October 29, 2026

Medicaid Work Requirements Monitoring

Updates on State Implementation

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Medicaid and CHIP Payment and Access Commission

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Overview

- MACPAC monitoring framework
  - State readiness
  - Medical frailty
  - Beneficiary outreach
  - Federal and state reporting
- Findings from early state implementation
- Updates since release of the Centers for Medicare & Medicaid Services (CMS) interim final rule (IFR)
  - New federal guidance
  - Ongoing litigation
- Next steps

State Readiness

State Readiness

- Stakeholders shared that most states have made significant progress to implement on January 1, 2027, but many will need to continue making updates to information technology (IT) systems after go-live
- The IFR specifies that states can request a time-limited good faith effort exemption to delay implementation
  - Stakeholders shared that states are still awaiting CMS to issue the template for these requests, and no states have officially requested an exemption
- On October 1, 2026, five Governors sent a letter to the U.S. Department of Health and Human Services to request delaying work requirements
  - The letter raises that states need more time to develop and test their systems, and to protect beneficiaries from avoidable coverage disruption

Ex Parte Verification

- Stakeholders shared that most states have access to data sources needed for ex parte verification of household monthly income and some exclusion categories (e.g., parent of a dependent under age 14)
- Data gaps will limit states' ability to use ex parte, so instead many will rely on self-attestation in 2027
  - Community service
  - Volunteer hours
  - Parents and caregivers of individuals with disabilities

Eligibility Staff

- Support new applicants and beneficiaries with understanding work requirements and documentation needed to demonstrate compliance, exception, or exclusion status
- Stakeholders raised concerns about eligibility staff capacity to handle the anticipated increase in volume and complexity of beneficiary questions
- Stakeholders shared that eligibility workers have not received adequate training and resources

Medical Frailty

IFR Definition

- In statute, individuals must meet at least one of these medical frailty criteria:
  - Blindness or disability (as defined at Section 1614 of the Act);
  - Substance use disorder (SUD) and not in stable recovery;
  - Disabling mental disorder;
  - Physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more activities of daily living (ADLs); or
  - Serious or complex medical condition
- The IFR expands on the statutory definition by requiring the individual's condition to significantly impair their ability to comply with work requirements

Operationalization

- The IFR emphasizes the importance of program integrity and requires states to use data and information that ensure all eligibility determinations are auditable
  - States must share their auditable condition and diagnosis list with CMS for oversight and monitoring
- Stakeholders shared states began developing their approaches to verify medical frailty before the IFR, and are now revising them to assess severity of a condition, including some published approaches
  - CMS's tiered framework for categorizing conditions based on the extent to which available data can confirm whether an individual's condition impairs their ability to comply with work requirements
  - Two-stage approach developed by researchers at Harvard TH Chan School of Public Health and Brigham and Women's Hospital

Operationalization, cont.

- Stakeholders shared state concerns with how to operationalize the IFR definition of medical frailty and uncertainty about whether their implemented approaches will be considered compliant
- Stakeholders shared states need more guidance from CMS on the medical frailty definition that auditors will use, especially given upcoming financial penalties in fiscal year 2030

Self-Attestation

- In 2027 only, states may accept self-attestation when sources of documentation are not reasonably available
  - Most states plan to allow self-attestation when the state cannot automatically verify medical frailty
- Self-attestation can facilitate application and enrollment processes while states update IT systems, but stakeholders raised concerns about state and beneficiary administrative burden
  - Eligibility worker training on self-attestation will be critical to support beneficiaries

Provider Role in Determinations

- The IFR allows states to accept provider documentation from practitioners to determine if an individual's condition qualifies them as medically frail
- Stakeholders shared provider concerns with:
  - Administrative burden with providing documentation
  - Qualifications and training to determine whether an individual's condition significantly impairs them from complying with work requirements
  - Auditing of their medical frailty determinations

Beneficiary Outreach

Communicating with Beneficiaries

- The IFR requires states to use clear, consumer-friendly language
- Based on our review of initial notices sent to beneficiaries, they vary in content, terminology, readability, and accessibility
  - Stakeholders identified challenges in readability and the use of confusing language
- Many states have websites to educate and provide resources on work requirements
  - Some websites include screeners that guide users through questions to determine if they are subject to work requirements
  - Stakeholders noted that beneficiaries may not be aware of these websites or resources

Outreach Challenges

- Beneficiaries often do not know their eligibility pathway, and are not aware requirements apply to them
- States need to communicate multiple and complex policy changes in plain language
- Policy and guidance continues to evolve, making it difficult for states to share accurate information

