

Mandatory Volunteerism is Back: What's Ahead?

07.17.25 | Linda J. Rosenthal, JD



In <u>Adios to Mandatory Volunteerism</u> (August 12, 2021) FPLG Blog, we wrote: "It seems safe ... at this point to say 'adios' to mandatory volunteerism (at least in connection with the nation's massive Medicaid program)...."

By then, there had been <u>victory</u> after <u>victory</u> in the courts against the Trump 1.0 administration's attempts to strangle the Medicaid-expansion part of the Affordable Care Act of 2010. The main weapon had been the encouragement (and approval) of state-by-state permission requests to impose "work-or-alternative" eligibility mandates on applicants. See <u>Why the Court Once Again</u> <u>Struck Down Federal Approval of Medicaid Work Experiments</u> (March 29, 2019) Professor of Law Emerita Sarah Rosenbaum, GWU, commonwealthfund.org; <u>New Medicaid Work/Volunteer Court Ruling</u> (April 10, 2019) FPLG Blog; and <u>Mandatory Volunteerism: A Bad Idea All Around</u> (March 2018) FPLG Blog.

Joe Biden had <u>made clear early on</u> that his administration would reject any Medicaid-expansion waiver requests with draconian work-or-alternative eligibility requirements and would reverse any waivers previously given. "There are many reasons why 'mandatory volunteerism' is not just unnecessary (as well as cruel, oppressive, and degrading to the recipients of the benefits) but is also counterproductive. It's not surprising that the term '<u>voluntolds'</u> has crept into the vocabulary surrounding this controversial concept." See <u>Mandatory Volunteerism: Still, A Bad Idea</u> (May 11, 2023) *FPLG Blog.*

A tepid attempt in 2023 by GOP members of Congress to tack a Medicaid work requirement onto a debt-ceiling-raising bill was <u>easily squashed</u>. (The <u>holy grail of outright repeal</u> of the Affordable Care Act, including its Medicaid-expansion provisions, was entirely unrealistic with a Democrat president sitting in the Oval Office.)



Looking back from our perch in July 2025, bidding mandatory volunteerism "adios" in mid-2021 may have been too optimistic. Perhaps a better choice of words for a prediction or pronouncement about the volatile American healthcare system healthcare would have been "hasta luego."

It's Back!

Four months after the start of the Trump 2.0 administration, the GOP-controlled Congress was putting into place – via the "reconciliation" process – an enormous rollback in healthcare spending and the social safety net, including Medicaid generally.

On May 18, 2025, the House Budget Committee advanced a budget reconciliation <u>bill</u> that included <u>significant changes</u> to the Medicaid program. As anticipated, Medicaid <u>work-or-equivalent</u> requirement provisions were included in the proposal.

The organized charitable sector was unsuccessful in its strong efforts over the spring to dissuade the House members from including a renewed "mandatory volunteerism" prong in its reconciliation bill. See <u>Call To Action for Nonprofits Re: Tax Bill Markup Today</u> (May 13, 2025) FPLG Blog and Medicaid Work Requirement: The Latest Developments (May 20, 2025) FPLG Blog.

See <u>Mandatory Volunteerism</u>, *National Council of Nonprofits*. While NCN "... supports programs that promote volunteering activities that mutually benefit individuals and the people served through nonprofits," the nation's largest membership organization of nonprofits "... <u>opposes proposals</u> to condition receipt of government-provided benefits on requirements that individuals volunteer at nonprofit organizations" The main reason: it imposes "increased costs, burdens, and liabilities on nonprofits by an influx of coerced individuals."

The next step was urging the senators to reject these elements of the proposed Medicaid-expansion eligibility mandate. See <u>Opposing the Medicaid Work Requirement: An Elevator Pitch</u> (May 23, 2025) FPLG Blog, lifting <u>5 Key Facts About Medicaid Work Requirements</u> from a February 18, 2025, article in KFF's Medicaid Watch by experts Elizabeth Hinton and Robin Rudowitz:

- Most Medicaid adults under age 65 are working already, without a 'work requirement.'"
- "CBO estimates of national work requirements show lower federal spending and an increase in the number of uninsured, but no increase in employment."
- "In Arkansas, implementing Medicaid work requirements resulted in more than 18,000 people losing coverage....[D]isenrollment was also <u>associated</u> with poorer medication adherence, delays in care, and medical debt."
- "Evidence shows Medicaid work and reporting requirements are confusing to enrollees and complex and costly for states to implement."
- "Research shows access to affordable health insurance and care promotes individuals' ability to obtain and maintain employment."

