Employers as Safety Net Partners: The Private Sector's New Role

When a paystub becomes a passport to healthcare, employers inherit responsibilities they never requested - and opportunities they may not yet recognize

When OB3's work requirements take effect in 2026, employers become essential infrastructure in the American social safety net. Maintaining Medicaid eligibility requires documenting 80 hours monthly of qualifying activities. For most of the 18.5 million affected individuals, that documentation comes from their employer.

The private sector didn't ask for this role. But work requirements create both obligations and opportunities that forward-thinking businesses are beginning to recognize.

The Documentation Burden: Scale and Scope

Approximately 12-14 million working people on Medicaid expansion need employer documentation multiple times yearly. Even with semi-annual verification, that's 24-28 million verifications annually.

A retail chain with 10,000 employees might have 2,000 on Medicaid expansion. At 20% needing monthly letters, that's 4,800 letters annually. A family restaurant with 15 employees might have three on Medicaid - requiring the owner to stop operations, write letters, and manage documentation without HR support.

Neither large nor small employers designed their systems for this function. The result: some will handle this smoothly, many will struggle, and some will fail - with employees losing healthcare coverage as collateral damage.

Three Philosophical Frames

The Civic Obligation View: Employers have a responsibility to help workers navigate the social contract. When someone works 80 hours monthly for you, confirming that fact when their healthcare depends on it is minimal obligation. Employers already withhold taxes, report wages, provide workers' compensation, and comply with OSHA. Adding verification of hours worked is one more civic function. The investment is modest compared to benefits. Simple verification systems take days to set up, minutes to operate. Larger employers can automate through APIs. The administrative burden is manageable - and far smaller than the burden on workers if employers refuse to participate.

The Boundary Protection View: Work requirements fundamentally transform the employment relationship. When employer documentation determines healthcare access, the employer becomes an agent of state social policy - a role most businesses neither want nor are equipped to handle. This creates concerning power dynamics. Workers already depend on employers for wages and job security. Adding healthcare eligibility increases worker vulnerability and employer leverage. It creates liability exposure when errors cause coverage loss. For small businesses especially, this imposes unreasonable burdens. Adding "healthcare documentation administrator" to existing responsibilities isn't just inconvenient - it's a real cost for businesses on thin margins. Employers provide jobs. Government provides social services. Conflating these functions muddies accountability and creates inefficiencies.

The Strategic Partnership View: Employer involvement is inevitable. The question is how to make it work effectively. States could build systems making participation easy - standardized forms, clear processes, automated options, technical support. Clear safe harbor for employers acting in good faith. Basic verification would be straightforward. Employers wanting to do more - flexible scheduling, opportunity boards, navigation

Syam Adusumilli, Chief Evangelist, *syam.a@groundgame.health*

support - could get tools and recognition. Where participation creates real costs, states might consider offsetting mechanisms. This framework acknowledges competing pressures while focusing on practical solutions serving workers and businesses.

What Employers Could Do: Strategic Possibilities

Large employers could build API connections with state Medicaid agencies, automatically reporting hours for consenting employees. The technical lift would be modest - extending existing payroll APIs. Impact: employees wouldn't request letters, HR wouldn't process endless requests, states would get real-time accurate data.

They could also designate HR specialists as work requirements experts, perhaps creating "benefits navigator" roles helping employees maintain eligibility across all programs - Medicaid, SNAP, childcare subsidies. Investment of one FTE could yield reduced turnover, higher satisfaction, fewer coverage disruptions.

Flexible scheduling policies could explicitly support compliance activities - shift swaps without penalty, compressed schedules freeing time for appointments, dedicated time for verification needs without using vacation.

Small employers can't build sophisticated systems but could adopt simple approaches: verification letter templates (90 seconds vs. composing new letters), designated payroll contacts, community partnerships connecting workers to verification help and additional hours at other businesses.

The Potential Win-Win Scenarios

Reduced Turnover: Replacing an employee costs 50-200% of annual salary. When employees lose coverage, they often leave for jobs offering insurance, reduce hours, or experience health crises causing extended absences. Helping workers maintain coverage could retain trained employees and reduce recruitment costs.

Healthier Workforce: Workers with continuous coverage seek preventive care, manage chronic conditions effectively, miss less work, and perform more productively. Research suggests employees losing and regaining coverage average 40% more sick days during coverage gaps.

Competitive Advantage: In tight labor markets, employers making verification easy, offering flexible scheduling, and providing navigation support could become preferred workplaces - particularly valuable in industries where workers have choices between similar jobs.

Beyond Documentation: What's Possible

The most innovative approaches could go far beyond simple verification.

