Update on Federal Medicaid Work Requirements

Updated: June 8, 2026

In the summer of 2025, the President signed into law a bill that makes historic cuts and changes to Medicaid and other vital programs. This law will make $1 trillion in cuts to Medicaid in the next 10 years, which will significantly impact people, families, providers, and states who rely on funding from the federal government. **You can read our analysis of that bill here.**

The law included policy changes such as implementing work requirements as a condition of eligibility for Medicaid services. On June 1, 2026, the Centers for Medicare and Medicaid Services (CMS) released their guidance to states on how to implement these work requirements in compliance with the new law. Our analysis of that guidance is below.

Refresher on Medicaid and Work Requirements

Medicaid is a joint state and federal program that supports millions of low-income individuals, families, seniors, and people with disabilities. In addition to providing health insurance to 1 in 5 people nationwide, Medicaid also enables 7.8 million people to live independently thanks to **home and community-based services**. The federal government sets certain policies and guidelines and provides a large portion of funding. States administer their own programs and set their own requirements but must follow the federal rules.

The vast majority of Medicaid recipients who can work are already working. Many who are not working want to but can't find suitable jobs due to barriers and lack of employment support. **Work requirements do not increase employment rates**. Instead, they add administrative barriers that make it challenging for people to keep their coverage.

What Was Proposed? How Will This Impact People with Disabilities?

The Federal Budget Reconciliation Bill called for "able-bodied" adults aged 19-64 to work or participate in school or community service for at least 80 hours per month in order to qualify for Medicaid coverage. On June 1, 2026, **the Centers for Medicare and Medicaid Services (CMS) released their guidance to states** on how to implement these work requirements.

Importantly, people who receive Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) are exempt. The legislation also included general exemptions for those who are "medically frail" or have "special medical needs" and for caregivers, but it was unclear until this guidance was released how states must determine these exemptions.

The CMS guidance states that people with physical, intellectual, or developmental disabilities will only be considered "medically frail" if their condition "significantly impairs" their ability to perform at least one activity of daily living (ADL). If the person's disability does not impact their ability to perform one or more ADLs, they would not be exempt.

Parents, guardians, and caregivers will be exempt from these work requirements even if they live with the person they are caring for. If a caregiver is paid through a Medicaid program, those hours will count toward the 80-hour monthly requirement. Both situations will still likely result in administrative and paperwork hurdles in order to prove that they are meeting the requirements. This will likely result in situations where caregivers are exempt and are able to keep their coverage, while their disabled loved one loses access to their care.

This guidance is far stricter than anticipated, and we are concerned that this will cause extreme administrative barriers that will cause people to lose their coverage. In general, **The Urban Institute** estimates that as many as 10 million people could lose Medicaid benefits due to work requirements. Many of those impacted individuals would still be *eligible* for benefits, but will lose coverage because they are unable to keep up with the paperwork.

What Happens Next?

What was released on June 1, 2026 was an "interim final rule." Public comments will be accepted through July 31, 2026. Anyone is welcome to submit public comments to share their thoughts and concerns about this proposal.

41 states, including Massachusetts, who have expanded Medicaid under the Affordable Care Act will be required to implement work requirements beginning on January 1, 2027.

It is important to note that Massachusetts is already working to ensure that people retain their coverage whenever possible. The Arc of Massachusetts is actively engaged in conversations with MassHealth and the Governor's administration about ways to minimize the harm, stress, and loopholes for people with disabilities and their caregivers.

We will continue to share updated information. We know that this is confusing and frustrating. Please stay engaged and reach out if you have questions or need support.

You can contact Nora Bent, Senior Director of Government Affairs and Advocacy, at **nbent@arcmass.org**.