The Impact of New Medicaid Work Requirements on People with Cancer

On June 1, the Centers for Medicare and Medicaid Services (CMS) released its Interim Final Rule (IFR) implementing Medicaid community engagement requirements (heretofore referred to as "work requirements"). CMS was required to release this IFR as part of the One Big Beautiful Bill Act (OBBBA), which directs states to require individuals enrolled through Medicaid expansion to work (or complete other engagement activities) for at least 80 hours per month.

The American Cancer Society Cancer Action Network opposes work requirements for the Medicaid population. Now that these requirements are federal law, we are committed to working to ensure implementation recognizes the needs of people impacted by cancer. In implementing these requirements, we urge CMS to ensure continued eligibility and coverage for:

- People undergoing testing for a possible cancer diagnosis;
- Cancer patients;
- Cancer survivors still being impacted by their cancer or treatments; and
- Cancer caregivers.

The IFR could impact Medicaid eligibility and enrollment for these populations in concerning ways:

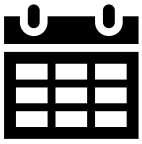
Medically frail exemption: The law includes an exemption from the work requirements for those who are "medically frail," including those with "serious or complex medical conditions." The IFR will make it harder for patients to obtain this exemption because it ties the definition of medical frailty to a person's ability to work. This adds layers of administrative complexity and questions about how a patient will demonstrate an inability to meet the work requirements.

- State operational challenges will cause confusion among Medicaid staff, enrollees, and potential enrollees. This could cause delays in people getting covered or renewed.
- People with cancer will have to prove they cannot work and deserve an exemption but unless someone has already undergone the lengthy process to qualify for disability, there is no current way for state Medicaid programs to check or confirm the inability to work. It leaves open questions for patients and physicians to navigate.
- People with cancer who can still work – for example, when they feel well enough in between chemotherapy cycles – but cannot work 80 hours per month will be discouraged from working at all because it could jeopardize their medically frail exemption.

Self-attestation: The law requires states to use automatic data verification as much as possible to confirm an individual's compliance with or exemption from work requirements, but not everyone will be able to be verified this way. Therefore, the law also allows states to accept self-attestation (where the enrollee/potential enrollee attests to information about themselves on an online or paper form). However, the IFR restricts state use of self-attestation starting in 2028 – particularly when states are using it to confirm medical frailty exemptions. We are

concerned about the impact those limits could have on cancer patients and others with serious or complex illnesses.

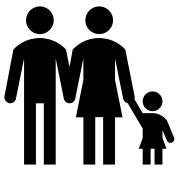
- Without self-attestation, people with cancer may have to obtain and submit proof of their diagnosis or treatment, or have their doctor submit a form demonstrating or verifying an inability to work. This gets more complicated for people who have not had consistent health insurance coverage or easy access to doctors and care – like people who live in rural areas.
- By severely limiting the use of self-attestation after the first year of implementation, people with cancer could find it harder to confirm their work or exemption status – and not confirming that information means they could give up on enrolling or lose coverage.



Lookback period for short-term hardship exemptions: The law gives states the option to offer exemptions to work requirements for people experiencing "short-term hardship," including people who are hospitalized and people who are traveling outside of their community to receive care for themselves or a family member. The IFR requires states who offer these exemptions to use a 1-month lookback period – meaning the individual experienced the hardship in the previous month to which they are applying or being renewed for Medicaid. Operationally, this creates a gap in coverage for people who need access to care immediately but can't get it until the next month.

- Requiring a lookback period across all short-term exemptions has unintentional consequences: A cancer patient who is hospitalized – and therefore unable to work and meet the work requirement – will have to wait till the next month to apply for an exemption. This leaves them with a coverage gap while they are in the hospital, the risk of going into medical debt, and uncertainty about whether they will be able to enroll in Medicaid the following month.

The IFR also includes provisions that will potentially protect people impacted by cancer:



Caregiver exemption: The law requires states to exempt caregivers of certain children and disabled adults from work requirements. The IFR specifies that caregivers of adults who are disabled, as defined by the Americans with Disabilities Act, are exempt. This helps ensure that people who must disrupt their work to care for a loved one will be able to keep their health coverage.

- Most cancer caregivers will not have to choose between working or providing care to their loved one with cancer in order to keep their own Medicaid coverage.

Data transparency: The IFR includes a requirement for states to regularly report key data points to CMS, which is a crucial tool in providing oversight and implementation monitoring. ACS CAN encourages CMS and states to regularly publish this data through public data dashboards.

- This would allow cancer advocates to best evaluate implementation of work requirements and provide future recommendations about how to reduce the impact of changes for people with cancer.