The thrust of this elevator pitch is that adding a work requirement is posturing: it's a "solution looking for a problem" The work requirement is not just unneeded, but it is counterproductive, based on the results from the first Trump Administration's failed attempts to approve and implement "waivers" to the Affordable Care Act's Medicaid expansion provisions. See <u>Implementing Work</u>
Requirements on a National Scale: What We Know from State Waiver Experience (May 20, 2025)



Elizabeth Hinton and Robin Rudowitz, kff.org.

How did the Senators respond to reasoned pleas like this? They made the House bill worse.

On July 4th, <u>H.R.1</u> – One Big Beautiful Bill Act, 119th Congress (2025-2026) [OBBBA] was signed into law in the Oval Office. See Subtitle B–Health, Chapter 1 – Medicaid, generally. For the work-oralternative" mandate, see, particularly: "subchapter d–increasing personal accountability, section 71119. Requirement for States to establish Medicaid community engagement requirements for certain individuals."

Medicaid Work-Mandate Particulars

The experts at KFF have created several excellent charts on the health-related provisions in the OBBBA. "On July 3, the House passed the same version of the budget reconciliation bill passed by the Senate on July 1. On July 4, President Trump signed the legislation into law. This summary describes the health care provisions in the law (described as the Senate-passed bill) in four categories: Medicaid, the Affordable Care Act, Medicare and Health Savings Accounts (HSAs). It also compares the provisions to an earlier draft of the bill passed by the House on May 22."

See particularly: Health Provisions in the 2025 Federal Budget Reconciliation Bill: Medicaid (Updated: July 8, 2025), "Summary of Medicaid Provisions in the House and Senate Budget Reconciliation Bills."

Scroll down about halfway to the part on "Eligibility Policies" which includes the provisions related to the mandatory volunteerism issue. The stark contrast of the new law with the prior longstanding policy in place before July 4, 2025, is included: "Current law prohibits conditioning Medicaid eligibility on meeting a work or reporting requirement. During the first Trump administration, 13 states received approval to implement work requirements through Section 1115 waivers. Work requirement waiver approvals were either rescinded by the Biden administration or withdrawn by states, and Georgia is the only state with a Medicaid work requirement waiver in place. Several states have recently submitted new 1115 waiver requests to implement work requirements."

The next two columns describe the details of the "House-Passed Bill," followed by specifics (including changes, if any) of the "Senate Passed Version, Enacted into Law."

Under both columns is this summary: "Requires states to condition Medicaid eligibility for individuals ages 19-64 applying for coverage or enrolled through the ACA expansion group (or a waiver) on working or participating in qualifying activities for at least 80 hours per month."

The term qualifying activities" is not specifically addressed on the KFF chart, but the requirement is elsewhere described: "In the context of the new budget reconciliation Medicaid provisions, 'community engagement' generally refers to requirements that certain able-bodied adults, aged 19-64, participate in work, job training, *community service*, or educational programs for at least 80 hours per month to maintain their Medicaid eligibility. This means individuals must demonstrate they are actively involved in these activities to continue receiving Medicaid benefits." (emph. added)

Specifically, see this Congressional link: "(Sec. 71119) This section requires, beginning not later than the first quarter after December 31, 2026 (or earlier, at the option of the state), individuals who are



eligible for Medicaid as part of the Medicaid expansion population to engage in community service, work, or other activities in order to qualify for Medicaid."

The "community service" and "or other activities" element includes volunteering at a nonprofit organization.

Effective Date

The time frame for the "work-or-alternative" compliance mandate that ended up in the final version signed into law is: "beginning not later than the first quarter after December 31, 2026 (or earlier, at the option of the state)."

This has been widely misreported as extending the start of this onerous mandate until after the November 2026 elections. However, the "or earlier, at the option of the state" language that found its way into OBBBA is critical. There is little doubt that red-state governors will be tripping over each other in the competition to become the first jurisdiction to implement this <u>odious and harmful</u> Medicaid-eligibility requirement.

On the other end of the start-date issue is some leeway "for good cause" for a state – presumably a blue one – to seek a waiver until no later than January 1, 2028. There are indications, though, that the "good cause" condition will be a tough hurdle to meet.

Conclusion

So what's next? There's much more to discuss as the charitable community confronts this brand new chapter in the "mandatory voluntarism" controversy.

Passive preparation for compliance is not the only option. Buckle up.

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Note: See also Mandatory Volunteerism: Pushback Strategies? (July 24, 2025)