

## **MEDICAID WORK REQUIREMENTS: OVERVIEW**

**Who is Subject to Work Requirements and Reporting:** Medicaid expansion adults and certain waiver programs.

**Who is NOT Subject to Work Requirements or Reporting:** Within the Medicaid expansion population and those under certain waiver programs, there are several carveouts – the following populations are not subject to Medicaid work requirements or any reporting requirements:

- Individuals under age 19
- Pregnant individuals entitled to or enrolled in Medicare Part A or B benefits
- Foster youth
- Individuals enrolled in the Parents and Other Caretaker Relatives eligibility group
- Individuals eligible for a mandatory eligibility group (e.g., Medicaid eligible seniors)
- Individuals recently incarcerated in the previous three months

**Who is Exempt From Work Requirements BUT Not Reporting:** The following populations are exempt from work requirements, but must comply with mandated reporting requirements to remain enrolled in Medicaid:

- American Indians, Alaska Natives, and California Indians
- Parents, guardians, or caregivers of dependent children 13 years or younger or disabled individuals
- Veterans with total disability
- Former foster care youth under age 26
- Medically frail individuals or those with special medical needs, including:
  - Blind or disabled individuals
  - Individuals with a substance-use disorder
  - Individuals with a disabling mental disorder
  - Individuals with a physical, intellectual, or developmental disability
  - **Those with serious or complex medical conditions\***
- Individuals complying with Temporary Assistance for Needy Families (TANF) work requirements
- Members of a household that is in receipt of Supplemental Nutrition Assistance Program (SNAP) and not exempt from SNAP work requirements
- Individuals participating in a drug addiction or alcohol treatment and rehabilitation program
- Inmates of public institutions
- Pregnant individuals or those receiving postpartum coverage

## How Non-Exempt Enrollees Can Comply:

- Employment or community service for 80 hours per month
- Half-time enrollment in higher education or career training
- Minimum income of \$580 per month

## KEY DECISIONS TO BE MADE BY STATES

1. **Verification Frequency:** For Applications: Decide minimum # of months to check for compliance before determination; For Renewals: Decide how many months to check for compliance since the last renewal.
2. **Exemptions Durations:** Decide the categories that can lead to extended exemptions that do not need to be re-verified every six months.
3. **\*Definition of Medical Frailty:** “Serious and complex medical issues” qualify as an exemption – decide on the definition of a qualifying serious and complex medical issue under Medical Frailty.
4. **Optional “Hardship” Exemptions:** Decide whether or not to adopt exemptions for emergency declaration, unemployment rate, hospital stays and medical travel.
5. **Automatic Verification:** Decide which data sources to use for automatic verification of exemptions and reporting compliance. Decide whether or not to allow for self-attestation to comply with reporting requirements.

## ADDITIONAL IMPLEMENTATION CONSIDERATIONS

- **Legislative Engagement**
  - Policy decisions must be made before January 2026
  - Any legislative policy changes will impact implementation plans – potentially incurring additional costs
- **Communication Strategies**
  - Exceeding the minimum requirements for communication to enrollees may reduce people churning off the program due to paperwork
    - Strategies include: social media, free local media announcements, updating state websites, direct outreach
  - Language used to explain why these procedures are taking effect matters (i.e. explaining that these changes are due to new federal law)
- **Federal Engagement & Protections**
  - Practicing good legal and data hygiene is critical:
    - Policy decisions and decision making authority should be thoroughly clarified and documented.
    - Administrations and agencies should be the ones leading implementation, not vendors – vendor contracts should reflect state policies

## FREQUENTLY ASKED QUESTIONS

**QUESTION:** Are there practical ways AI can reduce Medicaid work requirement burdens?

**ANSWER:** The most effective tool is expanding ex parte (automatic) renewals, which uses existing data sources to verify eligibility without added paperwork — making renewals more efficient, accurate, and cost-effective.

**QUESTION:** When will CMS issue their official guidance to states that sets the standards for Medicaid work requirements implementation?

**ANSWER:** CMS must issue guidance by June 2026, though delays in health care reform implementation are common. To meet H.R. 1 deadlines, states must have policy decisions, procurements, and system builds underway before guidance is released, and be ready to file good-faith extension waivers or rapidly adjust systems as needed once guidance is issued.

**QUESTION:** Can multiple states submit a good-faith extension waiver at the same time?

**ANSWER:** Yes. Governors and Medicaid directors can coordinate and submit waiver requests simultaneously.

**QUESTION:** How does the unemployment rate exemption work? What data is used for the determination?

**ANSWER:** States may exempt individuals in months when their county unemployment rate exceeds 8% or 1.5x the national rate (4.3% as of August 2025). Federal data determines the national rate, while states report monthly county-level data. CMS guidance will clarify implementation details.

**For questions about Medicaid work requirements, please contact Marisa Bremer at [marisa@responsivegov.org](mailto:marisa@responsivegov.org).**