

Today we will talk about:

- Federal Administration: CMS releases “prove you’re working, exempt guidance; who will fit into the exemptions (and who won’t); White House proposes new rules giving political appointees final approval on all federal grants; White House Blocks \$2 Billion for Education; 8,000 federal policy officials lose civil service protections; RFK Jr. Seeks To Peek at Americans’ Medical Records for Clues on Autism and Vaccines; Conservative think tank alleges widespread ObamaCare enrollment fraud.
- Impact of HR 1: Early trends show how states are cutting home care programs ahead of HR 1 implementation; states struggle with cost to implement Medicaid prove you’re working/exempt requirements; bills in New Jersey would help volunteers prove hours to meet prove you’re working requirements; Ohio latest state to propose legislation aimed at cutting home care.
- Congress: 2nd reconciliation bill moving, 3rd reconciliation bill taking form, House reveals federal 2027 Labor/DHHS/Education budget.
- Wisconsin: JFC approves some, but does not fully fund DVR.

Weekly Update

June 5th, 2026

Federal Funding Fallout 2026

1

5/27/2026

Administration

Administrative
rules, Federal
Agency Actions

CMS releases “prove you’re working or exempt” guidance

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- The rumors national advocates heard were correct.
- Exemption categories are narrower. Fewer people will fit inside them.
- If a person fits into an exemption category, they must also be able to functionally demonstrate they cannot meet the 80-hour Community Engagement category.
- States will have to use data/documents that are auditable to prove people are exempt or meeting Community Engagement requirements (starting in 2028). (i.e. no self-attestation)



Read the rule:

<https://www.federalregister.gov/documents/2026/06/03/2026-11094/medicaid-program-community-engagement-requirement-for-certain-individuals>

CMS releases “prove you’re working or exempt” guidance

- [Industry groups say final Medicaid work requirements rule imposes onerous documentation burden](#)
- [Rule could lead millions to lose healthcare coverage, American College of Physicians says](#)
- [Experts cautioned 80-hour work requirements could compromise home care workers’ access to health care and lead to unmet needs for home care recipients](#)
- [Medicaid Changes Will Push People With Disabilities Off Program, Advocates Warn](#)
- [People with cancer or HIV could lose Medicaid under new work rules, advocates say](#)

- This week advocates are giving the rule a first read and initial analysis.
- We will focus on who fits (and doesn’t fit) into exemptions.
- Prepare for additional impacts to be identified in the next few weeks as people read the rule and think about what it means for states, people insured through Medicaid, and providers paid by Medicaid.
- Many diverse groups already are saying they will be impacted negatively by the rule.

In Wisconsin, HR 1 work requirements apply to BadgerCare

- There are groups of people in BadgerCare advocates are worried will be at risk of losing coverage because of new “prove you’re working/exempt” requirements.
- These include:
 - People with I/DD who are “too functional” to qualify for home care waivers (Family Care, IRIS)
 - People with serious and persistent mental illness
 - People waiting for a disability determination
 - People with chronic or intermittent conditions
 - People with physical disabilities that create barriers to workforce participation
 - People who with serious illnesses or who are managing multiple health conditions
 - Unpaid family caregivers
 - Paid caregiver workforce

What categories of people are included in “Medically frail” exemption?

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 (people who have been determined to be unable to “engage in substantial gainful activity” i.e. people in SSI/SSDI)
- with a Substance Abuse Disorder (SUD);
- with a disabling mental disorder;
- with a physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more Activities Daily Living (ADL);
- or with a serious or complex medical condition.

Medical Frailty exemption overview

States are not allowed to add more categories of people to the “Medically Frail” definition.



Rule ties ALL exemption to ability to prove diagnosis/condition AND the extent the condition prevents the person from meeting the 80 hour community engagement requirement.

Can't qualify for an exemption based on diagnosis alone, but must have a diagnosis to qualify.

Must demonstrate functional capacity is low enough that you cannot work.

If you can work 80 hours, you do not qualify for the exemption.

Medical Frailty exemption overview

CMS says the list will be “auditable and revisable”

CMS says they expect advances in treatments will mean fewer people will qualify for the medical frailty exemption over time.

