CODE *for* AMERICA

Implementing Medicaid Work Requirements: A Guide for States

An implementation-focused perspective on new rules introduced by H.R. 1

Updated July 2026

The One Big Beautiful Bill Act of 2025 (OBBBA) placed new community engagement requirements (also called “work requirements”) on Medicaid participants, and required state Medicaid agencies to implement system changes to support and verify enrollees’ compliance. On June 1, 2026, The Centers for Medicare and Medicaid Services (CMS) released an Interim Final Rule (IFR) giving more definition to these requirements.

The IFR includes significant changes from the plain language of the statute, and differed from assumptions that many states made, based on conversations with CMS, as they planned for the system and business process changes needed to implement the new requirements in January 2027.

The spirit of this explainer is to help reduce harm to eligible clients and support states in final planning. This is an update to the explainer we released in August 2025, and includes analysis of the requirements newly defined in the interim final rule, from an implementation-oriented perspective.

Disclaimer

Consult with your policy team before any implementation of public benefit systems. This explainer is not legal advice, nor is it guaranteed to be valid and correct in every context and situation.

⚠️ Individual Eligibility ⚠️

It’s important to remember that when evaluating a client for work requirement applicability or compliance, the person should be evaluated **as an individual.**[1] Even though their applicability or compliance may be dependent on their household circumstances, a person is evaluated **as an individual, not a household.**

Note: the possible outcomes from an eligibility determination are provided as a cheat-sheet in Appendix A.

🔖 **Key Concepts: Applicable Individual, Exclusions, and Exemptions** 🔖

The statute and IFR define a set of terms that are used to categorize clients. These are some of the most important when determining what outcome each individual receives.

Applicable Individual: A person who must demonstrate compliance with the community engagement requirements in order to receive Medicaid coverage.

Exclusions / Specified Excluded Individuals: Exclusions are situations, conditions, or circumstances that make a person *not subject* to the community engagement requirements for as long as they apply. When someone qualifies for an exclusion, they are considered a "Specified Excluded Individual" and are no longer an "Applicable Individual" while those exclusions apply. Exclusions are based on a person's circumstances in the month they apply for (or renew) coverage.

Exemptions: Situations or circumstances that *satisfy* the community engagement requirements, for the month(s) in which they apply. A person who receives an exemption *remains* an applicable individual; exemptions are one way that they can remain in compliance with the requirements, but the requirement still applies to them. Exemptions are based on a person's circumstances in the review month(s) that the agency checks for compliance.

Applicable individuals

The rules specify that the new **community engagement requirements apply only to the expansion adult population** (also called "group 8"), **and people eligible under section 1115 demonstration projects that cover a similar population to that covered by expansion**— adults who are ages 19 through 64, not pregnant, blind, or disabled, and not eligible for any other Medicaid group.[2]

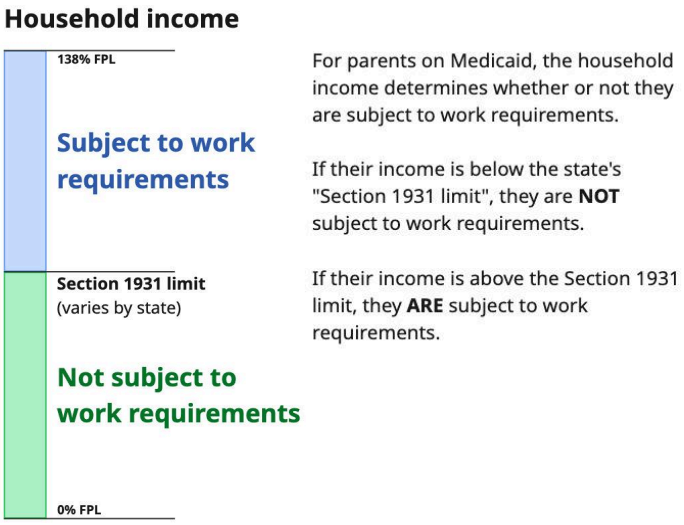
If someone falls into any other Medicaid eligibility category, they are not an "applicable individual," and **community engagement requirements don't apply to them**. Nothing further needs to be done to determine if they satisfy the new rules. In addition, some people in this eligibility group may be "excluded" (see "Exclusions") and would not be applicable individuals.

Policy detail: Parents and caretakers

In expansion states, parents and caretakers are eligible for Medicaid up to 138% of the Federal Poverty Level (FPL). However, their income determines if they are eligible under the "expansion" adult population or the "pre-expansion" parent/caretaker population, also called the "Section 1931 limit."

Each state has a different Section 1931 limit.
If the parent/caretaker's income is below the Section 1931 limit, they **are not** subject to the community engagement requirements. If their income is above the limit (and below 138% FPL), they **are** subject to community engagement requirements.

Depending on the age or disability status of the child/individual under care, the parent may be **excluded from the requirements** or **exempt** for one or more months.



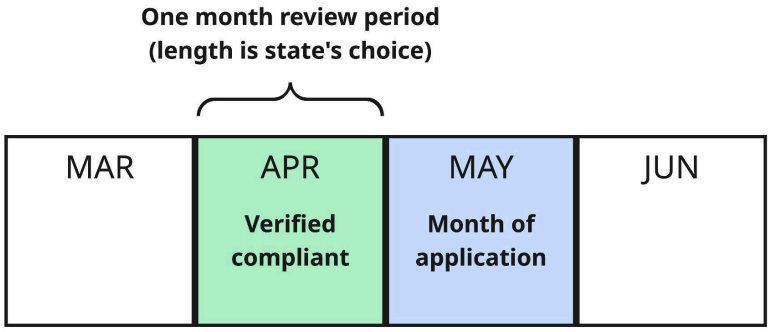
Exclusions

Some people in "group 8" (adults covered by expansion Medicaid or equivalent 1115 demonstrations) are considered **specified excluded individuals** for the purposes of community engagement requirements. Excluded individuals are not subject to the requirements[3].