Federal and State Reporting

Federal and State Reporting

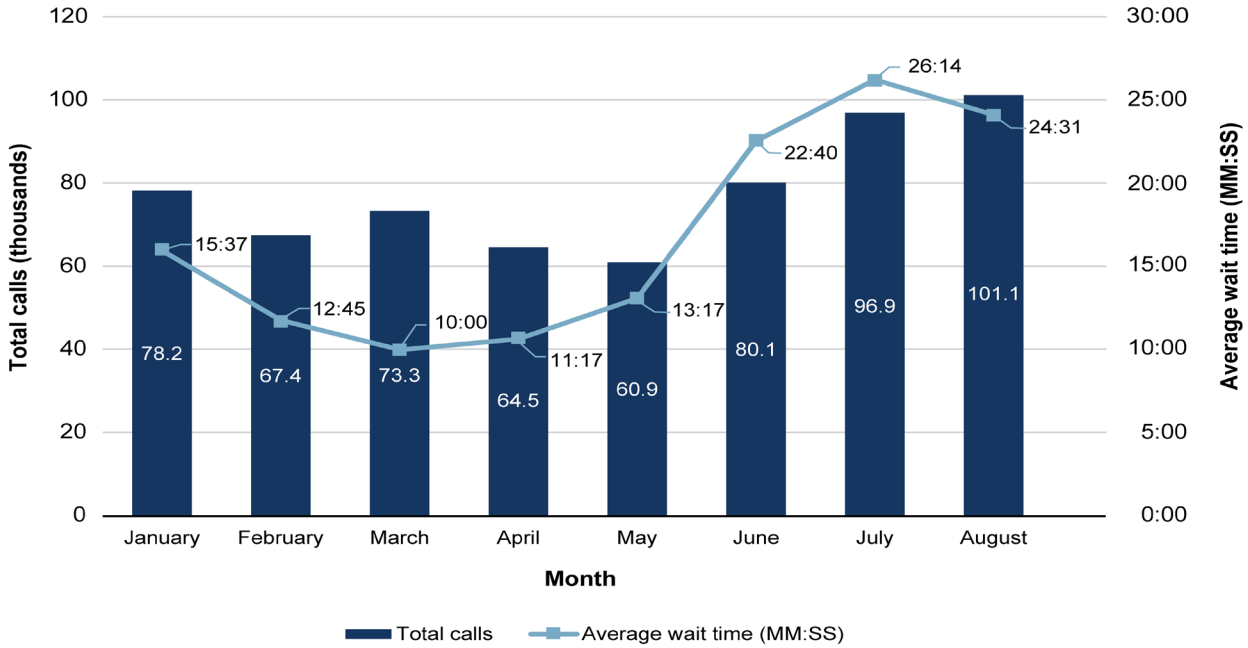
- CMS releases a monthly enrollment and eligibility snapshot and has indicated they will continue to publish these data
  - Published data are lagged by several months
- The IFR established reporting requirements for monitoring
  - States must report new work requirement-related metrics through performance indicator (PI) and Medicaid and CHIP Eligibility Processing (EP) data
  - Updates to the Transformed Medicaid Statistical Information System (T-MSIS) have not been released yet
- Stakeholders shared that several states have published, or are planning to publish, data related to work requirements through dashboards or other reporting mechanisms

Findings on Early State Implementation

Nebraska Implementation

- Nebraska implemented work requirements on May 1, 2026, and modified their application and online portal
  - Accepting self-attestation for most compliance activities (except for income), exceptions, and exclusions
- Stakeholders shared Nebraska has integrated Medicaid and Supplemental Nutrition Assistance Program (SNAP) eligibility workers to support the call center and did not hire more staff
- Beneficiary advocates shared that notices were confusing, lacked detail, and were written at a 14th grade reading level

