



The
John A. Hartford
Foundation

How the One Big Beautiful Bill Act's Implementation Affects Older Adults and Family Caregivers



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Considerations for States in Implementing OBBA/WFTCA

The John A. Hartford Foundation
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National Association of Medicaid Directors

NAMD is a professional community of leaders who provide health insurance to almost 74 million people through Medicaid and the Children's Health Insurance Program in the states, D.C. and the U.S. territories.

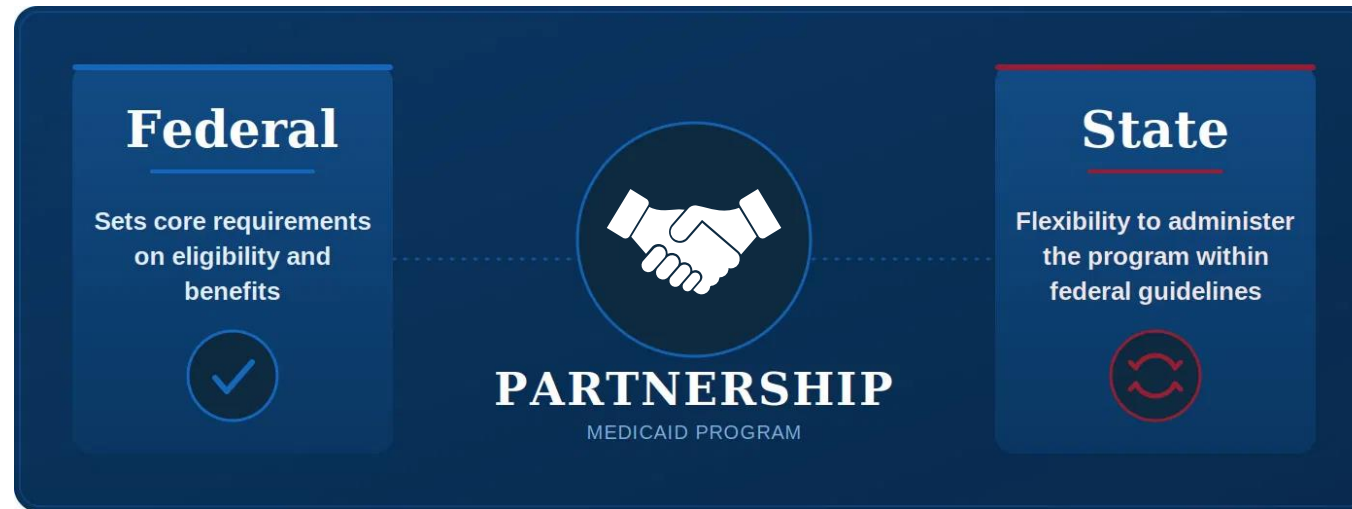
NAMD's mission is to help millions served by Medicaid by representing, elevating, and supporting state and territorial Medicaid and CHIP leaders in connecting eligible individuals to coverage, promoting access to care, delivering high-value services and controlling program costs for sustainability.

NAMD supports the coalition of all 56 state and territory Medicaid programs and is led by a mission-focused 14-person Board of Directors representing California, the District of Columbia, Georgia, Iowa, Louisiana, Maine, Michigan, Nebraska, New Hampshire, New Jersey, New York, Oregon, Texas and the U.S. Virgin Islands.

<https://medicaiddirectors.org/who-we-are/>

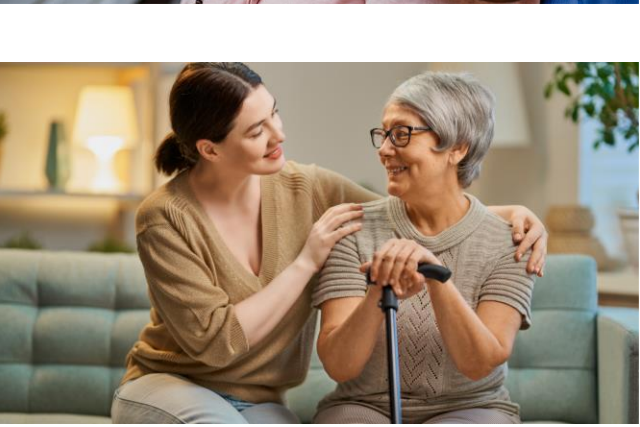


A successful federal-state and territory partnership



- NAMD has had a longstanding, highly collaborative working relationship with the Center for Medicaid and CHIP Services (CMCS)
- We regularly partner through state and territory workgroups, affinity groups and CMCS participation in our in-person meetings