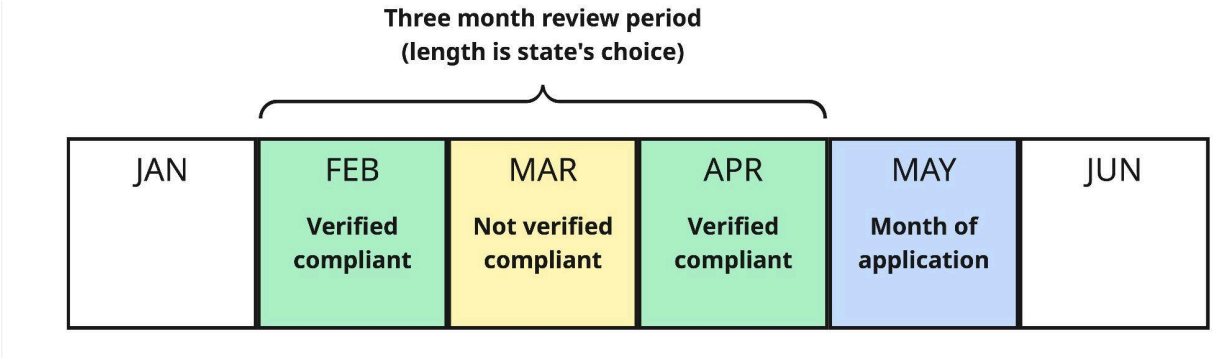
Importantly, excluded individuals **must not be assessed for work requirement compliance**. This makes checking for applicability and exclusions the first step of any state's work requirement assessment process.

The application/renewal review period

Unlike Supplemental Nutrition Assistance Program (SNAP) time limit rules (also called "Able-Bodied Adult Without Dependents" or ABAWD rules)—which look forward—the new Medicaid rules look *backward*. This means an applicant (or a participant who is renewing) must be compliant with the new rules for **one to three months** immediately prior to their application and **one or more months total** between their most recent certification and their renewal. This period is called the "review period" (or "lookback")[4] States have the option to set the length of their review periods.



In this example, the applicant applies in May. The state has a one month review period, so they verify April only. The client was verified compliant in April, so they are compliant with the requirements.



In this example, the applicant applies in May. The state has a three-month review period, so they review February, March, and April. The client was not verified compliant in March, so they are not compliant with the requirement and their application will be denied.

At renewal, these months **do not have to immediately precede** the renewal month; they can be any months between the last certification and current certification. States should check all months in that range until they find that the client has demonstrated compliance or hardship exemptions for the specified number of months, or there are no months left.

More frequent verifications

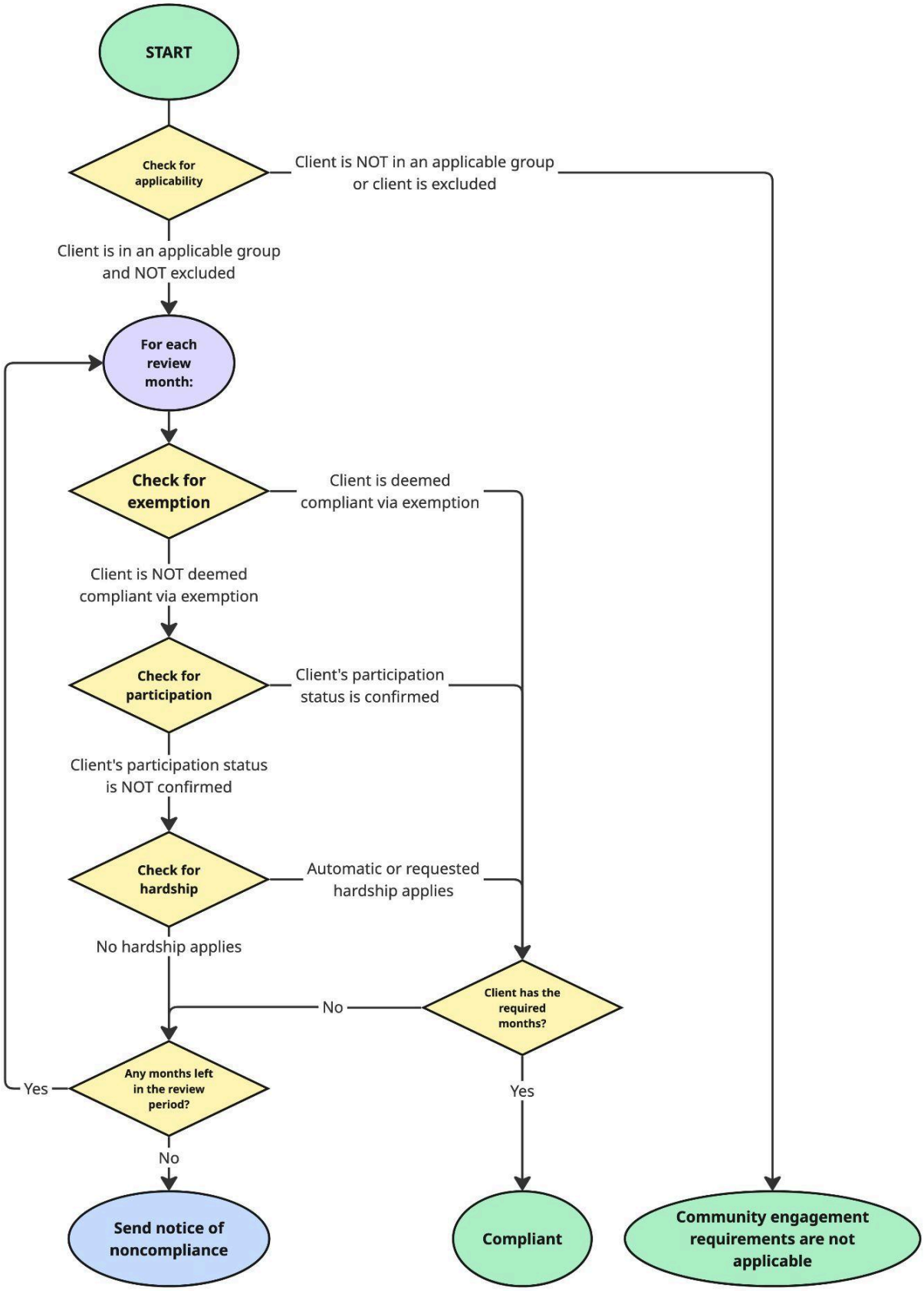
Finally, states have the option to verify compliance for applicable individuals **more frequently** between renewals.[5] The frequency of these verifications is up to the state.