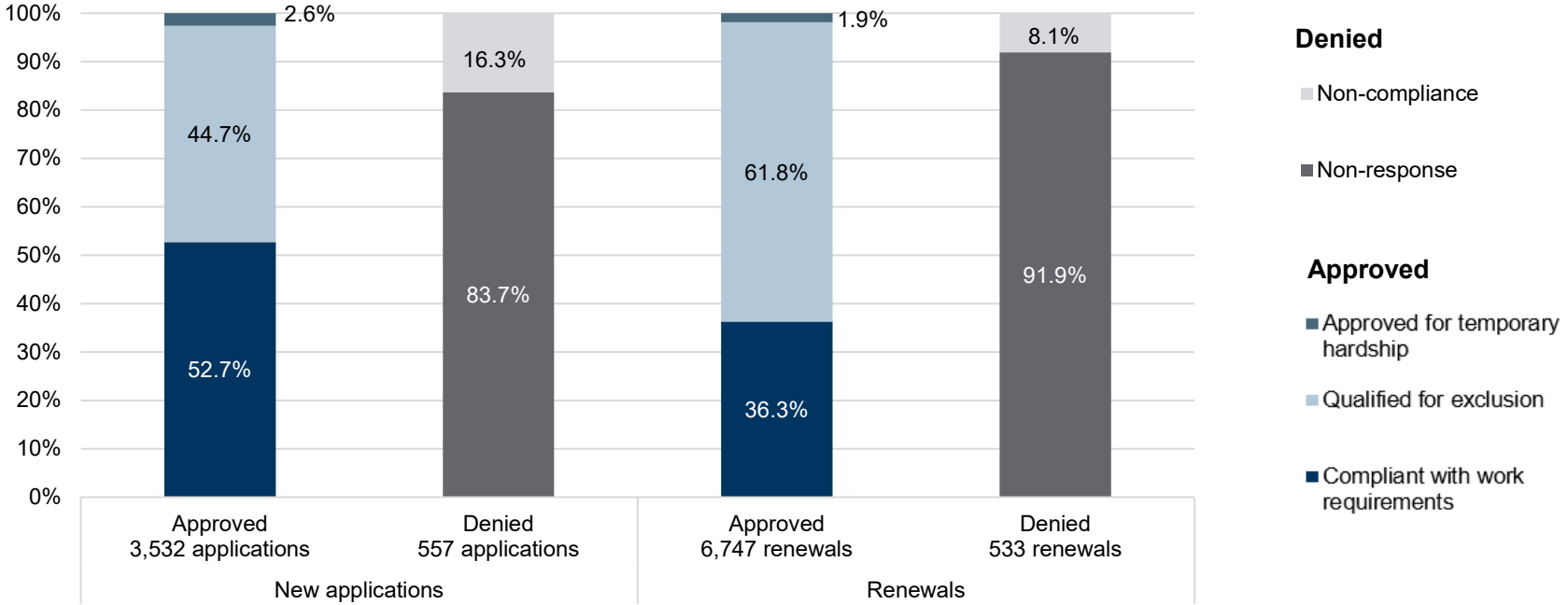
Nebraska Call Center Metrics, January–August 2026



Notes: MM:SS is minutes and seconds. Nebraska reports all call centers' data combined, which include eligibility staff that work on both Medicaid and other programs, such as the Supplemental Nutrition Assistance Program.

Source: Nebraska Department of Health and Human Services (NE DHHS). 2026c. ACCESSNebraska Performance Metrics. August 2026. Omaha, NE: NE DHHS. https://dhhs.ne.gov/Pages/ACCESSNebraska-Performance-Measures.aspx#docaccess-d0430741508b5069a6546cf36e9650c2.

Nebraska Application and Renewal Work Requirement-Related Outcomes, May–August 2026



Source: Nebraska Department of Health and Human Services (NE DHHS). 2026. Medicaid Advisory Committee: Draft meeting minutes. September 17, 2026. https://dhhs.ne.gov/Documents/DRAFT%20MAC%20Meeting%20Minutes%209.17.26.pdf.

Updates since release of IFR

New Federal Guidance

- Based on the IFR, states are anticipating guidance or additional resources on:
  - Coordination with exchanges
  - Submitting a request for a good faith effort exemption
- CMS continues to provide technical assistance and hold weekly state calls

Ongoing Litigation

- *Commonwealth of Massachusetts v. Oz et al*
  - June 29, 2026: Twenty-five states and the District of Columbia filed a lawsuit challenging aspects of the IFR's interpretation of work requirements, including medical frailty
  - July 29, 2026: Plaintiff states' motion for a preliminary injunction was denied
    - The court's decision sets an expedited schedule for a full briefing of merits before the implementation deadline
    - The hearing on the motion for summary judgment was on October 22, 2026
- *Taylor et al. v. Kennedy, Jr. et al*
  - September 18, 2026: Five Medicaid beneficiaries, six provider organizations and the City of Columbus filed a lawsuit challenging specific provisions, including the medical frailty exclusion definition and limitation on self-attestation
  - October 20, 2026: Plaintiffs filed a motion for summary judgement
  - November 3, 2026: Defendants shall file a cross-motion for summary judgment

Next Steps

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- Commissioners will have the opportunity to engage with the state panel on work requirements implementation
- In December, staff will return with updates from our monitoring efforts

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OCTOBER MEETING

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