Medicaid Work Requirements: What You Need to Know

VERTEX

The One Big Beautiful Bill Act (OBBBA), signed into law in July 2025, created new Medicaid work requirements for some adults. In general, the changes apply to certain adults ages 19–64 who are enrolled in Medicaid expansion coverage. Most affected states must implement the new requirement by **January 1, 2027,** although some may choose to implement earlier.

WHY IT MATTERS:

- Roughly 20 million people could be subject to Medicaid work reporting requirements nationally.
- The federal government is expected to reduce Medicaid spending by nearly $1 trillion over the next 10 years.
- The Congressional Budget Office estimates that 5.2–7.5 million Medicaid enrollees could lose coverage.

These changes could affect:

- Whether you can keep Medicaid.
- How often you need to renew or verify your information.
- What documents you may need to provide.
- Whether you need to respond quickly to notices from your state.

WHAT'S CHANGING IN MEDICAID

- Work requirement: Some adults may need to complete 80 hours per month of work, education, community service, or qualifying activities to keep Medicaid.
- Income-based Option: A person may also meet the requirement by earning at least the federal minimum wage multiplied by 80 hours in a month.
- Proof may be required: You may need to provide information or documents showing that you meet the requirement or qualify for an exemption, especially if the state cannot verify this through other data sources.
- More frequent reviews: States must redetermine eligibility at least every 6 months, rather than relying only on annual renewal.
- Notice and time to respond: If the state cannot verify compliance, it must provide notice and a 30-day response period.

EXEMPTIONS AND MEDICAL FRAILTY

Exemption categories include:

- Pregnant individuals.
- Certain caregivers.
- Medically frail individuals, including those with serious or complex medical conditions.

Why medical frailty matters

- States will have some discretion in how they identify and apply medical frailty within federal requirements, so outcomes may vary by state.
- A diagnosis alone may not automatically qualify someone for an exemption.
- States may require documentation showing that a condition significantly impairs the person's ability to meet the monthly requirement.

If you think you may qualify for an exemption because of your health, you may still need to provide documents or other proof, and the exact process may depend on your state.

WHAT YOU CAN DO NOW

- ☑ Update your information: Make sure your Medicaid agency has your current contact, income, and household information.
- ☑ Watch for notices: States are expected to send information about work requirements, exemptions, reporting, and implementation timing.
- ☑ Keep documents ready: You may need proof that you meet the requirement or qualify for an exemption, especially if you have a serious or complex medical condition.
- ☑ Respond quickly: If your state says it cannot verify your status, respond during the 30-day window.
- ☑ Stay engaged during renewals: Paperwork and process barriers are a major reason people may lose coverage.

VERTEX

TIMELINE OF KEY DATES

2026

August 31

Your state should contact you if you are likely affected by the work requirements.

2027

January 1

The work requirements will be implemented in most affected states.

- Eligibility redeterminations every 6 months begin for the affected expansion population.
- Individuals will be able to self-attest to being exempt or complying with the work requirements.

April 1

Coverage losses may begin for some individuals in states that start enforcing work requirements on January 1, after notice and the required response period.

2028

January 1

States will require enhanced documentation for verification when it is reasonably available.

October 1

Certain expansion adults may be required to pay new cost sharing for some services.

WHAT WE KNOW (AND DON'T YET KNOW)

We Know:

- Some adults ages 19–64 may need to complete **80 hours per month** unless they qualify for an exemption.
- States must build processes for verification, notices, exemptions, and compliance tracking.
- Patients may face risks from administrative burden, not just from the eligibility rules themselves.

We Don't Yet Know:

- How each state will define and apply medical frailty and other exemptions.
- How consistently states will implement outreach, verification, and exemption processes.
- Exactly how work requirements will be enforced in each state.

REFERENCE LIST

1. **Federal Register.** *Medicaid Program; Community Engagement Requirement for Certain Individuals (CMS-2454-IFC).* **Published June 3, 2026.**

   https://www.federalregister.gov/documents/2026/06/03/2026-11094/medicaid-program-community-engagement-requirement-for-certain-individuals

2. **Centers for Medicare & Medicaid Services (CMS).** *Medicaid Community Engagement Requirement for Certain Individuals Interim Final Rule with Comment Period (CMS-2454-IFC).* **CMS Fact Sheet. Published June 1, 2026.[1]**

   https://www.cms.gov/newsroom/fact-sheets/medicaid-community-engagement-requirement-certain-individuals-interim-final-rule-comment-period-cms

3. **Centers for Medicare & Medicaid Services (CMS).** *State Requirements to Establish Medicaid Community Engagement Requirements.* **CMCS Informational Bulletin. December 8, 2025.**

   https://www.medicaid.gov/federal-policy-guidance/downloads/cib12082025.pdf

4. **Centers for Medicare & Medicaid Services (CMS).** *Community Engagement.* **CMS resource page for states.**

   https://www.medicaid.gov/resources-for-states/working-families-tax-cut-legislation/community-engagement

5. **Centers for Medicare & Medicaid Services (CMS).** *CMS Launches Nationwide Framework to Implement Medicaid Work Requirements.* **Press Release. Published June 1, 2026.**

   https://www.cms.gov/newsroom/press-releases/cms-launches-nationwide-framework-implement-medicaid-work-requirements

6. **Congress.gov / U.S. Federal Law.** *Public Law 119-21.* **Signed July 4, 2025.**

   This law is the statutory basis for the Medicaid community engagement requirement referenced in CMS implementation materials.

Timeline: https://medicaiddirectors.org/resource/obbba-medicaid-policy-timeline/