If a state chooses more frequent verifications, they **can only apply to applicable individuals**. Excluded individuals **must not be reverified**.

At this verification, the review period goes back to **the most recent demonstration of community engagement**. If a state is doing multiple verifications during an eligibility period, they cannot "look back" further than the last verification. Like renewal, states must check all data sources before requesting information from the client.

An example compliance flow

There are two key components for determining someone's compliance status for the purposes of Medicaid work requirement eligibility: determining applicability/exclusions, and reviewing the client's review period for compliance. What follows is an **interpretation** of how these components could be most effectively implemented. These steps will be broken down and detailed in following sections.


START
Check for applicability
Client is NOT in an applicable group or client is excluded
Client is in an applicable group and NOT excluded
For each review month:
Check for exemption
Client is deemed compliant via exemption
Client is NOT deemed compliant via exemption
Check for participation
Client's participation status is confirmed
Client's participation status is NOT confirmed
Check for hardship
Automatic or requested hardship applies
No hardship applies
Client has the required months?
No
Yes
Any months left in the review period?
Yes
No
Send notice of noncompliance
Compliant
Community engagement requirements are not applicable

1. **Check for applicability:** The first step to assessing someone's work requirement status is to determine their appicability—if they are an **applicable** or **excluded individual**.
    a. **Determine eligibility group:** Community engagement requirements only apply to expansion eligibility groups. This includes people receiving "group 8" coverage and any person eligible under equivalent section 1115 demonstration projects. If a person does not fall into this eligibility group, then community engagement requirements do not apply.
    b. **Screen for exclusions:** Once someone is determined to be in group 8, the state must screen for exclusions. If a person meets one or more exclusions, they are considered to be a **specified excluded individual**, and are excluded from community engagement requirements entirely. Certain exclusion statuses can be granted permanently (specifically, exclusions for veterans with total and permanent disabilities and for American Indians/Native Americans) but most must be reverified every 12 months. People in group 8 who do not have an exclusion are considered "applicable individuals," and are subject to the community engagement requirements.
2. **If no exclusions are found, perform a review of the client's review period:** For each month in the review period, evaluate for **exemptions**, **compliance**, and **hardship**. If the client has enough months (one to three for application, at least one for renewal) in the review period that meet one or more of the statuses, the person is considered compliant for community engagement requirements. The agency should try to identify compliance through available data sources before asking the applicant for information. Once it is clear, through any combination of sources, that the applicant has satisfied the required number of compliance months, the agency should stop checking additional sources.
    a. **Check each month for exemptions:** Certain exemptions can expire over time. For example, a person who is a "specifically excluded individual" because their youngest child is 13 years old will lose that exclusion after their child turns 14. Any time eligibility is re-determined, a person should be automatically screened for exemption statuses and manually screened if automatic screening fails.
    b. **Check each month for participation activities:** If a person is **not** exempt from the requirements during the month of review, the agency should determine their compliance with the participation requirements—**including if the household income is above $580/month**. If they are meeting the requirements through at least one activity or a combination of activities, they are compliant.
    c. **Check each month for automatic hardship:** At state option and the Centers for Medicare & Medicaid Services (CMS) approval, certain circumstances make clients *automatically* compliant. If the state elects this option and obtains the applicable CMS approval, then any clients subject to community engagement requirements in the given month are **automatically** compliant.
    d. **Check for requested hardship:** At state option, if a person is **not** exempt and their participation status **cannot** be determined, they can request a short-term hardship exception. If a client has a qualifying hardship and they have requested it, they are considered compliant with the requirements.

Data Sources

For most eligibility factors, states have flexibility in choosing which data sources to use (or not) when determining eligibility. For community engagement requirements, however, states **must utilize certain data sources**—specifically, federally provided data sources and SNAP/TANF.

For **federally provided data sources** that provide exclusion, exemption, or compliance data—such as those provided through the Federal Data Services Hub (FDSH)—states must integrate these data sources within 12 months of CMS making them available[6]. If states already have an independent connection to these data sources (for example, if a state already has an independent connection to the VA API when it is added to the Hub), they do not have to replace that connection; they can receive a waiver.

In addition, states **must integrate data from their SNAP and TANF** programs into their work requirement eligibility determination.

Step 1: Check for applicability

The applicability check begins by simply determining the person's **eligibility group**—this determination already happens in Medicaid determinations, and does not need to be changed. If the person is not in an adult expansion group (or a similar 1115 group; see "applicable individuals" above) then **the community engagement requirements process stops**; the requirements do not apply.

If the person is an applicable individual, they must be screened for exclusions next.

Category	Continue to exclusion screening?
Adult expansion group	Yes
Parents/caretakers with incomes over the 1931 limit (included in the above group)	Yes
People eligible under section 1115 demonstration projects that cover a similar population to that covered by expansion	Yes
All other eligible individuals	No, community engagement requirements do not apply.

Screen for exclusions

If a person is in group 8, they **must be screened for exclusions** before states evaluate them for exemptions/compliance.

Category	Definition	Notes
Former foster care participants	Adults who were former foster care children who do not already fall into the foster care eligibility group	Most former foster care adults should already be eligible via the foster care eligibility group (group IX)
American Indians	Indian, Urban Indian, California Indian, IHS-eligible Indian	Verification may be required at state option
Parents, guardians, caretakers	Parent, guardian, caretaker relative, or family caregiver of a dependent child 13 years of age or under, or a disabled individual	The child in the home does not need to be dependent on the client—they simply need to be dependent on someone else for care, and the client must provide assistance[7] Disabled individuals are defined by the ADA definition of disability All adults in the household are eligible for this exclusion Family caregivers do not need to reside with the child/disabled individual—however, if they are not a relative, then they must provide 80 hours or more of assistance per month
Veterans with 100% disability	A veteran with a disability assessed by the Veteran's Association as being "total" or 100%	If the disability is assessed as "permanent," the state must not reverify at renewal
Medically frail	An individual whose physical, mental, or other behavioral health condition significantly impairs the individual's ability to comply with the community engagement requirement, and who: • is blind or disabled (unable to do any substantial gainful work),	There is still substantial ambiguity around the definition and requirements in this category

