



# Using State MACS/BACS to Monitor OBBBA Work Requirement Implementation

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## Introduction

It will be a challenge to monitor states' implementation of the so-called "One Big Beautiful Bill Act."<sup>1</sup> This challenge is compounded by the rapid timeline in which states must implement the mandated changes.<sup>2</sup> In order to effectively monitor OBBBA implementation, NHeLP recommends that state advocates engage strategically with Medicaid Advisory Committees (MACs) and/or Beneficiary Advisory Councils (BACs).

Engagement with the state's MAC/BAC can have a real impact. During the unwinding of the Medicaid continuous coverage requirement, NHeLP partnered with state advocates through Health Law Partnerships to share information and strategize about how to retain coverage for Medicaid enrollees impacted by the unwinding. We know this same type of collaboration and open communication will help to monitor the rollout of OBBBA, including the new work requirement for adults in the Medicaid expansion population. This change will affect those between the ages of 19 and 64 who are eligible for or enrolled in Medicaid expansion and requires them to engage in work/volunteer hours to establish and maintain eligibility unless they meet an exemption.

MACs/BACs provide an opportunity for meaningful engagement about how OBBBA's work requirement implementation will impact access to Medicaid. NHeLP has published guides to describe how Medicaid stakeholders and enrollees can engage with their state's MAC/BAC to share their lived experiences and perspectives with state Medicaid officials.<sup>3</sup> MACs/BACs can

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<sup>1</sup> Pub. L. No. 119-21, § 7119, 139 Stat.72 (2025) and 42 U.S.C. § 1396a(xx).

<sup>2</sup> Katy DeBriere, Elizabeth Edwards, and Shandra Hartly, Nat'l Health Law Prog., Advocates Timeline for State Work Requirement Implementation (2025)

<https://healthlaw.org/resource/advocates-timeline-for-state-work-requirement-implementation/>

<sup>3</sup> For a comprehensive review, see Daniel Young and Wayne Turner, Nat'l Health Law Prog., Medicaid Advisory Committees: Best Practices for Effective Stakeholder Engagement (2024),

<https://healthlaw.org/resource/medicaid-advisory-committees-best-practices-for-effectivestakeholder-engagement/>

also be used to gain insight into the steps that each state Medicaid agency is taking to implement work requirements. Additionally, NHeLP has developed suggestions about how to work with states to mitigate the administrative burden and other harms work requirements place on enrollees and state Medicaid agencies.<sup>4</sup>

## Outreach

OBBBA requires states to engage in outreach, at least, 4 months before they implement Medicaid work requirements.<sup>5</sup> The state's outreach notice must include how to comply with requirements, a description of all exemptions, an explanation of who is subject to the requirements, the consequences of failing to comply, and how to report a change in status when one becomes eligible for an exemption.<sup>6</sup> Questions that advocates can ask their state's MAC/BAC include:

1. When and how will outreach be conducted to inform Medicaid enrollees about work requirements and work requirements reporting compliance?
2. Will the state conduct outreach through telephone calls? Text messages? A website? Or some other modality?
3. Advocates should review state outreach materials. Do they clearly describe:
  - How to comply with work requirements?
  - An explanation of exemptions?
  - Who is an "applicable individual" (i.e., who is subject to work requirements)?
  - Consequences for noncompliance? and
  - How to report changes in status that may newly confer an exemption?<sup>7</sup>
4. What scripts will Medicaid staff use to describe the requirements to enrollees?
5. Who will the state target for outreach (e.g., all Medicaid enrollees or only those enrolled in the Medicaid expansion)? Does the state plan to conduct outreach to potential applicants and, if so, how?

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<sup>4</sup> Dave Machledt, Medicaid Work Requirements: Mitigating Harm through Implementation (2025) <https://healthlaw.org/resource/medicaid-work-requirements-mitigating-harm-through-implementation/>

<sup>5</sup> 42 U.S.C. § 1396a(xx)(8)(A).

<sup>6</sup> 42 U.S.C. § 1396a(xx)(8)(A)(i)-(iii).

<sup>7</sup> Medicaid Program; Community Engagement for Certain Individuals, 91 Fed. Reg. 33348-33482, (2026). See also Katy DeBriere, Elizabeth Edwards, and Shandra Hartly, Nat'l Health Law Prog., Advocates Timeline for State Work Requirement Implementation (2025) <https://healthlaw.org/resource/advocates-timeline-for-state-work-requirement-implementation/>

6. When individuals receive information via outreach and have questions, who will the state ask them to contact? Has the state developed any call center scripts to answer these types of questions?