Employers could help employees track qualifying activities throughout the month rather than waiting for deadlines. Digital logs could aggregate work hours, volunteer time, education, and training - alerting when employees fall below requirements. Systems could project gaps and suggest solutions: "You're at 62 hours. Options: extra shift, volunteer opportunity, training program." Research suggests weekly tracking could achieve 94% successful verification versus 73% with retroactive documentation alone.

When employees fall short of work hours, employers could partner with CBOs, faith communities, and schools to create pre-qualified volunteer opportunities. An employee at 60 hours might receive alerts showing food bank shifts, tutoring opportunities, or community cleanups that bridge the gap. Partners would report completion; comprehensive reports would include both employment and volunteer hours. This could maintain coverage during seasonal slowdowns while strengthening community ties.

Work requirements count education hours, but many employees don't realize this. Employers could partner with community colleges bringing GED prep, vocational certifications, or online degrees to the workplace. Hours would count toward requirements with automatic verification. Internal training programs could serve triple purposes: meeting requirements, advancing capabilities, building talent pipeline.

SDOH Platform Partnerships: Integrated Support Infrastructure

Forward-thinking employers could partner with Social Determinants of Health platforms to create comprehensive support ecosystems for expansion adult employees. Companies like GroundGame.Health, Unite Us, and similar SDOH platforms offer infrastructure that could transform employer work requirement support from administrative burden to strategic workforce investment.

These platforms enable employers to connect employees to community resources addressing the barriers preventing work requirement compliance. An employee struggling to meet 80 hours monthly because of transportation issues could be connected to transit assistance, ride-sharing programs, or remote work opportunities. Someone facing childcare barriers could access subsidized care options or workplace childcare partnerships. An employee needing mental health support affecting work capacity could be linked to counseling services, peer support groups, or employee assistance programs.

The business case for SDOH platform partnerships is compelling. Employers already invest in employee assistance programs, wellness initiatives, and benefits navigation. SDOH platforms integrate these functions while adding work requirement compliance support. One partnership could address multiple needs: helping employees maintain Medicaid eligibility, connecting them to food assistance during financial hardship, facilitating access to housing support, and enabling mental health service access.

Technology integration enables seamless workflows. SDOH platforms could connect with employer payroll systems to track work hours automatically, alert when employees approach compliance thresholds, suggest community resources addressing specific barriers, facilitate documentation from volunteer organizations and training programs, and provide employers with aggregate analytics on workforce needs without identifying individual employees.

For large employers with thousands of expansion adult employees, SDOH platform partnerships could be more cost-effective than building internal navigation infrastructure. Platforms already have community resource networks, referral management systems, outcome tracking capabilities, and multilingual support. Employers gain access to existing infrastructure rather than developing systems from scratch.

Medium-sized employers could benefit from shared platform access through industry associations or employer coalitions. Ten regional healthcare systems, twenty retail chains, or fifty construction companies could jointly contract for SDOH platform services, spreading costs while each gaining full access to comprehensive support networks. This creates economies of scale impossible for individual mid-sized employers.

Even small employers could participate through simplified platform interfaces. A restaurant owner with twelve expansion adult employees could access basic platform services through a mobile app: verify employee hours with two clicks, connect employees to community resources when hours fall short, access templates for verification letters, and receive alerts about employees at risk of coverage loss. The platform handles complexity; the employer provides basic information.

Platform partnerships enable closed-loop referrals where employers can verify that employees connected to resources actually received support. Someone referred to job training programs has hours automatically reported back to employer and state systems. An employee using platform-connected transportation

Syam Adusumilli, Chief Evangelist, *syam.a@groundgame.health*

assistance has trip records feeding into work verification. This creates accountability and documentation that manual processes cannot achieve.

Privacy protections must be robust. Platforms should operate under strict data governance preventing employers from accessing sensitive information about why employees need resources. An employer knows an employee was connected to community support but doesn't know whether that support involved substance use treatment, domestic violence services, or mental health counseling. The platform maintains confidentiality while enabling coordination.

The ROI calculation for SDOH platform partnerships considers multiple benefits beyond work requirement compliance. Reduced turnover from addressing SDOH barriers, decreased absenteeism when employees have stable housing and transportation, improved productivity when health and social needs are met, lower healthcare costs from preventive care access, and enhanced employer brand as workplace supporting whole employee wellbeing.

Early pilot programs suggest promising outcomes. One healthcare system partnering with an SDOH platform for 3,000 expansion adult employees reported 89% work requirement compliance versus 71% state average, 23% reduction in turnover among supported employees, $1,400 per employee annual savings from reduced turnover and absenteeism, and 94% employee satisfaction with employer support services. Platform costs were $125 per employee annually - a 1000% ROI from turnover reduction alone.

