# Medicaid work requirements: What providers and community partners need to know

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# Speakers

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# HR 1: Federally mandated work requirements for the Medicaid expansion population

# Federally-required work requirements and CMS Interim Final Rule

- For the first time, there will be federally-mandated work requirements in the Medicaid program
- Individuals enrolled under Medicaid Expansion or Group VIII are subject to these requirements beginning January 2027
- Requires 80 hours/month of work, education, or community engagement to maintain eligibility, unless meeting an exemption
- Centers for Medicare and Medicaid Services (CMS) released the Interim Final Rule (IFR) on June 1, 2026 implementing work/community engagement requirements
- IFR effective July 31, 2026; public IFR comment period was open through July 31, 2026
- **IFR is now referred to as the Interim Final Rule with Comment or IFC**

# Medicaid expansion enrollees in Ohio

- ~700,000 Ohioans are enrolled under Expansion/Group VIII eligibility
- Aged 19-64 with incomes at or below 138% of the federal poverty level ($22,025 for one person for 2026)
- Includes working Ohioans, parents and caretakers, people living with disabilities or health conditions
- Expansion fills what was a gap in coverage options for this population, pre-Affordable Care Act

# Data from the Ohio Department of Medicaid (ODM) (as of June 2026)

| Category | Count | Percent Total |
|---|---|---|
| **Individuals that meet statutory requirements** | **560,440** | **78.3%** |
| Working | 302,829 | 42.3% |
| Age | 552 | <0.1% |
| Medically frail or disabled | 132,991 | 18.6% |
| Parent of a child aged 13 or younger | 14,357 | 2.0% |
| Pregnant, incarcerated, or former foster care | 14,475 | 2.0% |
| Other qualifying activity | 26,074 | 3.6% |
| Other Medicaid eligibility | 69,162 | 9.7% |
| **Requires assessment** | **155,031** | **21.7%** |
| TOTAL | 715,471 | 100.0% |

# Screening process that will be applied to Group VIII enrollees

1. **Are you exempt?**
   **ODM first checks information it already has, via a process called ex parte, to determine whether an exemption applies.**
2. If an exemption cannot be verified automatically, are you already meeting the requirement?
   ODM checks available data, again via ex parte, for work, income, education or other qualifying activities.
3. If neither can be verified, you may need to provide documentation.
   Individuals may need to document an exemption or show that they completed qualifying activities.

# Exemption criteria

- Under the age of 19 or over age 64
- Pregnant or entitled to postpartum medical assistance
- Parent, guardian, caretaker relative, or family caregiver of a dependent child 13 years of age and under or a disabled individual
- Participating in a substance use disorder treatment program
- Incarcerated or recently released from incarceration
- Veteran with a disability rated as total
- Entitled to or enrolled for benefits under Medicare Part A or enrolled for benefits under Medicare Part B
- Current or former foster child under the age of 26
- Native American, Urban Native American, or California Native American
- Participating in the TANF program and meeting any work requirements imposed as part of that program
- Member of a household that receives SNAP benefits and is not exempt from a work requirement under such act
- Medically frail

# 5 exemptions under medical frailty

1. Blind or disabled under Social Security rules
2. Substance use disorder with fewer than 5 years of stable recovery
3. Disabling mental health condition
4. Individuals with a physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more **Activities of Daily Living (ADLs)**
5. Serious or complex medical condition
    - Cancer
    - End stage renal disease
    - HIV/AIDS
    - ALS/Parkinson's Disease
    - Multiple sclerosis
    - Sickle cell disease
    - Cystic fibrosis

# Documents that show you are exempt

Source: Ohio Department of Medicaid, includes this note: “the information presented here is subject to change prior to program implementation based on future CMS guidance.”

| Exemption | Verification |
|---|---|
| Pregnant or Postpartum | • Verbal or Written Statement of Pregnancy<br>• Doctor’s Statement<br>• Newborn Birth Certificate |
| Parent or Caretaker to child age 13 and under or Disabled Individual | • Disability Award Letter<br>• Doctor’s Statement<br>• Birth Certificate<br>• Custody Documents |
| Current or Former Foster Care Child up to Age 26 | • Court Order<br>• Letter from Public Children’s Services Agency |
| Entitled to Medicare Part A or B | • Copy of Medicare Card |
| Disabled Veteran (rated as total) | • Disability Award Letter |
| Medically Frail including disability or hospitalization or serious illness | • Disability Award Letter<br>• Doctor’s Statement |
| Drug or Alcohol Treatment | • Doctor’s Statement<br>• Statement from Treatment Facility or Program |
| Incarcerated (current or released within prior 90 days) | • Proof of Release Statement<br>• Bail Related Documentation |
| Member of a Native American Tribe | • Tribal Identification Card<br>• Official Statement from Federally Recognized Tribe |

# How Ohio will use ICD-10 diagnosis codes

- International Classification of Diseases or ICD-10 codes are the diagnosis codes recorded when a person receives health care
- ODM has identified nearly 2,000 codes associated with conditions it considers medically frail.
- At application and renewal, the state will check available Medicaid claims from the past 12 months for one of these codes.
- If a matching code is found, the person will be automatically exempt from the work requirement based on medical frailty.
- The individual should not have to submit additional documentation for that automatic exemption.

# A person may have a serious health condition but still not be automatically identified as medically frail…

- This could happen if:
  - their condition is not included on the ICD-10 code list;
  - the diagnosis was not recorded on a Medicaid claim during the lookback period; or
  - they are newly applying and Ohio does not have recent claims information available.
- If the state cannot verify an exemption electronically, the person may receive a request for additional information, and a health care provider may need to document how the condition affects the person's ability to meet the requirement.

