# Case Explainer: Challenge to the Medicaid Work Requirement IFR: *Taylor et al. v. Kennedy, Jr. et al.*

By Mara Youdelman

**The Complaint**

On September 18, 2026, the National Health Law Program, Democracy Forward, Legal Council for Health Justice, Indiana Justice Project, and Legal Aid of Western Missouri filed a lawsuit against the Secretary of Health and Human Services, the Administrator of the Centers for Medicare & Medicaid Services, HHS, and CMS. The plaintiffs in the litigation include 5 individuals, 5 healthcare provider associations, and 1 city.

The lawsuit alleges that the challenged provisions of the Interim Final Rule (IFR) regarding work requirements violate the Administrative Procedure Act and should be held unlawful and set aside. The lawsuit claims the IFR improperly restricts who is excluded from work requirements on the basis of being "medically frail or otherwise ha[ving] special medical needs." Specifically, the IFR:

- requires individuals who are medically frail under the statute to further prove that their condition significantly impairs their ability to comply with the Medicaid work requirements; and
- denies some individuals with a substance use disorder an exclusion from work requirements.

In addition, the IFR establishes unduly burdensome procedures to verify medical frailty..

**The Harms of the IFR**

The IFR harms Medicaid applicants and enrollees, Medicaid providers, and cities and localities.

First, the IFR will harm all medically frail individuals, and more medically frail individuals will lose Medicaid than anticipated by Congress. This includes people with diabetes, HIV, SUDs and other behavioral health conditions, and cancer who need ongoing medical care to maintain

their health, prevent deteriorating health conditions and relapses, and avoid catastrophic medical debts.

Second, the IFR will harm Medicaid-participating health providers. The IFR requires them to shoulder additional responsibilities to evaluate and document whether Medicaid applicants and enrollees can work, decisions which are decidedly not medical in nature. Further, they will not be compensated for this time-consuming process even though the additional time required will interfere with their efforts to provide medical care.

Third, cities and localities provide a range of health services including public health and emergency services. When they provide services to those who lose Medicaid coverage, they cannot receive Medicaid reimbursement. Because the IFR will create higher coverage losses than anticipated by Congress, cities, localities and locally funded health care providers will face higher uncompensated care costs and reduced revenue.

**Conclusion**

For the individual plaintiffs, losing Medicaid coverage would immediately and directly put their lives at risk. Without Medicaid, they cannot afford the medications and health care they need. These individuals need a range of critical primary and specialty care services. Losing Medicaid will result in both poorer health and economic status for themselves and their families, more work for Medicaid providers and more costs for their localities and cities.