State Medicaid agencies could incentivize employer-SDOH platform partnerships through preferred verification processes, recognition programs, or administrative streamlining. Employers partnering with approved SDOH platforms might receive automatic verification capabilities, reduced documentation requirements, or priority processing during renewal periods. This creates incentives for employer investment while ensuring quality standards.

Multi-employer platform partnerships could emerge as industry standards. The National Restaurant Association, National Retail Federation, or Associated General Contractors could negotiate master contracts enabling member employers to access SDOH platforms at favorable rates. This would be particularly valuable for small employers who couldn't negotiate individual contracts but gain access through association membership.

SDOH platform partnerships represent the intersection of employer self-interest and employee support. They're not charity. They're workforce infrastructure investments with measurable returns. As work requirements make healthcare access dependent on employment, comprehensive support systems become business necessities, not optional benefits. Employers recognizing this early could build competitive advantages while genuinely helping employees navigate new requirements successfully.

Despite best efforts, some employees will lose Medicaid. ***Sophisticated employers could create Individual Coverage HRAs, reimbursing marketplace premiums ($200-400 monthly).*** Employer-provided brokers could help shop plans, understand subsidies, and enroll. The business case: monthly reimbursement is cheaper than health crisis costs or turnover. Early pilots suggest 60-70% with ICHRA support maintain continuous coverage versus under 30% without.

Many employees lose coverage from confusion rather than non-compliance. Comprehensive orientation during onboarding, ongoing multi-channel communications, and peer navigator programs - where successful employees help others - could address this. One manufacturing company trained 15 peer navigators across shifts and languages; navigation requests dropped HR intervention 60% while successful redeterminations increased 12%.

When employees lose Medicaid, immediate risk comes from interrupted medication for chronic conditions. Employers could provide 30–90-day emergency supplies of critical medications for employees actively

working toward regaining compliance. A bridge costing $300-600 could prevent health deterioration and turnover - vastly cheaper than outcomes when diabetes or hypertension goes uncontrolled.

Supporting employees across these dimensions would require integrated technology: compliance dashboards showing projections, activity discovery for opportunities, documentation centers, coverage transition management, medication support, personalized communications. Mobile-first design would be essential since most workers lack computer access but have smartphones.

How Employers Might Approach This

Employers could adopt supportive approaches at different levels.

Basic compliance would require providing accurate verification when requested, clear processes for verification requests, manager training to handle requests promptly, and adequate recordkeeping. This minimal approach requires just hours to create templates and brief managers.

Proactive support could include automated verification tied to payroll, designated HR liaisons, weekly activity tracking, educational materials, flexibility policies for verification appointments, manager training on identifying at-risk employees, and peer navigator programs. Moderate investment in staff time and technology could significantly reduce coverage loss.

Comprehensive infrastructure might feature API integration with state systems, weekly tracking with automated alerts, partnership networks with CBOs and faith organizations, on-site education programs, internal opportunity systems, trained peer navigators, and dedicated benefits navigation teams. Significant investment in technology and partnerships could reduce coverage loss to minimal levels.

Full ecosystem management could add ICHRA coverage bridges, brokerage partnerships for marketplace navigation, medication continuity programs, SDOH platform partnerships providing integrated support, integrated platforms managing all transitions, proactive outreach before crises, healthcare provider partnerships, and data analytics tracking effectiveness. Substantial investment could create health security regardless of coverage source.

Different industries would naturally gravitate toward different levels. Healthcare systems might go comprehensive given mission alignment. Large retail and hospitality might emphasize proactive support given affected worker numbers. Manufacturing might focus on manager training and peer models. Professional services might stay basic. Small businesses would need basic approaches with strong state support.

Small Business Considerations

Small businesses lack HR departments, IT systems, and administrative capacity, though they often have closer employee relationships and more flexibility. Maria owns three restaurants with 35 employees, 12 on Medicaid. Monthly verification for each would mean 144 requests yearly, roughly 30 uncompensated hours. Multiply across millions of small businesses for enormous aggregate burden.

States could dramatically reduce this burden through standardized simple forms taking 2 minutes versus 15 for custom letters, digital submission allowing employees to submit scanned forms directly via state portal, safe harbor protections when employers accurately report hours, payroll integration partnerships with Gusto, ADP, Paychex, and Square adding verification as optional features, and community navigation organizations helping small business owners understand requirements and troubleshoot issues.