Implications of OBBBA/WFTCA for older adults and family caregivers

	OBBBA/WFTCA Provision	Implications
	Narrowed criteria for non-citizen eligibility effective 10/1/26: limiting eligibility to 1) Lawful Permanent Residents (LPR); 2) Cuban/Haitian entrants; and 3) Compacts of Free Association (COFA) migrants	Older adults (including those receiving HCBS and residing in nursing homes), near older adults (age 55-64) and family caregivers whose immigration status is no longer covered will not qualify
	Work and community engagement requirement (CMS refers to this as CE): individuals who do not have an exception or exclusion must work at least 80 hours/month or report other qualifying activities (volunteering, work programs, education or training programs)	- Adults age 65 and older are not subject to CE - Near older adults (age 55-64) as well as family caregivers who are covered by the expansion group are subject to CE but may be eligible for an exception or an exclusion
	6-month redeterminations and shorter retroactive periods	30-day periods for people in the expansion group; 60 days for other groups

Implementation timeline

September 2026

- Member outreach for work and community engagement requirements*

October 2026

- Narrowed criteria for eligibility of non-citizens

January 2027

- CE requirements*
- 6-month redeterminations*
- Retroactive coverage changes

October 2028

- Cost-sharing for expansion adults over 100% FPL*

*** These provisions only apply to adult expansion group members.**

Mandatory Exceptions & Exclusions

Individuals are excepted from demonstrating CE for a month if for any part of a month the individual was: **under the age of 19**; **entitled to or enrolled in Medicare Part A or enrolled in Medicare Part B**; described in a **mandatory categorically needy eligibility group**. An additional exception applies to an individual who was an **inmate of a public institution at any point during the three-month period** ending on the first day of a month in which the individual is otherwise subject to the CE requirement. Individuals in any of the specified groups below are excluded from CE requirements:

1. **Former foster care children** defined in §1902(a)(10)(A)(i)(IX)
2. **American Indians and Alaska Natives, Urban Indians, and California Indians**
3. **A parent, guardian, caretaker relative or family caregiver** of a dependent child under the age of 14 or a disabled individual
4. **Veterans** with a total disability rating as defined under 38 U.S.C. §1155
5. Individuals who are **medically frail** or otherwise have special medical needs (as defined by the Secretary)
6. Individuals who are **already compliant with TANF work requirements**
7. **Members of households that receive SNAP benefits who are not exempt from SNAP work requirements** for able-bodied adults without dependents at 7 USCS § 2015(o)(2)
8. Participants in certain **drug addiction or alcohol treatment and rehabilitation programs**
9. **Inmates of a public institution**
10. **Pregnant women** or individuals entitled to postpartum medical assistance

Verifying compliance

- **How will states verify compliance?** States must verify compliance in **at least the month before application and for one month during the six-month renewal period**. Some states are electing to use longer look-back periods at application (up to three continuous months) and more frequent verifications.
- **What happens if the state cannot verify compliance?** If an individual does not demonstrate compliance with work/community engagement requirement and they are not eligible on another basis, **they will be found ineligible for Medicaid or disenrolled**. They will **also become ineligible for advanced premium tax credits in the Marketplace**.

Interpreting and applying the medical frailty exclusion

In the IFR, CMS signaled a two-part approach that requires individuals to show that:

- 1** **they have a qualifying health condition** (e.g. are blind or disabled; have a substance use disorder (SUD), disabling mental disorder, physical or intellectual or developmental disability that significantly impairs ability to perform one or more activities of daily living (ADLs), or another serious or complex medical condition); and
- 2** **that their physical, mental, or other behavioral health condition significantly impairs the individual's ability to comply with the community engagement requirement**

States must start **by using *ex parte* processes and automated information** (e.g. electronic lists of diseases, diagnoses, disorders, or other health conditions) and only where it is not possible to determine the exclusion through that means, consider “other reliable sources of information”.

Interpreting and applying the medical frailty exclusion (cont.)

- **States can elect to permit individuals to use self-attestation to help qualify for the medical frailty exclusion in calendar year 2027**, but must first use automated data sources before using that method
- **In 2028 and beyond:**
 - States must utilize reasonably available documentation prior to accepting self-attestation
 - Self-attestation may be used by an individual only once per “period of enrollment” (note that this includes multiple consecutive eligibility periods)

Key considerations

- **State policymakers continue to shape implementation of the IFR**, with state legislatures providing advice and comment on and enacting legislation related to whether to permit self-attestation in 2027 as well as processes for determining medical frailty exclusions
- **Top priorities for state Medicaid leaders include:**
 - **Automating as much of the verification process for CE as is possible through ex parte**, including connecting to new data sources that will help to identify people who are eligible for exclusions from CE requirements (e.g. family caregivers)
 - **Ensuring that state systems will safeguard eligibility groups that are not subject to CE and have the capacity to identify exceptions and exclusions for members to whom CE applies**
 - **Communicating changes to members**, with an emphasis on clarifying whether OBBBA/WFTCA provisions apply or not
- **Implementation work will not end on January 1** - major work will continue into 2027 including developing connections to additional sources of data that will support determination of exclusions and more limited use of self- attestation in 2028 and beyond