

Service Blueprint: Medicaid Work Requirements (1/2)

Apply

Medicaid expansion adults will have work requirements starting on Jan. 1st, 2027, or earlier if the state chooses.

POLICY

The new work requirement policy carves out exemptions so that only adults who receive Medicaid as a result of Medicaid expansion after the Affordable Care Act was passed have to meet work requirements.

Work requirements are irrelevant for the 10 states who chose to not expand Medicaid: TX, WY, KS, WI, TN, MS, AL, GA, SC, FL.

In order to be eligible for Medicaid, clients must be either exempt or already complying with work requirements for at least 1 month (up to 3 months) before applying.

POLICY

States can choose to require a "lookback" period up to 3 months.

Searching for jobs is not a qualifying activity for complying with work requirements.

PAIN POINT

People newly applying to Medicaid because of a job loss will need to start doing qualifying activities (e.g., volunteering) in order to get Medicaid.

A state can preemptively grant short-term hardship to all Medicaid applicants in a region for disaster + unemployment rates.

POLICY

This is an option states can choose to take on, and would temporarily exempt everyone in that region from work requirements. Qualifying events include:

- Living in a county with a federally declared disaster
- Living in a county with an unemployment rate of 8% or 1.5 times the national average

States will need to implement blanket hardship definitions in their systems, and ensure that it's coded at the county level.

PAIN POINT

Many eligibility systems are not county-based already

Figure out if the client is **exempt from work requirements**, and if they're not exempt, if they are **meeting work requirements already**

Process application

For paper or phone applications, staff manually register the application.

STAFF ACTION

In some states, the eligibility system currently performs a real-time eligibility check.

SYSTEM

The system determines automatically if someone is eligible for Medicaid or not, depending on data entered from their application.

This is especially relevant for online applications

States with real time eligibility systems will need to modify system logic to incorporate work requirements checks

PAIN POINT

The system should attempt to screen for and verify exemptions.

If no exemption could be found and verified, it should attempt to verify compliance with "community engagement."

Eligibility systems with real time eligibility checks could automate generating a verification request based off of the application data.

OPPORTUNITY

Expedite the process of requesting verification documents by determining which verifications will likely be needed from the client to demonstrate possible work requirement exemptions or compliance

Determine if each person in the household qualifies for an **exemption**

Some categories of people are exempt from Medicaid work requirements, meaning they don't have to meet work requirements in order to get Medicaid.

POLICY

People are exempt if they are:

- 18 or younger, or 65 or older
- Pregnant or postpartum
- Living in a household with a dependent 13 or younger
- A parent or guardian of someone with a disability
- On (or entitled to) Medicare
- Eligible for non-MAGI Medicaid
- Disabled veteran
- Medically frail/special needs as defined by the Secretary of the Dept of HHS, including blind, disabled, substance use disorder, disabling mental disorder, physical/intellectual/developmental disability, serious or complex medical condition
- On SNAP or TANF and have to meet (not exempt from) the work requirements
- Participating in drug or alcohol rehab
- Current (or within the last 3 months) inmate
- Indian, Urban Indian, California Indian, or IHS-eligible Indian

Staff use application information to see if each member of the household qualifies for any exemptions

STAFF ACTION

Age and household member exemptions can often be assessed just from the application:

- 18 or younger or 65 or older
- Living in a household with someone 13 or younger
- A parent or guardian of someone with a disability
- Pregnant or postpartum

Staff use databases to see if any exemptions apply to each person in the household

STAFF ACTION

Databases can demonstrate exemptions such as:

- If a client is enrolled in Medicare/non-MAGI Medicaid
- If a client is a current/recently released inmate (if connected to state department of corrections)
- Currently enrolled in SNAP and not exempt from those work requirements (if integrated with SNAP eligibility)
- Currently enrolled in SNAP E&T
- State Department of Education for student status
- Drug/alcohol rehab participant, based on state's behavioral health agency data
- "Medically frail" as determined by certain Current Procedural Terminology (CPT) codes

In some states, database checks are done automatically.

SYSTEM

Some of these may be automatically run and pulled into the case

Identify, validate, and promote adoption of high-quality data sources for exemptions

OPPORTUNITY

[View a list of potential sources](#)

Medicaid eligibility systems will need to be changed to represent exemptions to work requirements.

PAIN POINT

States will need a way in their system to indicate that the individual is exempt from work requirements and why.

If **not exempt**, determine if they are **meeting work requirements**

If a client has to meet work requirements, they must be doing at least 80 hours a month of "community engagement" or earning more than \$580 a month in order to be able to get Medicaid.

POLICY

"Community engagement" could mean the client is:

- Working
- Volunteering
- In a work program
- In school half-time or more

Or, the client must be earning a monthly income that is at least:

- 80x the federal minimum wage, currently at least \$580
- \$580 per month once averaged across the previous 6 months, if the individual is a seasonal worker

If the client has listed they are working on their application, databases can verify if each household member is meeting the income or hourly requirements.

STAFF ACTION

Common databases showing employment and income information include:

- Quarterly Wage Data, if allowable via policy
- The Work Number
- Other income data sources

Quarterly Wage Data (QWD) is likely not fully usable to determine work requirement compliance.

PAIN POINT

QWD is the standard income database currently used for Medicaid eligibility. It aggregates a person's wages every 3 months, meaning it is insufficient to demonstrate if a client is meeting the work requirements for a shorter (1 or 2 month) lookback.

How will regulation define "income" for Medicaid work requirements?

QUESTION

If a person has income above a certain level (currently \$580/month), they are exempt from Medicaid work requirements.