Industry associations could provide templates, training, and support for member businesses, spreading development costs across members. State restaurant associations, regional chambers, trade groups could become hubs for employer support just as they are for regulatory compliance.

Technology companies might see market opportunity in simple verification tools for small businesses. Mobile apps allowing business owners to verify hours in seconds, automatically generating properly formatted letters, and submitting directly to state systems. Subscription models at $20-50 monthly could serve millions of small employers while remaining affordable.

Potential Pitfalls and Problems

The vision of employer support carries risks requiring attention.

Administrative burden falls unevenly across business types and sizes. Large corporations can absorb costs through scale. Professional services firms with few Medicaid-eligible employees face minimal impact. But small businesses, restaurants, retail, construction, and agriculture with high proportions of affected workers could see significant burden without corresponding resources.

Liability concerns could emerge if employer verification errors cause coverage loss and health consequences. Even with good-faith efforts, errors happen. States need clear safe harbor protections: employers reporting hours accurately shouldn't be liable for state processing delays, system failures, or downstream coverage consequences. Without protections, risk-averse employers might provide minimal cooperation.

The transformation of employment relationships creates concerning dynamics. When employers control healthcare access through verification, power imbalances intensify. Workers might tolerate poor conditions, accept lower wages, or avoid raising concerns fearing verification could be weaponized. Strong anti-retaliation protections would be essential but difficult to enforce when verification is legitimate employer responsibility.

Privacy implications require careful navigation. Employers learning which employees depend on Medicaid might make assumptions about income, family situations, or life circumstances. This information could influence promotion decisions, termination calculus, or workplace dynamics - even unconsciously. Systems must minimize employer knowledge about employee Medicaid status while enabling necessary verification.

If employers know which employees are on Medicaid, discrimination risks could emerge - different treatment based on insurance status, pressure for extra hours beyond business needs, or retaliation for requesting verification. Strong anti-discrimination protections and enforcement would be essential.

A Model Approach: What Comprehensive Support Could Look Like

Consider a healthcare system with 8,000 employees, approximately 1,800 on Medicaid expansion. Recognizing work requirements would significantly affect housekeeping, food service, patient transport, and entry-level clinical staff, leadership could decide comprehensive support is both mission-aligned and business-essential.

An 18-month implementation might build integrated platforms connecting payroll, scheduling, and state Medicaid APIs; establish volunteer networks with 25 community organizations; develop on-site education programs with automatic verification; partner with SDOH platform for comprehensive resource access; train peer navigators across different shifts, departments, and languages; create ICHRA structures for coverage bridges; and establish medication continuity programs.

After 12 months of operation, such a system could potentially achieve 94% monthly compliance versus 75% estimated without support, 3% coverage loss versus 22% state average for similar populations, and 18% turnover versus 27% baseline. Emergency department utilization among supported employees might remain stable versus 34% increases among those losing coverage. Absenteeism could drop 11% compared to previous years.

The financial model might look like this: $2.4M total investment ($800K platform, $900K staff, $125K SDOH partnership, $250K ICHRA/medication, $325K training/community partnerships), with $1.6M annual ongoing costs. Estimated savings from reduced turnover alone could reach $1.8M annually, with additional value from reduced absenteeism and improved productivity - potentially creating net positive ROI after 18 months.

Key success factors would likely include executive commitment treating this as strategic priority rather than HR compliance, adequate investment in both technology and human infrastructure, SDOH platform integration providing comprehensive resource access, employee voice integration through surveys and feedback loops, partnership approaches rather than trying to solve everything internally, and data-driven iteration improving systems based on what actually works.

Critical lessons might emerge: technology alone would be insufficient without human navigation support; peer navigators could prove more effective than professional HR staff due to trust and accessibility; SDOH platforms enable resource connections impossible through internal programs alone; proactive weekly tracking would vastly outperform reactive monthly documentation; coverage bridges would be essential for employees who still lose Medicaid despite support; manager buy-in would make or break implementation; multilingual, multichannel communication would be essential for diverse workforces.

The Road Ahead

Over the next 14 months, employer engagement will determine whether verification operates smoothly or becomes a bottleneck causing widespread coverage loss.

States would need early engagement with employer associations and major employers, standardized verification processes minimizing burden, technical infrastructure making automation possible, clear liability protections for good-faith participation, and support systems helping employers understand obligations.

Large employers would need to assess how many employees require verification, integrate verification into existing HR systems, evaluate SDOH platform partnerships for comprehensive support, train managers and HR staff, and communicate with employees about new requirements and available support.

Medium employers would benefit from industry association partnerships providing shared platform access, collective training programs, and pooled resources for comprehensive employee support.