CMS will do PERM or other audits to make sure states are not using medical frailty exemptions in ways CMS does not agree with.

The state could be found out of compliance if CMS says there are people in the medical frailty exemption they think should be working.

Documentation will start being required January 2028.

CMS encourages states to use Medicaid billing data to verify exemption status and won't let states use information that is more than 12 months old.

Medical frailty exemption gaps: People with disabilities not in SSI/SSDI

9

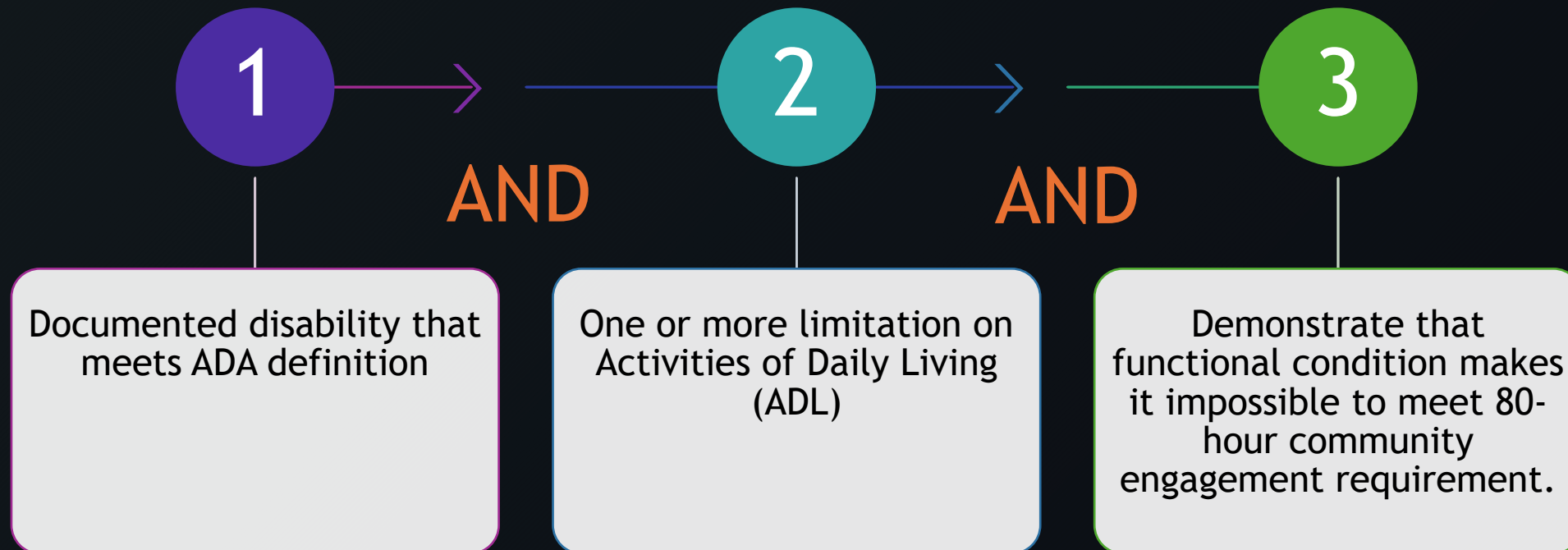
The rule uses the broader definition of disability under the Americans with Disabilities Act (ADA)

Disability diagnosis or status is not enough to qualify for an exemption.

People must also have their ability to perform one or more Activities of Daily Living (ADL) “significantly impaired” (need help with eating, dressing, bathing, toileting, moving from one position to another)

People with disabilities with at least one significantly impaired ADL must also prove their condition makes it impossible to meet the 80-hour community engagement requirement to qualify as exempt.

To qualify for Medically frail:



Leaves out undiagnosed, people waiting for disability determination

Leaves out people with disabilities who do not need help with specific kinds of personal tasks.

Leaves out people with disabilities who are working 80 hours per month; unclear how people working less than 80 hours prove they cannot work more.

Medical frailty exemption gaps: serious or complex medical condition

CMS requires states to identify conditions that may qualify for medical frailty exemptions.