	• has a substance use disorder (excluding individuals who have been in stable recovery for at least five years), • has a disabling mental disorder, • has a physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more activities of daily living, or • has a serious or complex medical condition	
TANF participants	A participant in the TANF program who is compliant with work requirements	TANF work requirements vary by state
SNAP participants	A participant in the SNAP program who is subject to work requirements	The participant does not need to be compliant with the work requirements (they could, for example, be subject to time limit ("ABAWD") rules and be out of countable months)—and they would still be excluded from community engagement requirements[8]
Drug or alcohol treatment or rehabilitation participant	Active participants in certain drug addiction or alcoholic treatment and rehabilitation programs	States have the option to require a minimum number of hours of participation[9]
Current or former inmates	A person who is currently an inmate or was an inmate in the three months prior to application or renewal	
Pregnant or postpartum	Is enrolled in postpartum Medicaid	Most pregnant and postpartum people will be eligible via non-expansion eligibility

Step 2: Perform a review of the client's review period

If the client is an applicable individual, the state should then perform a review of their review period. For each month in the review period, the client's circumstances should be evaluated for **exclusion**, **exemption**, **compliance**, or **hardship**. If enough months in a client's review period fall into one of these categories, the client is **compliant** with the rules.

The described steps should be followed *for each month the state is evaluating*! For example, an applicant could be exempt one month, participating the second month, and experiencing hardship the third month—**this would be compliant**.

Application vs. Renewal Review Period

Application and renewals both have review periods, but each functions in a different way.

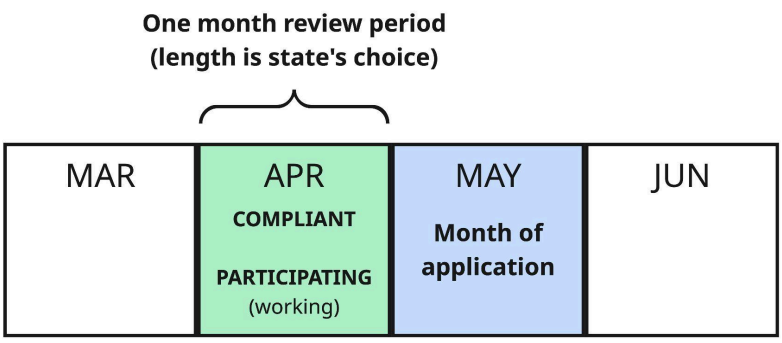
At **application**, the state evaluates **one to three months immediately prior to the month of application**. This means that if someone applies in April and the state has a one-month review period, the state evaluates March only. If they have a three month review period, the state evaluates January, February, and March.

At **renewal**, the state evaluates **one or more months between the current month and the last eligibility determination**. Any months in that time period can be used; the state should evaluate months *until they have satisfied the requirement* or until no more months are left. For ex parte renewals, this could mean looking back only two or three months, since ex parte renewals typically run in the second, third, or fourth month before they end of an eligibility period.

For example: an ex parte renewal occurs in May and the client's last eligibility period began in January. The state has a one-month requirement. The state should evaluate *all months* within that range (February, March, April) until they find a month that satisfies compliance, or there are no months left.

Another example: a renewal occurs in May and the client's last eligibility period began in January. The state has a three-month requirement. The state should evaluate *all months* within that range—there are only three months "available" to demonstrate compliance.

Example 1: Compliance (application, one month review period)

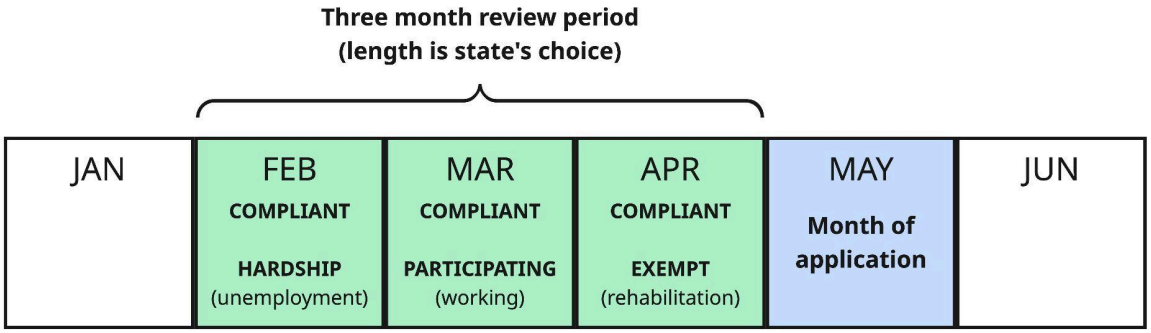


In the above example, the client is applying in a state with a one month review period at application and was compliant for the one-month review period:

- In April, they worked 80 hours per month. They are compliant under **participation requirements**.

The client applies in May. Because they were compliant for the one month in the review period this state has elected, they are **compliant with the community engagement requirements** and eligible (pending other eligibility factors).

Example 2: Compliance (application, three month review period)

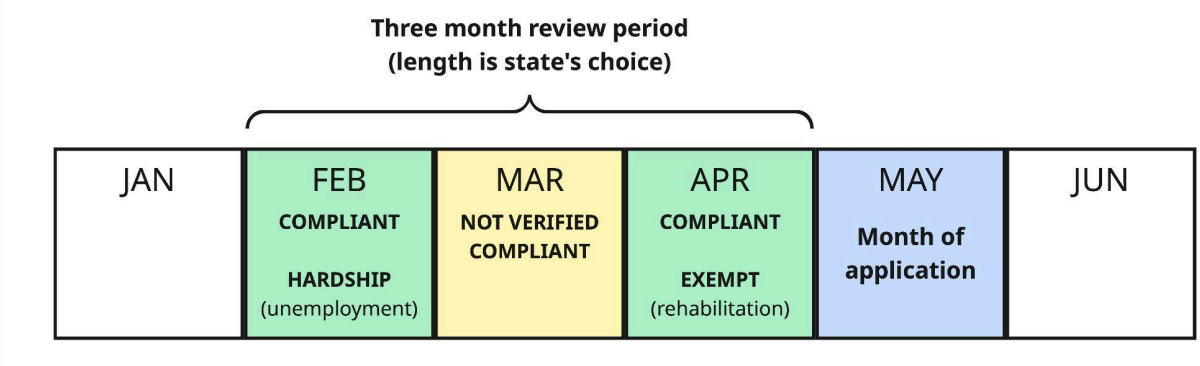


In the above example, the client is applying in a state that has a three month review period at application and was compliant for all three months:

- In February, the unemployment rate was over 8% in their county, and their state had an approval from CMS. They are compliant under **short-term hardship**.
- In March, they worked 80 hours per month. They are compliant under **participation requirements**.
- In April, they entered a rehabilitation program. They are compliant under **an exemption**.