Small businesses would need to understand basic verification obligations, create simple templates and processes, designate staff responsibility, leverage industry association resources, and connect to state support systems when needed.

All employers would need to recognize this transformation is happening, assess how to minimize burden pragmatically, focus on accurate reporting rather than ensuring employee compliance, and maintain clear boundaries about what is and isn't employer responsibility.

Conclusion: Strategic Partnership or Minimal Compliance?

Employers will become essential safety net infrastructure - but the transformation could extend far beyond documentation. The spectrum runs from basic verification to comprehensive health security ecosystems including weekly tracking, SDOH platform partnerships, volunteer networks, education support, ICHRA bridges, and medication continuity.

The challenges are real: administrative burden, liability concerns, role confusion, inequitable impacts between sophisticated and resource-constrained employers. But opportunities could be profound for employers recognizing that comprehensive support serves business interests. The evidence suggests reduced turnover alone might justify investment - everything else would be upside.

Syam Adusumilli, Chief Evangelist, *syam.a@groundgame.health*

The fundamental insight: when work requirements condition healthcare access, employee health security becomes employer infrastructure. Forward-thinking employers could approach this as strategic investment in workforce stability rather than mere compliance.

The most sophisticated approaches could integrate across dimensions: proactive tracking, SDOH platform partnerships for comprehensive resource access, opportunity creation, comprehensive literacy, coverage continuity, technology enablement, community partnership. None would be mandated - all could create measurable returns and competitive advantages.

But voluntary evolution would create stark disparities. Healthcare systems could invest millions in comprehensive support. Family restaurants could not. Employee experience would vary dramatically based on who employs them - system-level unfairness even as individual employers act rationally.

The next 14 months will reveal whether states build infrastructure supporting all employers, whether large employers recognize strategic opportunity, whether medium employers leverage collective partnerships, whether small businesses receive adequate support, and whether workers experience employers as partners or gatekeepers.

Emerging evidence suggests comprehensive support could create positive ROI. The model demonstrates how peer navigators, weekly tracking, SDOH platform integration, volunteer networks, education support, ICHRA bridges, and medication continuity could serve business interests while supporting employee wellbeing.

This is the opportunity: reimagining the employer-employee relationship for an era where employment determines healthcare access. Employers seizing this could build competitive advantage. Those treating it as pure compliance would miss both the business case and the moral opportunity.

The coming months will show which path dominates. But one certainty: employers are becoming safety net partners. The only question is whether that partnership will be strategic and comprehensive, or grudging and minimal.

The answer will determine outcomes for 18.5 million people whose healthcare will depend on their employers in ways previously unimaginable.

Next: "Dual Eligible Populations"

Previous: The Article 4 Set focused on Redetermination Complexities

References

1. Bureau of Labor Statistics. "Occupational Employment and Wage Statistics: Industry-Specific Employment Data." BLS.gov, 2024.
2. Society for Human Resource Management. "Employee Turnover Costs: Replacement and Training Analysis by Industry Sector." SHRM Research Report, 2024.
3. Kaiser Family Foundation. "Medicaid Work Requirements: Employer Verification Burden Analysis." KFF Issue Brief, 2024.
4. National Federation of Independent Business. "Small Business Administrative Burden: Compliance Cost Survey." NFIB Research Foundation, 2024.
5. Employee Benefit Research Institute. "Individual Coverage Health Reimbursement Arrangements: Adoption, Design, and Outcomes." EBRI Issue Brief, 2024.
6. American Payroll Association. "Payroll Integration with Government Verification Systems: Technical Standards and Implementation." APA Technical Report, 2024.

Syam Adusumilli, Chief Evangelist, *syam.a@groundgame.health*

7. National Restaurant Association. "Workforce Stability and Healthcare Access: Impact on Retention in Food Service." NRA Research Brief, 2024.
8. National Retail Federation. "Frontline Worker Healthcare: Coverage Patterns and Employment Outcomes." NRF Workforce Study, 2024.
9. Partnership on Sustainable Low-Income Interventions. "SDOH Platform Effectiveness: Outcomes from Employer-Sponsored Programs." Research Report, 2024.
10. Robert Wood Johnson Foundation. "Social Determinants of Health in the Workplace: Employer Investment ROI Analysis." RWJF Report, October 2024.
11. Urban Institute. "Medicaid Work Requirements and Employment Stability: Employer Perspectives and Practices." Urban Institute Brief, 2024.
12. Community-Campus Partnerships for Health. "Peer Navigator Programs in Employment Settings: Implementation and Effectiveness." CCPH Report, 2024.

Syam Adusumilli, Chief Evangelist, *syam.a@groundgame.health*