H.R. 1 MEDICAID WORK REPORTING REQUIREMENTS: WHAT WE KNOW SO FAR / WHAT NEW YORKERS CAN EXPECT

This information is based on what we know at the time of publication of this document. This information is subject to change as New York State works to implement H.R. 1.

WHAT IS HAPPENING

Starting January 1, 2027, to be found eligible for Medicaid, some people who have Medicaid insurance coverage must prove they:

- make at least $580 per month in wages or some other forms of income; or
- work or volunteer at least 80 hours per month; or
- are in school at least half time.

The federal budget reconciliation legislation enacted in 2025—H.R.1—refers to this as "community engagement."

WHO IS AFFECTED

Adults aged 19 to 64 will be subject to these requirements.

Many people are exempt from the work requirement. They include:

- Pregnant people and those pregnant in the last 12 months
- People with disabilities and/or medical frailty (such as physical, mental, or developmental condition) that keep them from being able to work, volunteer, or go to school
- Caregivers of dependent children under age 14 and others with long-term needs
- People in treatment programs, such as those for substance use disorder
- People receiving Supplemental Security Income (SSI)
- People currently in jail or prison or released in the last 90 days
- Young people in foster care or those who are under age 26 and were in foster care
- People meeting SNAP (food stamps) or TANF (temporary assistance for needy families, cash assistance) work reporting requirements
- American Indian or Alaska Native
- Veterans with total disability

People who meet these exemptions are referred to as "specified excluded individuals" in the federal rules governing implementation of these changes.

In addition, the state is operationalizing four short-term exemptions allowed by the federal rules:

- People who are or were in the hospital or a nursing facility in the past 12 months
- People who had to travel for serious medical care not offered nearby for themselves or a dependent
- People who live in an area where the federal government declared an emergency or disaster
- People who live in an area with very high unemployment
    - At this time, Bronx County meets this threshold. People in the Bronx will not be subject to work reporting requirements.

For the first two, people will need to provide information on the application; for the second two, NYS will let people know if they apply to them.

The NYS Department of Health is working on systems changes that should allow the State to verify these exemptions through their systems. This means the State would verify you are working or meet an exemption from working by checking data/information available to them. If data or other information does not exist or is not available to the Department of Health to verify someone meets the medical frailty definition, people will be able to self-attest they meet the exemption. Self-attestation will only be allowed in 2027.

WHAT WE UNDERSTAND ABOUT THE DETAILS (AT THIS TIME)

The NYS Department of Health is working on implementing this enormous change. The federal rules governing implementation were released by the federal Centers for Medicare and Medicaid Services (CMS) on June 1, 2026. This leaves little time for the State to implement this in time for the January 1 start date.

Here are a few things we have learned about New York's implementation of this requirement (based on the state's public convenings, meetings, and conversations with Health Department staff):

- Everyone currently enrolled in Medicaid who the state thinks will be subject to work reporting requirements received a notice from the NYS Department of Health in September alerting them this change is coming.
- New applicants must comply one month prior to their application. In other words, you must meet the work/volunteer/school requirement in the month before you apply for Medicaid.
- People renewing their Medicaid must meet the requirement in any one of the six months leading up to their renewal.
- Activities can be combined to meet the 80 hours per month requirement.
- A household can be in compliance with the rule based on one family member's income.
- Hundreds of thousands of Medicaid case files are being moved from the county local social services districts to the New York State of Health insurance marketplace. Counties will be asked to make sure they continue to have staff at the social services offices who will be prepared to tell people what they will need to do to apply for and renew their Medicaid coverage.
- People who are enrolled in Medicaid because they receive cash assistance will no longer automatically be enrolled in Medicaid.
- Seasonal workers will be assessed on previous six-month average income to determine if they meet the income threshold.
- People found not compliant will receive a notice and will have 30 days to comply to gain or retain coverage.

MAJOR CONCERNS

New York is a state interested in keeping as many people covered by Medicaid as possible, and the Department of Health staff are working hard to implement this major change in ways that will protect coverage. With that said, the timeline and magnitude of this change will mean thousands of people will be at risk of losing their Medicaid coverage.

- We know from other states that have tried this that people will lose coverage due to paperwork barriers and systems glitches, not because they are no longer eligible for Medicaid.
- H.R.1 also requires everyone who is required to comply with these new work rules to renew their Medicaid coverage every six months instead of once a year. This will result in additional coverage losses.
- Continuous coverage protections that provided Medicaid or Child Health Plus eligibility from birth to age six no longer apply. Children will go back to having annual renewals.

WHAT MEDICAID BENEFICIARIES SHOULD DO

As these major changes are being implemented, Medicaid beneficiaries and those seeking Medicaid coverage can take steps to protect their coverage and eligibility by:

- Watching for mail and other communications from the NY State of Health Insurance Marketplace regarding the requirements, including new information in their online account;
- Making sure their contact information is up to date in their NY State of Health account;
- Contacting a navigator for help applying for Medicaid or renewing their coverage ;
- Referring to the NY State of Health "Stay Covered" website for the most up-to-date information at info.nystateofhealth.ny.gov/stay-covered.

MORE INFORMATION / RESOURCES

A variety of issue briefs, fact sheets, and more can be found on the Medicaid Matters New York website: *medicaidmattersny.org/federal-issues/#work-requirements*