## Verification of Compliance

OBBBA gives states the option to require individuals to demonstrate compliance only 1 month prior to application or up to 3 consecutive months. It is important for advocates to investigate the “lookback period” their state will implement to verify compliance.

To verify compliance with work requirements, states are required to maximize the use of *ex parte* review through reasonably available data sources.<sup>8</sup> CMS is also encouraging states to expand or establish new contracts with vendors to assist individuals with the compliance process.<sup>9</sup>

States will likely incorporate new data sources into their eligibility systems so that they can review compliance and exemptions *ex parte*, as required, but how this actually works and how much it is automated will likely vary by state. Some helpful questions include:

1. What types of data sources will the states use to verify compliance and/or exemptions *ex parte*? For example, will they add data sources for educational enrollment, qualifying work activities, caregiving, etc.? Will they add new data sources?
2. How will the state determine which data source they check first? What happens if there is conflicting data, which leads to the question of which data source is deemed most reliable (this is sometimes known as a data hierarchy)? Is the state planning to develop new programming interfaces that will allow data to be matched automatically to determine compliance and exemptions? Or will workers have access to data sources that they will need to manually check?
3. Has the state identified who will not likely be captured by data and will have to fill out additional paperwork (e.g. certain types of work or specific exemption categories)?
4. How will the state require individuals to report work activities?
  - Has the state allowed individuals to report through all required modalities (e.g., in-person, by phone, by mail, and electronically)?
  - Does the state have plans to establish new relationships with vendors to adopt new technology, like specific reporting portals and applications, to make compliance reporting easier? If compliance reporting will be a part of the main consumer portal

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<sup>8</sup> 42 U.S.C. § 1396a(xx)(5).

<sup>9</sup> Symonne Singleton and Jennifer Wagner, CBPP, Assessing the Medicaid Work Requirement Vendor Landscape, Feb 9, 2026,

<https://www.cbpp.org/research/health/assessing-the-medicaid-work-requirement-vendor-landscape>

for applications/renewals, what does this look like? Has it been user tested to make sure people can easily use it and see what they have reported?

4. What, if any, forms will states use to verify compliance with work requirements?
5. What role will self-attestation play?<sup>10</sup>
6. Is the state using an AI tool to help with the eligibility determination process? If so what kind, and for what verifications? How will it be tested and monitored?

## Notices

Constitutional due process protections require states to provide written notices prior to taking adverse action. These notices must plainly communicate what action is being taken, who in the household the action affects, when the action will be taken, and how to respond to that action.<sup>11</sup> Applicants and enrollees must be able to understand the status of their benefits or if they need to take action or file an appeal.<sup>12</sup> State advocates should have their MAC/BAC review all notices related to work requirements before they are finalized to ascertain:

1. Does the notice of adverse action contain sufficient information for enrollees to ascertain whether an error was made in determining whether an enrollee is in compliance with work requirements?
2. Will notices have a reasonable explanation of why an individual does not meet the specifics of an exemption such as medically frail or short-term hardship?
3. Does the notice apprise enrollees of their right to challenge an adverse determination at a state fair hearing?
4. Will the notices be accessible to people with disabilities? Will notices meet language access requirements?<sup>13</sup>

## Fair Hearings

OBBBA reduced Medicaid funding while also requiring states to implement entirely new eligibility criteria within a very narrow timeframe. These factors make it more likely than not that states will make errors in reviewing compliance with work requirements. Subsequently,

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<sup>10</sup> State Health and Value Strategies, CMS Releases Interim Final Rule on Medicaid Work Requirements (June 15, 2025) <https://shvs.org/cms-releases-interim-final-rule-on-medicaid-work-reporting-requirements/>

<sup>11</sup> 42 C.F.R. § 431.210

<sup>12</sup> *Id*

<sup>13</sup> Mara Youdelman and Dylan de Kervor, Nat'l Health Law Program, What is required under Title VI and Section 1557 to ensure Language Access for Individuals with Limited English Proficiency? (2025) <https://healthlaw.org/resource/what-is-required-under-title-vi-and-section-1557-to-ensure-language-access-for-individuals-with-limited-english-proficiency/>

preserving fair hearings and the associated rights will be integral to ensuring eligible Medicaid individuals do not erroneously lose coverage.<sup>14</sup> Here are some concerns that advocates should raise with state MACs/BACs:

1. What are the criteria for an applicant/enrollee to request a hearing?<sup>15</sup>
2. Are individuals discouraged from requesting a hearing?
  - Note that examples of discouragement could include telling individuals that...
    - Hearings are not allowed for work requirement compliance, or
    - There is no point in appealing because they will likely lose without a discussion of the facts and criteria, or
    - Individuals without capacity cannot be represented by others at the hearing.
3. Does the state continue Medicaid eligibility, pending the appeal outcome, for those who have timely requested an appeal?
  - Where the state timely sends a notice of adverse action, the federal Medicaid regulations require that when an enrollee requests a hearing before the date of termination, then the state must continue benefits pending the outcome of the appeal regardless of whether the enrollee specifically requests continuation.<sup>16</sup>
4. Does the state reinstate Medicaid eligibility, pending the appeal outcome, for those who never received notice of the termination?
  - Where a state fails to send a notice of adverse action in a timely manner (or at all) before terminating eligibility and an enrollee requests a fair hearing to challenge that action, then the state must reinstate Medicaid pending the outcome of the appeal.<sup>17</sup>

## Exclusions and Exceptions

Beginning January 1, 2027, individuals covered under the Medicaid adult expansion population or similar section 1115 waivers receive Medicaid only if they 1) are in compliance; 2) are

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<sup>14</sup> 42 C.F.R. § 431.205(e).

<sup>15</sup> When the state applies eligibility criteria (including work requirement compliance) to individual circumstances, then the state must provide an individual with the opportunity to challenge that application if it results in ineligibility. States must honor any and all requests for a fair hearing regardless of whether the individual articulates a factual basis for challenging the decision. In other words, the individual only needs to say “I want a hearing.” 42 C.F.R. § 431.221(b) and 42 C.F.R. § 431.221(b). See also Katy DeBriere and Amanda Avery, *The Role of Due Process: What We Know and What Happens Next: OBBBA and its Impact on Health Care Coverage* (2025) <https://healthlaw.org/resource/webinar-the-role-of-due-process/>

<sup>16</sup> 42 C.F.R. § 431.230

<sup>17</sup> 42 C.F.R. § 431.231

excluded from the definition of “applicable individual;” 3) meet an exception; or 4) can establish a temporary good cause reason.<sup>18</sup>

In order to ensure that states identify populations that are excluded or exempt from work requirements and conduct outreach to explain these exceptions and the procedures to request exemptions, advocates can ask their MAC/BAC:

1. How and when will exemptions to the work requirements be explained to applicants/enrollees and other stakeholders?
2. Will your state adopt short-term hardship exemptions?
3. How is your state’s definition of medical frailty aligned with the definition of medical frailty in the IFR?<sup>19</sup>
4. Is your state ensuring that pregnant people are exempt during their postpartum eligibility period?
5. What is the process for providing reasonable accommodations to people with disabilities who need them in the eligibility process? Is that clearly stated on all applicable applicant/enrollee information?

Research estimates that OBBBA immigrant eligibility restrictions, the new work requirement mandates, and other eligibility restrictions will result in approximately \$1.1 trillion in cuts to Medicaid and other health programs and will lead to the elimination of health care coverage for 15 million people by 2034.<sup>20</sup> These chilling statistics make it more important than ever for enrollees and advocates to share their lived experiences with their state Medicaid agency and to offer suggestions that can mitigate the harm that OBBBA implementation is expected to cause.

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<sup>18</sup> Katy DeBriere, Shandra Hartly, and Jules Lutaba, Eligibility and Enrollment Provisions in OBBBA (2025) <https://healthlaw.org/resource/eligibility-and-enrollment-provisions-in-obbba/>

<sup>19</sup> Medicaid Program; Community Engagement for Certain Individuals, 91 Fed. Reg. 33373-33374 (2026).

<sup>20</sup> Pub. L. No. 119-21, § 7119, 139 Stat.72 (2025). See also Center on Budget and Policy Priorities, By the Numbers: Harmful Republican Megabill Will Take Health Coverage Away from Millions of People and Raise Families’ Costs (2025) <https://www.cbpp.org/research/health/by-the-numbers-harmful-republican-megabill-will-take-health-coverage-away-from>