The client applies in May. Because they were compliant for all three months in the review period this state has elected, they are **compliant with the community engagement requirements** and eligible (pending other eligibility factors).

Example 3: Non-compliance (application, three month review period)

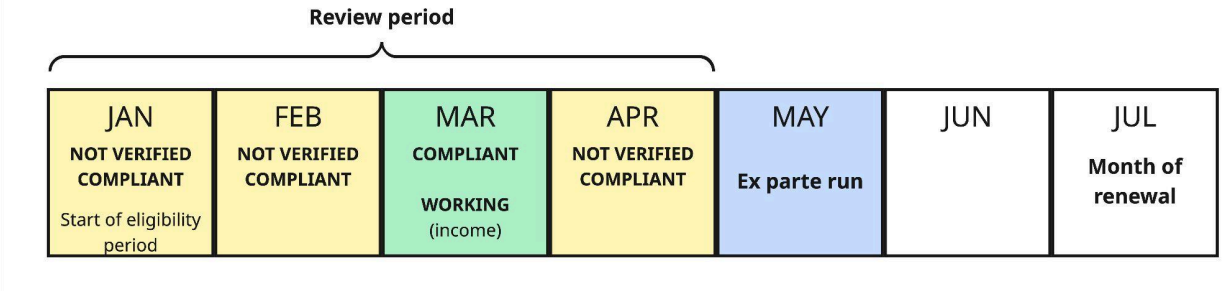


In the above example, the client was **NOT** compliant for all three months:

- In February, the unemployment rate was over 8% in their county, and their state had an exemption from CMS. They are compliant under **short-term hardship**.
- In March, they did not meet any exemptions, were not participating in covered activities, and were not experiencing hardship. They are **not verified compliant** for this month.
- In April, they entered a rehabilitation program. They are compliant under **an exemption**.

The client applies in May. Because they were not verified compliant for all three months in the review period, the state cannot determine them eligible at this time. The state, at this point, **must send a letter of noncompliance** (see below) before denying the application.

Example 4: Renewal



In the above example, the client met the requirements for **one month**:

- In January, their new eligibility period began. In this month, they were **not verified compliant**.
- In February, they did not meet an exemption or compliance requirement. They were **not verified compliant**.
- In March, their household income exceeded the limit ($580). They were **compliant via income**.
- In April, they did not meet an exemption or compliance requirement. They were **not verified compliant**.

The outcome of this case depends on the state's renewal requirement.

- If the state has a **one month renewal requirement**: the client is compliant and eligible. In this scenario, the state only has to check two months (April and March) before stopping.
- If the state has a **two or three month renewal requirement**: the client is non-compliant. In this scenario, the state must check *all the months* in the range.

Note the cost of a larger renewal requirement. The state must check data sources for twice as many months, and still must send the client a notice of non-compliance. Shorter renewal requirements allow for simpler eligibility determinations and less verification cost.

Checking each month for exemption

The first step to evaluating a month is **screening the client for all possible exemptions**. If a client meets one or more exemptions for the month, the month is considered exempt and therefore the client is compliant for that month.

❗ Exclusions as Exemptions ❗

When a person meets an exclusion *during their month of application or renewal*, they are not subject to community engagement requirements, and there's no review period. If a person meets an exclusion *prior to their application or renewal* but no longer meets it at the time of application or renewal, that exclusion **may still be a valid exemption for the month they met it.**

For example, let's say a person has a child age 13. While the child is 13, the parent meets the parent exclusion, and isn't subject to community engagement requirements. In May, the child turns 14; the parent is still excluded for the remainder of their eligibility period. In June, the parent is up for renewal, and the state has a one-month renewal requirement. **Because the child was 13 in May, the parent receives an exemption for that month.** Because May meets the one month requirement, the parent is compliant.

During real-time enrollment or *ex parte* renewals, data sources should be automatically checked for exemptions. During the manual processing of an application or renewal packet, the eligibility worker should check **both documentation associated with the case and any interfaces available to them**.

Exemption Type	Definition	Notes
Excluded	Met one or more of the exclusion criteria during the review month (see “exclusions as exemptions” above)	
Eligible under a non-expansion eligibility group	Was eligible under a non-expansion eligibility group during the review month	The client does not have to have been enrolled, only eligible
Entitled to Medicare	Entitled to or enrolled in Medicare parts A or B	
Under the age of 19	Under the age of 19	
Inmate	Was an inmate in the three months prior to the review month	The inmate review period is an “additional” review period. If a state is evaluating July for an exemption, a person would be exempt if they were an inmate in April, May, or June.

Checking each month for compliance

If a client is **not exempt** during a given month, the state should next check to determine if the person participated in activities that made them compliant with the new rules. Their participation must be in the month that’s being evaluated.

🏠 Household Income and Hours 🏠

A person’s household MAGI income is used to determine if they’re meeting the work requirement in a given review month. However, under certain circumstances, the state may have to use the hours someone worked to determine compliance, or “convert” a person’s income to hours[10].

If a person’s household MAGI income is **greater than or equal to $580** for the review month, they’re considered compliant with the community engagement requirements. It doesn’t matter who earned the income - a person is compliant even if someone else in the household brought in the income.

If a person's household MAGI income is **less than $580 for the review month** and the state **knows the person's hours worked**, the hours worked are used to determine that individual's compliance. The income on the case is not taken into account, and the hours they worked only impact their individual eligibility.