Will SSI, Unemployment Insurance, gifts, or other forms of unearned income qualify as "income" for someone to be exempt from work requirements? Are there any types of earned income that would be excluded, or will regulation align with the definition of income for MAGI?

What will suffice as verification for volunteering?

QUESTION

A client will qualify as meeting work requirements if they are volunteering for 80 hours a month.

Note: Meeting work requirements via volunteering will likely apply to a small minority of clients.

States can decide whether they will accept a client's self-attestation as sufficient verification or if they need additional proof.

POLICY

How will states approach situations where self-attested information and information from data sources differ?

QUESTION

Will states require verification of discrepancies between self-attested income and income found from data sources, if the difference doesn't impact eligibility or whether a client is meeting work requirements?

What Payment Error Rate Measurement (PERM) implications will impact state choices on this?

Medicaid eligibility systems will need to be changed to represent compliance with work requirements.

PAIN POINT

States will need a way in their system to indicate the reasons why someone who doesn't have an exemption is also meeting the work requirements.

Improve use of income verification services to automatically determine if someone is already compliant

OPPORTUNITY

Verification sources could show the client already meeting work requirements by:

- Working at least 80 hours a month, OR
- Earning at least \$580/month

A report from the [Urban Institute](#) found that 52% of adults on Medicaid could be deemed exempt or compliant for Medicaid work requirements using ONLY data matches.

If **not meeting**, determine if they have **hardship**

States can choose to allow "short-term hardship" to count as meeting work requirements.

POLICY

Not all states will implement this. Qualifying short term hardship events include:

- Receiving inpatient hospital or nursing services, or services of similar acuity
- Must travel outside of their community for an extended period of time for medical services for a serious or complex medical condition

States will need to implement hardship request methods.

PAIN POINT

States will need multiple methods of requesting hardship, including some or all of the following:

- Mail
- Fax
- In person
- Email
- Online portal
- Phone

States will need to implement hardship indication in their eligibility systems.

PAIN POINT

Including the time limit for how long short-term hardship can be granted before additional verification is needed

A client can request short-term hardship

CLIENT ACTION

Hardship (outside of disaster and unemployment) must be requested in order to be granted.

Ideally this comes through on the application. If not, the client should be told that they can report this during the request for verifications or at eligibility determination.

Make the process of requesting hardship human-centered

OPPORTUNITY

Make it 1) easy to understand which life events qualify as hardship, 2) clear what options are available to report hardship, and 3) easy to actually report hardship

Staff process hardship request

STAFF ACTION

Review the hardship request and determine if it is valid

What will suffice as verification for hardship?

QUESTION

For some reasons (e.g., disaster, regional unemployment), no verification will be needed.

For others, the Center on Medicare & Medicaid Services (CMS) may require additional verification depending on regulation that has yet to be written.

Get and submit verifications

Some exemptions likely require the client to submit verification documents.

POLICY

Such as:

- Medically frail
- Drug/alcohol rehab participant

Could states use medical information provided from the care orgs/plans to determine someone is medically frail?

QUESTION

HRI includes a clause preventing Managed Care Organizations (MCOs) or other medical contractors from determining beneficiaries' "compliance" with work requirements.

Can the state use data from these organizations in the process of determining compliance, if the MCO does not determine it themselves? Can the state use MCO data to determine exemptions? Hardship? How does HIPAA play a role here?

If needed, staff will request verifications.

STAFF ACTION

The request should be sent to the household, but should list each individual and their required verification, as well as examples of potential documents that could be used.

The request should also detail how a client can claim short-term hardship if they can't meet the requirements.

Will caseworkers be allowed to use collateral contacts as acceptable verification?

QUESTION

Documents are the current standard for Medicaid. Will regulations allow caseworkers to, like SNAP, use collateral contacts?

Do Medicaid eligibility staff have a "duty to assist" clients with obtaining verification?

QUESTION

In SNAP, the caseworker has a responsibility to track down information. Does this exist in Medicaid?

Client gets notice of verifications requested

CLIENT ACTION

Improve notices and communications

OPPORTUNITY

States will have to modify their request for verification notices to explain the verification needed to either prove exemptions or to show that the client is already meeting work requirements. There is an opportunity to re-design the notices to be more simple to understand and take action on.

Client submits verification to the agency

CLIENT ACTION

States must accept paper copies of verifications, and may optionally accept documents online or faxed.

Verification submission is a known challenge for benefits access

PAIN POINT

Some known issues include:

- The notice may be unclear, or the client doesn't get the notice
- Clients may submit verification insufficient to prove exemption or work status
- The way that clients can submit verification may not be very usable
- Clients working in informal or gig economy may have limited documentation of work

Ease document submission

OPPORTUNITY

Ideas include:

- Chatbots or checklists to ensure clients are providing the correct documents
- Functionality to take a photo with one's phone to submit documents

Connect verification documents with relevant case

SYSTEM

Process could be manual or automated, depending on system design

Staff process verifications submitted by the client

STAFF ACTION

If needed, request additional verifications or clarify if a verification was insufficient

Automate parts of document validation

OPPORTUNITY

Ideas include tools that:

- Screen for common errors with document uploads
- Validate documents being uploaded
- Extract data, such as for tagging document types or entering data into eligibility systems that caseworkers can easily review

Service Blueprint: Medicaid Work Requirements (2/2)

Determine eligibility, and if and how work requirements apply



Maintain and renew benefits

Reporting a change



Renewing benefits, including automatically through an "ex parte" renewal

