

# FAQ

## Medicaid Work Requirements Under the One Beautiful Bill Act (OBBBA)

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### What is the OBBBA?

Signed into law on July 4, 2025, the One Big Beautiful Bill Act (OBBBA) is sweeping federal legislation that includes provisions establishing Medicaid work and community engagement requirements for certain adult Medicaid enrollees. This marks a significant shift in Medicaid policy and will require new systems, partnerships, and outreach strategies to ensure compliance and minimize unnecessary coverage loss.

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### What are work and community engagement requirements?

As passed in the OBbBA, “community engagement” requirements (also known as work requirements) are a condition of Medicaid eligibility in which adults who are otherwise eligible must show they are meeting 80 hours per month of one (or a combination of) the following activities:

- Employment (paid work),
- Job training or educational program,
- Volunteer or community service, or other approved engagement activities.

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### Who is impacted?

Work requirements apply to individuals who are eligible to enroll, enrolled, or otherwise eligible to enroll in Medicaid who are between the ages of 19 and 64, are able-bodied, not pregnant, and not entitled, enrolled, or otherwise eligible to enroll in Medicare. Generally, exemptions apply for the following:

- Pregnant individuals
- Certain parents or caregivers of young children
- Individuals with disabilities or medically frail
- People experiencing temporary crises

The Congressional Budget Office projects 7.8–11 million could lose Medicaid coverage over time due to these requirements. There is a risk of administrative disenrollment – people losing coverage despite being eligible – due to the complexity of state implementation and lack of adequate stakeholder and enrollee engagement.

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### When do work requirements go into effect?

Work requirements will be part of Medicaid eligibility determinations starting January 1, 2027. However, states may implement the requirements earlier (as determined by the state) or later (if the state requests an exemption). Any exemptions granted to states expire December 31, 2028, making work requirements effective for those states on January 1, 2029.

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### Who tracks work requirements compliance?

States will be responsible for tracking, verifying, and reporting enrollee compliance and exemptions. The OBBBA requires states to rely on “ex parte” verifications, meaning that states will have to establish processes to verify compliance and exemptions using existing, reliable information about enrollees. This information can come from state payroll databases, medical provider encounter data, or Medicaid payments to states for individuals. Where possible, states must leverage these existing data without requiring individuals to submit additional information.

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### How often does compliance verification occur?

States must verify compliance upon initial enrollment and upon the enrollee’s regular Medicaid redetermination. However, states may elect to verify compliance more frequently.

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### What happens if an individual is deemed out of compliance?

If the state cannot verify compliance for an individual, the state must provide them 30 calendar days to provide proof of compliance or exemption. If no satisfactory proof is received, the state may deny the individual’s Medicaid enrollment application or disenroll the individual from Medicaid, effective the month following the 30-day response period.

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### Are states required by law to provide notice of these changes?

Yes. Under the OBBA, states must conduct outreach to applicable individuals enrolled in Medicaid by August 31, 2026 (or earlier, if a state has elected to implement these requirements prior to January 1, 2027). At a minimum, states must provide notice on how to comply with these requirements, the consequences of noncompliance, and how to report changes that may impact an individual’s eligibility. Notice must be provided by regular mail (or e-mail) and at least one other form (e.g., phone call, text message, website).



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