If a person's household MAGI income is **less than $580 for the review month** and the state **does not know the person's hours worked**, the income is "converted" to hours by dividing by the federal minimum wage ($7.25). These hours can be used in combination with other activities to determine the individual's compliance. These hours only impact the individual's eligibility.

📚 Education Hours 📚

If a student is enrolled in an educational program **half time or more**, they're compliant for that month.

If a student is enrolled **less than half time**, they can convert their enrollment to "hours" for the use of the combination category[11]; methods of doing so are below.

If the program uses **credit hours**, then 1 credit hour = 12.99 hours/month for the work requirement.

If the program **does not use credit hours**, then each hour of class and educational activities count as one hour for the requirement.

Activity type	Definition	Notes
Has a monthly income above 80 times the federal minimum wage	Has a household MAGI of $580 or more in the given month	If the person's household MAGI is below $580, their individual income can still be "converted" to work hours—see Household Income and Hours above
Working 80 or more hours	Work for money, "in-kind" work in exchange for goods/services, unpaid work	

Completing 80 or more hours of community service	Unpaid work with a structured program for the benefit of the community under a public or nonprofit organization	Work cannot be partisan, or for a specific person or group of people—but the organization does not have to be a 501(c)(3)[12] Working with an organization that does not meet these criteria could still count as unpaid work for the above activity type
In a work program for 80 or more hours	Work programs that are compliant with SNAP's work program definition—see notes for exceptions	SNAP E&T job search training or supervised search activities may only fulfil less than 40 hours of the requirement—other SNAP E&T activities can be counted without restriction Unemployment job search activities can be counted without restriction MCO employment services do not meet this requirement, but may meet the other categories
In an educational program half-time	Higher education, career/technical education, high school or high school equivalent program	Enrollment continues through vacations and breaks, and if the student is enrolled less than half time, their hours can be used for the "combination" category—see the Education Hours section above
Any combination of the above activities for 80 or more hours	Participating in work, community service, work programs, or educational programs for 80 hours or more	If the client can meet the 80 hour requirement in a multitude of ways, states should verify only the easiest combination For example, if the client has 40 hours of work, 40 hours of education, and 10 hours of community service, the state doesn't need to verify the community service
If a seasonal worker, has an average monthly income over six months of $580	Has a monthly household MAGI of $580 or more using existing reasonably predictable changes methodology, or averaged over the six months prior to the review month	If the person's household MAGI is below $580, their individual income can still be "converted" to work hours—see Household Income and Hours above

Checking each month for hardship

States have the *option* of allowing for "short-term hardship." Under this option, a client can be considered compliant for a month if they or their county meets certain circumstances that may have prevented them from participating. While the adoption of hardship is optional for states, states **must adopt all or none of the short-term hardship exceptions**. They cannot adopt a portion or subset.

High unemployment is the exception here. In order to use a high unemployment hardship exception, the state must take an additional step: **sending a request to CMS**. Even if a state adopts all hardship exceptions, they don't have to send a request, making this exception "optional."

When hardship options become available (for example, when a disaster is declared), the state is **required to perform outreach.**[13] When hardship options expire or a state opts out, the state is required to give a minimum of 10 days advance notice to beneficiaries. While the hospitalization or medical travel hardship exceptions require a request to the state from the client, other exceptions should be applied by the state **automatically**.

📃 Requests for Hardship 📃

For medically-related hardship, clients and their representatives **must have an accessible and easy-to-use method** for requesting an exception. Importantly, this request could come from the client, an adult in their household, an authorized representative, or someone acting responsibly on the client's behalf (if they are a minor or incapacitated).

Portals, forms, and other methods of request should be tested with a variety of users, and available to those most likely to support (such as medical facilities).

Hardship Type	Definition	Notes
Medical needs	The client received inpatient hospital services, nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities inpatient psychiatric hospital services, or such other services of similar acuity	If the state determines the condition constitutes a medical frailty exclusion during the month of application or renewal, the client must be excluded instead
Disaster	A national emergency impaired the ability to comply with the community engagement requirements in this area	

High unemployment rate	The county has an unemployment rate greater than 8% or 1.5 times the national unemployment rate	This hardship may only be granted after request and approval from CMS
Medical travel	The client or their dependent must travel outside their community for medical services for a serious or complex condition	If the state determines the condition constitutes a medical frailty exclusion for the client during the month of application or renewal, the client must be excluded instead

Notice of "noncompliance"

Whenever a state **can't determine a person's compliance** with the community engagement requirements, they must send a "notice of noncompliance."[14] While the title of this notice implies the client is not complying with the community engagement requirements, this notice is **actually a request for information**. The notice must provide the client with the following:

- What information they can provide to the state to demonstrate their compliance
- How they can reapply if they are denied or disenrolled

When the client submits additional information in response to the notice, the process should be repeated: **check for applicability/exclusions, perform a review of the client's review period (exemptions, compliance, hardship)**.

At renewal

States have two options for sending noncompliance notices at renewal:

- **Concurrent option:** The notice of noncompliance is sent **concurrently** with the pre-populated renewal form. Because the notice of noncompliance must be returned within 30 days, states **cannot** provide additional time.
- **Sequential option:** The notice of noncompliance is sent **after** the pre-populated renewal form is returned, and only if the community engagement requirement is the only remaining factor of eligibility. In order to give the client the required 30 days to return the notice, the **ex parte renewal must be attempted 30 days earlier** in order to complete the renewal before the end of the eligibility period. This makes the sequential option difficult to implement in practice.

Moving forward

While the new rules from CMS provide clarity for the implementation of community engagement requirements, there is still wide variation in the way states can implement. Prioritizing client and caseworker experience throughout will ensure that states achieve the best possible outcomes—all while remaining compliant with the new rules.

Are you a state, county, or other organization implementing community engagement requirements?

We'd love to talk about how Code for America can partner with you.
Connect at codeforamerica.org/partner-with-us.

