. 119-21; however, there are still significant details that are yet to be determined or clarified pending CMS issuing regulations to guide implementation, which are not required until June 2026. Even if CMS issues nonbinding guidance sooner, this means that if the state receives approval and follows its planned expedited implementation timeline, the state will likely have to make midcourse changes to align with new regulatory guidelines. As a result, Utah will likely have to revise its system programming, invest even more money to implement the policy, and add to the already significant administrative burden the state agency faces to implement work requirements.

Implementing work requirements quickly and before full agency guidance is available also risks greater enrollee confusion about the policy. For example, if the state begins imposing the policy as currently proposed, but regulations later change the state's processes for exemption verification or the length of time exemptions are viable for, people would be in danger of not being aware of the changes. This lack of awareness would jeopardize enrollees' ability to follow the necessary requirements and could compromise their coverage. Additionally, six months to implement work requirements as proposed in the state's amendment is not adequate time to fully build or update systems, properly test the systems to ensure individuals are not inappropriately terminated, nor develop materials and conduct outreach to affected enrollees about forthcoming changes. The state trying to implement work requirements even more rapidly and without full guidance could result in even larger coverage losses than would already occur from the problematic policy, either from system errors or difficulty that enrollees will have in navigating new forms of red tape.

Conclusion

To be clear, *we strongly oppose work requirements*. They serve no purpose other than to take health coverage away from low-income adults, most of whom are already working full- or part-time.¹⁴ They also impose high administrative burdens and large, wasteful administrative costs on state Medicaid agencies. We recognize, however, that Congress has established new policy in section 1902(xx), and although the policy is profoundly misguided and harmful, both the Secretary and the Medicaid expansion states must comply. Because Utah is under no obligation to proceed with the proposal sooner than January 1, 2027, CMS should not approve the state's plans to begin imposing the policy and instead work with Utah to ensure the state has adequate time and guidance to implement the policy. We urge the Secretary to encourage Utah and all other expansion states to await the issuance of CMS implementation guidance, including the Interim Final Rule that CMS is required to issue, and not to approve state proposals until such guidance is provided.

Our comments include numerous citations to supporting research, including direct links to the research, for HHS's benefit in reviewing our comments. We direct HHS to each of the studies cited and made available to the agency through active hyperlinks, and we request that the full text of each of the studies cited, along with the full text of our comments, be considered part of the administrative record in this matter for purposes of the Administrative Procedure Act.

Thank you for your willingness to consider our comments. If you need any additional information, please contact Joan Alker (joan.alker@georgetown.edu) or Allison Orris (aorris@cbpp.org).