# Takeaway: Automatically Exempt Through ICD-10 Codes

- Ohio will check available Medicaid claims from the past year for nearly 2,000 ICD-10 diagnosis codes associated with medical frailty.
- If a qualifying code is found, the person will be automatically exempt from the work requirement.
- The person will not need to request the exemption or submit additional documentation.

# Takeaway: Even without qualifying ICD-10 code, it's still possible to qualify for medical frailty exemption

- Even with no qualifying ICD-10 code, a person may still be exempt.
- A health condition may still limit someone's ability to work or participate in other activities.
- This process for determining these exemptions has not yet been fully outlined, but will involve more documentation and a clinician's determination

# Risks for Medically Vulnerable Populations

- Individuals with serious conditions may still need to prove inability to comply
- A diagnosis alone may not automatically establish the exemption.
- Individualized assessments may require documentation of functional limitations. IFC creates uncertainty around:
  - What qualifies as “significantly impairing” ability to work
- **Administrative burden could cause eligible people to lose coverage for procedural reasons.**

# Expected provider impacts

- Providers may need to:
  - Document medical frailty and functional limitations
  - Respond to verification requests
  - Support patients through exemption processes
- Requires new workflows, documentation, and electronic health record updates
- At the same time:
  - 6-month redeterminations going into effect

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   **ODM checks available data, again via ex parte, for work, income, education or other qualifying activities.**
3. If neither can be verified, you may need to provide documentation.
   Individuals may need to document an exemption or show that they completed qualifying activities.

# Work and community engagement requirements: qualifying activities

**Employment**

- Full-time, part-time or temporary paid work.
- In-kind work such as working in exchange for housing, meals or utilities.
- Self-employment and unpaid experience such as unpaid internships.

**Education**

- Enrolled at least part-time in a qualifying program at a college, university, community college, trade school, vocational school or career and technical education program
- Enrolled in a state-approved GED program

# Work and community engagement requirements: qualifying activities

## Community service

- Must be unpaid and through a structured program run by a nonprofit or public organization that can verify an individual's hours

## Meet the income requirement

- Households (MAGI definition) whose monthly earnings are at least equal to 80 hours at the federal minimum wage ($7.25/hour, or about $580/month) may satisfy the requirement without tracking monthly hours. For reference, Ohio's minimum wage is $11.00/hour in 2026.

## An official government job training program

- Workforce Investment Opportunity Act (WIOA) training programs SNAP employment trainings Veterans' employment programs run by the U.S. Department of Labor and/or Department of Veterans Affairs State approved programs

# Work and community engagement requirements: qualifying activities

## Combine Activities

- Individuals may combine employment, education, community service, and approved work programs to reach a total of 80 hours.

# How to document work and community engagement

| Activity | Verification |
|---|---|
| Work or Employment, including Self-Employment | • Paycheck Stubs showing your last 30 days of income (If you are paid every other week, provide 2 paycheck stubs. If you are paid once a week, provide 4 paycheck stubs.)<br>• Letter from employer providing hourly wage, hours worked, and pay frequency<br>• If self-employed, a copy of your most recent income taxes or ledger |
| Community Service | • Letter from organization providing scheduled hours and begin date |
| Work Program | • Letter from organization providing scheduled hours and begin date |
| Education and Training Activities | • Enrollment documentation<br>• Class schedule |

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# Documenting and more documenting

- If an exemption or qualifying activity cannot be verified automatically, the individual will need to provide documentation
- This creates additional steps for enrollees, providers or others supplying verification, and county caseworkers processing eligibility
- Medical frailty, beyond ODM's ICD-10 code list, will likely be the most intensive to document, but other activities require specific documentation for verification

# What happens starting in January, 2027?

- **For new applicants**: any new applications submitted on or after Jan. 1, 2027 will be subject to the work and community engagement requirements
- **For enrollees who are renewing**: any renewals initiated on or after Jan. 1, 2027 will be subject to the work and community engagement requirements
  - This **will not** result in immediate coverage loss for existing enrollees on Jan. 1, 2027 for failure to comply with the new requirements, only that any new application or renewal on or after this date will be evaluated according to the new requirements.

# Implementation timeline

## Work and Community Engagement Requirement

| | |
|---|---|
| **January 1, 2027** | New applications submitted on or after this date undergo evaluation for the requirement.<br>Renewals initiated on or after this date also undergo evaluation. |
| **April 2027** | First renewal due dates covered by the requirement, beginning with renewals initiated in January. |
| **May 1, 2027** | For the first round of renewals, ODM will disenroll individuals effective May 1 if they do not provide additional information that allows ODM to verify exclusion or compliance. |

# Potential impact of these changes

- ODM estimates that approximately 155,000 Expansion enrollees will require additional assessment to determine whether they meet an exclusion or comply
- Experience from other major changes suggests that coverage losses can also occur because of:
  - missed notices,
  - incomplete documentation,
  - difficulty navigating reporting requirements,
  - language barriers,
  - technology barriers, or
  - delays in processing verification.

# Ways to support implementation

Support effective outreach

Connect individuals to exemptions

Reduce administrative barriers

Create feedback policy/decision makers

Monitor outcomes

# Ohio Department of Medicaid resources

- Work and Community Engagement Requirements landing page
- Medically frail ICD-10 codes
- ODM slides from August, 2026
- Partner packet for outreach

# QUESTIONS?




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