References & Notes

[1] Center for Medicaid and Chip Services. “State Letter: Ensuring Compliance with Requirements to Conduct Medicaid and CHIP Renewal Requirements at the Individual Level”. August 30th, 2023. **https://www.medicaid.gov/sites/default/files/2023-08/state-ltr-ensuring-renewal-compliance.pdf**

[2] H.R.1. §71119(a)(xx)(9)(A)(i), 42 CFR 435.551

[3] 42 CFR 435.553

[4] H.R.1. §71119(a)(xx)(1)(A), 42 CFR 435.556

[5] H.R.1. §71119(a)(xx)(1)(B), 42 CFR 435.557(d)

[6] 42 CFR 435.557(e)(1)

[7] 42 CFR 435.554(a)

[8] 42 CFR 435.554(c)(7)

[9] 42 CFR 435.554(c)(8)

[10] 42 CFR 435.552(e)(2)

[11] 42 CFR 435.553(d)(1)

[12] 42 CFR 435.552(b)

[13] 42 CFR 435.561(b)(3)(iii)

[14] H.R.1. §71119(a)(xx)(6), 42 CFR 435.558

Appendix A: Table of outcomes

Outcome	Category	Definition	Verification	Reverification	Notes
Not Applicable	Any non-expansion group	Anyone who is NOT in an adult expansion group or an 1115 expansion group	Varies depending on eligibility group	Must reverify at eligibility determinations	Includes parents with incomes under the **1931 limit**
Excluded	Former foster care	Adults who were former foster care children who do not already fall into the foster care eligibility group	State data, self-attestation	Permanent until age 26—no ongoing verification needed	Most former foster care adults should already be eligible via the foster care eligibility group (group IX)
Excluded	American Indian	Indian, Urban Indian, California Indian, IHS-eligible Indian	May be required at state option	Permanent— no ongoing verification needed.	
Excluded	Parents, guardians, caretakers	Parent, guardian, caretaker relative, or family caregiver of a dependent child 13 years of age or under, or a disabled individual	Existing relationship verification methods	Must reverify at eligibility determinations	The child in the home does not need to be dependent on the client, they simply need to be dependent on someone else for care and the client must provide assistance Disabled individuals are defined by the ADA definition of

Outcome	Category	Definition	Verification	Reverification	Notes
					disability All adults in the household are eligible for this exclusion Family caregivers do not need to reside with the child/disabled individual; however, if they are not a relative, then they must provide 80 hours or more of assistance per month
Excluded	Veterans with 100% disability	A veteran with a disability assessed as “total” or 100% by the Veteran’s Association	Veterans Association API or documentation	If the disability is categorized as permanent, then the state must not reverify Otherwise, the state must reverify every 12 months and no more frequently	
Excluded	Medically frail or has special medical needs	An individual whose physical, mental, or other behavioral health condition significantly impairs the individual's	For frailty: ● Claims data adjudicated in the previous 12 months or	No distinction in reverification requirements between permanent and temporary conditions	There is still substantial ambiguity around the definition and requirements in this category

Outcome	Category	Definition	Verification	Reverification	Notes
		ability to comply with the community engagement requirement, and who: • is blind or disabled (unable to do any substantial gainful work), • has a substance use disorder (excluding individuals who have been in stable recovery for at least 5 years), • has a disabling mental disorder, • has a physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more activities of daily living, or • has a serious or complex medical condition	encounter data from the previous 12 months • Diagnostic codes • Pharmacy prescription data • Other benefit program data Which verification sources might be useful for "significant impact on ability to comply with the requirements" varies or is unclear. For some conditions, states may be able to infer impact on ability to comply with the rules using one or a combination of data elements. In other cases, states may rely on self-attestation or statements from care providers.	When no reliable information is available to the state through data sources: • *Before* 2028: Agency may require verification or may accept a statement under penalty of perjury • On or after Jan 1, 2028, the agency may only accept a statement under penalty of perjury *once* during a continuous period of enrollment	

Outcome	Category	Definition	Verification	Reverification	Notes
Excluded	TANF participants compliant with work requirements	The individual must be receiving TANF and compliant with the TANF work requirements	TANF eligibility system	Must reverify at eligibility determinations	
Excluded	SNAP participants subject to work requirements	The individual must be subject to either the work registration or ABAWD requirements, but does not have to be in compliance	SNAP eligibility system	Must reverify at eligibility determinations	
Excluded	Drug or alcoholic treatment and rehabilitation participant	Active participants in certain drug addiction or alcoholic treatment and rehabilitation programs	Adjudicated claims, payment/encounter data, documentation	Must reverify at eligibility determinations	
Excluded	Inmate of a public institution	A person who is currently an inmate or was an inmate in the three months prior to application or renewal	Exchanges with institutions, documentation	Must reverify at eligibility determinations	
Excluded	Pregnant or postpartum	A person who is pregnant or a person whose pregnancy ended 60 days prior to the month of application or renewal	Self-attestation, claims data, encounter data, health records	Must reverify at eligibility determinations	Most pregnant and postpartum people will be eligible via non-expansion eligibility
Exempt	Under the age of 19	Under the age of 19	Self-attestation	Do not need to reverify	

Outcome	Category	Definition	Verification	Reverification	Notes
Exempt	Entitled to Medicare	Entitled to or enrolled in Medicare parts A and/or B	Federal Data Services Hub (FDSH)	Must reverify at eligibility determinations	
Exempt	Eligible for non-expansion group	Eligible for (but not necessarily enrolled in) non-expansion group coverage	Varies based on eligibility group	Varies based on eligibility group	
Exempt	Former foster care	Adults who were former foster care children who do not already fall into the foster care eligibility group	State data, self-attestation	Permanent until age 26 - no ongoing verification needed	Exclusion used as exemption
Exempt	Parents, guardians, caretakers	Parent, guardian, caretaker relative, or family caregiver of a dependent child 13 years of age or under, or a disabled individual	Existing relationship verification methods	Must reverify at eligibility determinations	Exclusion used as exemption The child in the home does not need to be dependent on the client, they simply need to be dependent on someone else for care and the client must provide assistance Disabled individuals are defined by the ADA definition of disability

Outcome	Category	Definition	Verification	Reverification	Notes
					All adults in the household are eligible for this exemption Family caregivers do not need to reside with the child/disabled individual—however, if they are not a relative, then they must provide 80 hours or more of assistance per month
Exempt	Veterans with 100% disability	A veteran with a disability assessed as “total” or 100% by the Veteran’s Association	Veterans Association API or documentation	If the disability is categorized as permanent, then the state must not reverify Otherwise, the state must reverify every 12 months and no more frequently	Exclusion used as exemption
Exempt	Medically frail or has special medical needs	An individual whose physical, mental, or other behavioral health condition significantly impairs the individual's ability to comply with the community engagement	Data sources: ● Claims data adjudicated in the previous 12 months or encounter data from	No distinction in reverification requirements between permanent and temporary conditions When no reliable	Exclusion used as exemption There is still substantial ambiguity around the definition and requirements in

