

Health Care on the Ballot

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What the Election Could Mean for Medicaid

Nationwide, Medicaid and the Children’s Health Insurance Program (CHIP) cover approximately [80 million low-income individuals](#), including many vulnerable populations such as children, the elderly, and people with disabilities and/or chronic conditions. These programs are jointly funded by the federal government and the states. Although they are operated by states, they must comply with federal laws and policies. As a result, Medicaid and CHIP are often subject to federal policy shifts based on changes in the party that controls Congress and the presidency. The first Trump Administration promoted policies that created significant barriers to care through allowing Medicaid demonstration waivers that imposed work requirements and cost-sharing requirements as a condition of eligibility for the program. It also allowed states flexibility to cut benefits. In addition, Republicans leadership have recently promoted policies that would likely result in significant cuts to Medicaid. The outcome of the election could potentially create a pathway for these policies to advance.

A Return of Medicaid Section 1115 Waivers that Promote Work Requirements and Other Restrictions?

One way that an Administration impacts nationwide Medicaid policy is through its approach to [Medicaid 1115 waivers](#). Section 1115 of the Social Security Act allows the Centers for Medicare and Medicaid Services (CMS), the federal agency that oversees the Medicaid program, to waive certain federal Medicaid requirements to enable states to test out innovative ways to pay for and deliver Medicaid services. These waivers must promote the objectives of Medicaid, which is to provide health coverage to low-income individuals. Under the Biden Administration, CMS primarily used Section 1115 authority to approve waivers that have expanded access to Medicaid, such as by allowing states to cover services that aim to [improve health through nutrition](#) or promote better health outcomes for [people leaving jail or prison](#).

The first Trump Administration approved some of these types of waivers, although it also used 1115 waivers to advance policies that restricted access to Medicaid and created barriers to care. Under the leadership of Seema Verma, CMS made a sharp distinction between what it termed [“able-bodied adults”](#) (primarily low-income individuals who qualified for the program under the ACA’s Medicaid expansion) and those that it characterized as “truly needing” the program (for example, because of disability). In 2018, CMS [published guidance](#) allowing states to impose work requirements as a condition of Medicaid eligibility. The guidance emphasized the need to ensure that “able-bodied adults” were working to eventually end dependence on the Medicaid program. [Few states](#) actually implemented work requirements before they were [rolled back following litigation](#). When Biden took office, his Administration announced that work requirements did not

support the purpose of the Medicaid program and that CMS would not approve 1115 waivers that included work requirements.

The Biden Administration withdrew approval that had been granted for work requirements by the previous Administration, citing a [growing body of evidence](#) that instead of encouraging individuals to find gainful employment, the major impact of work requirements has been to disenroll people from the program. The disenrollment numbers related to work requirements are not necessarily because people are not employed – data indicates the majority of Medicaid enrollees are working – instead, Medicaid enrollees have a difficult time navigating confusing and [onerous work documentation and reporting requirements](#).

One of the states that had its work requirements proposal rescinded by the Biden Administration was Georgia. The state challenged the Biden Administration’s rescission of its proposal, which was tied to a limited expansion of Medicaid in that state. In 2022, a [federal district court vacated](#) the rescission, allowing the entire package to go forward (see sidebar for details).

Georgia’s waiver is important because it gives some insight into policies that might return under a second Trump Administration. First, both the Biden and Obama Administrations had [been resistant to approving waivers](#) with partial Medicaid expansion under the logic that allowing states to partially expand Medicaid when they had the option to fully expand the program would not meet the ultimate goals of the program. Full expansion, they argue, is a more comprehensive and cost-effective policy approach, and supporting partial expansions deters the ACA’s goals of broad coverage expansion.

Georgia’s Pathways to Coverage Waiver

- Georgia is one of [ten remaining states](#) that have not expanded Medicaid under the ACA.
- Originally approved by the Trump Administration, Pathways allowed Georgia to offer a limited Medicaid expansion for people not eligible for traditional Medicaid and with income below 100% FPL.
- Pathways began enrollment in July 2023.
- Participation requires onerous 80-hour per month work requirements, with [very limited exceptions](#) such as temporary illness or injury.
- The waiver has had [low enrollment](#) and high costs. Of the 345,000 the state estimated would be eligible, as of July 2024, [fewer than 4,400 had ever enrolled](#).

Legislation that Restricts Access to Medicaid?

In Trump’s absence, Republicans in Congress have been keeping momentum up behind efforts to restrict access to Medicaid, for example by [introducing a bill last year](#) that would enshrine work requirements in Medicaid legislation. If Republicans pick up a majority in both chambers and the presidency, these proposals may have legs.

In addition to Medicaid waivers, if Republicans take control of both chambers of Congress and the presidency, larger-scale Medicaid policy changes could be back on the table. During the last time Republicans held both chambers, legislative proposals that would [convert Medicaid into a block grant](#) and give far more control to states to make decisions about eligibility and benefits gained a lot of traction, and we could see these reemerge depending on the outcome of the election. Indeed, the Republic Study Committee includes Medicaid block grants

Impact of Medicaid Block Grants or Per Capita Caps

- If state Medicaid expenditures are more than the amount allotted under the federal cap, states are forced to cut services or eligibility.
- Increasing state flexibility over the Medicaid program – which often goes hand in hand with block grant proposals – would erode the federal floor of Medicaid protections, resulting in variation in health care access across states.
- Block grants and per capita caps do not allow states to respond to changing needs, like the advent of breakthrough medications, public health crises, or upticks in unemployment that cause increased reliance on Medicaid
- **Puerto Rico** already receives its federal Medicaid funding through block grants. This system has led to [large Medicaid funding shortfalls](#), even as Puerto Rico’s Medicaid program is already much less comprehensive in terms of eligibility and benefits as compared to state Medicaid programs.

in its [FY 2025 Budget Proposal](#). Policymakers have also supported “[per capita caps](#)” for Medicaid, which is a slightly more nuanced version of a block grant that sets caps for federal payment based on a formula. The chief purpose of block grants and per capita caps are to cut federal funding for the Medicaid program. Unlike how Medicaid programs are funded now, as an entitlement program where federal matching dollars increase as enrollment increases, a block grant does not allow for additional funding in response to changes in need (for instance during an economic downturn or public health crisis).

Though most of the policy discussion around block grants in Medicaid has been in Congress, the Trump Administration made some movement to open up a pathway for block grants through Medicaid waivers. In 2020, CMS [released guidance](#) on how states could use waiver authority to convert their Medicaid funding into a block grant in return for increased flexibility over benefits and eligibility rules. No state actually took up this option. State Medicaid directors and governors from both parties have been [skeptical of block grant and per capita cap proposals](#) because of the funding cuts they would make to already stretched programs.

What’s Next?

As with so many access to care issues, the 2024 election could substantially impact important federal policy and legislative choices affecting Medicaid. While a Harris Administration would likely continue Biden-era approaches to Medicaid, a Trump Administration may embrace a different approach that creates barriers to Medicaid access.

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