Outcome	Category	Definition	Verification	Reverification	Notes
		requirement, and who: • is blind or disabled (unable to do any substantial gainful work), • has a substance use disorder (excluding individuals who have been in stable recovery for at least 5 years), • has a disabling mental disorder, • has a physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more activities of daily living, or • has a serious or complex medical condition	the previous 12 months • Diagnostic codes • Pharmacy prescription data • Other benefit program data Which verification sources might be useful for "significant impact on ability to comply with the requirements" varies or is unclear. For some conditions, states may be able to infer impact on ability to comply with the rules using one or a combination of data elements. In other cases, states may rely on self-attestation or statements from care providers.	information is available to the state through data sources: • *Before* 2028: Agency may require verification or may accept a statement under penalty of perjury • On or after Jan 1, 2028, the agency may only accept a statement under penalty of perjury *once* during a continuous period of enrollment	this category
Exempt	TANF participants compliant with work	The individual must be receiving TANF and compliant with the TANF	TANF eligibility system	Must reverify at eligibility determinations	Exclusion used as exemption

Outcome	Category	Definition	Verification	Reverification	Notes
	requirements	work requirements			
Exempt	SNAP participants subject to work requirements	The individual must be subject to either the work registration or ABAWD requirements, but does not have to be in compliance[8]	SNAP eligibility system	Must reverify at eligibility determinations	Exclusion used as exemption
Exempt	Drug or alcoholic treatment and rehabilitation participant	Active participants in certain drug addiction or alcoholic treatment and rehabilitation programs	Adjudicated claims, payment/encounter data, documentation	Must reverify at eligibility determinations	Exclusion used as exemption
Exempt	Pregnant or postpartum	A person who is pregnant or a person whose pregnancy ended 60 days prior to the review month	Self-attestation, claims data, encounter data, health records	Must reverify at eligibility determinations	Exclusion used as exemption
Exempt	Current or former inmate	A person who, at any point in the three months prior to the review month, was an inmate	Exchanges with institutions, documentation	Must reverify at eligibility determinations	
Compliant	Working 80 or more hours	Work for money, “in-kind” work in exchange for goods/services, unpaid work	Income data sources that also supply hours worked, documentation, other information	Must reverify at eligibility determinations	
Compliant	Completing 80 or more hours of community service	Unpaid work with a structured program for the benefit of the community under a public or nonprofit	Documentation, other information	Must reverify at eligibility determinations	Information used for verification must be auditable

Outcome	Category	Definition	Verification	Reverification	Notes
		organization			Work cannot be partisan, or for a specific person or group of people—the organization does not have to be a 501(c)(3) Working with an organization that does not meet these criteria could still count as unpaid work for the above activity type
Compliant	In a work program for 80 or more hours	Work programs that are compliant with SNAP's work program definition—see notes for exceptions	Varies depending on the work program	Must reverify at eligibility determinations	SSNAP E&T job search training or supervised search activities may only fulfil less than 40 hours of the requirement, but other SNAP E&T activities can be counted without restriction Unemployment job search activities can be counted without restriction

Outcome	Category	Definition	Verification	Reverification	Notes
					MCO employment services do not meet this requirement, but may meet the other categories
Compliant	In an educational program half-time	Higher education, career/technical education, high school or high school equivalent program	National Student Clearinghouse, future FDSH exchanges, documentation, other information	Must reverify at eligibility determinations	Enrollment continues through vacations and breaks, but if the student is enrolled less than half time, their hours can be used for the "combination" category—see the Education Hours section above
Compliant	Any combination of the above activities for 80 or more hours	Participating in work, community service, work programs, or educational programs for 80 hours or more	See above.	Must reverify at eligibility determinations	If the client can meet the 80 hour requirement in a multitude of ways, states should verify only the easiest combination
Compliant	Has a monthly income above 80 times the Federal minimum wage	Has a household MAGI of $580 or more in the given month	Income verification; IRS, state tax data, state labor data, SSA exchanges, private income databases, paystubs	Must reverify at eligibility determinations	If the person's household MAGI is below $580, their Individual income can still be "converted" to work hours

Outcome	Category	Definition	Verification	Reverification	Notes
Compliant	If a seasonal worker, has an average monthly income over six months of $580	Has a monthly household MAGI of $580 or more using existing reasonably predictable changes methodology, or averaged over the six months prior to the review month	Income verification; IRS, state tax data, state labor data, SSA exchanges, private income databases, paystubs	Must reverify at eligibility determinations	If the person's household MAGI is below $580, their individual income can still be "converted" to work hours
Hardship	Medical needs	The client received inpatient hospital services, nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities inpatient psychiatric hospital services, or such other services of similar acuity	Data sources: • Claims data • Diagnostic codes • Pharmacy prescription data • Other benefit program data If no data sources provide information, information from the client may be used	Must reverify at eligibility determinations	Must be requested by the client or an allowed representative If the state determines the condition constitutes an exclusion during the month of application or renewal, the client must be excluded instead
Hardship	Disaster	The county of residence underwent an emergency or disaster	Must be declared by the president	Must reverify at eligibility determinations	
Hardship	High unemployment rate	The county has an unemployment rate greater than 8% or 1.5 times the national unemployment rate	Bureau of Labor Statistics (BLS), state labor data	Must reverify at eligibility determinations	This hardship may only be granted after request and approval from CMS

Outcome	Category	Definition	Verification	Reverification	Notes
Hardship	Medical travel	The client or their dependent must travel outside their community for medical services for a serious or complex condition	Verification may be required - see Notes	Must reverify at eligibility determinations	Must be requested by the client or an allowed representative If the client's dependent traveled services but the client themselves did not travel, the client must provide verification of leave or other absence from community engagement activities If the state determines the condition constitutes an exclusion during the month of application or renewal, the client must be excluded instead