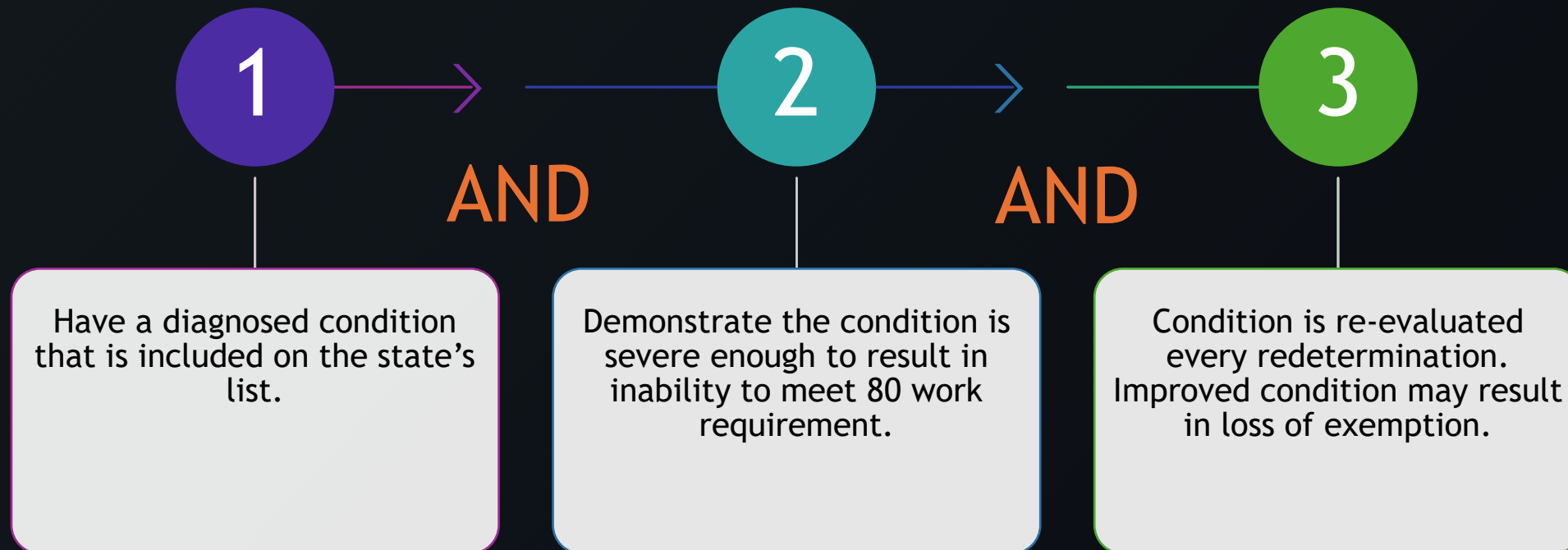
Having a listed condition is not enough to qualify for exemption. The person must prove condition is “severe enough” that they can’t meet the work requirement.

“Severity” of condition (which could mean someone is not able to meet the community engagement requirements) is not defined by CMS in the rule.

States will need to figure out how to determine how sick/disabled someone must be to qualify for exemption, and how to document the level of severity.

Conditions that are “well-managed” would not be exempted from community engagement requirements.

To qualify for the medically frail exemption:



Leaves out people who are undiagnosed, or have conditions not included limiting on list. Unclear how people with multiple conditions will demonstrate impact on overall health.

Unclear how people who are actively sick and able to work some prove they cannot work 80 hours. Unclear how intermittent conditions that result in periodic incapacity will be handled.

People with chronic/intermittent conditions that impact work may go in and out of exempt status. People who are not actively able to get care may not have billable encounters to prove condition is severe.

Medical frailty exemption gaps: mental illness, substance abuse

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Rule says homeless people are not exempt unless they fit into one of the exemption categories


- Homeless people often have less access to health care and are more likely to be undiagnosed or not have medical records that can confirm medical conditions.
- Homeless people may not have or have had important documents stolen that could confirm identity, disability status etc.
- Homeless people are less likely to have access to technology or mail to receive notices or be able to submit documentation to prove they are exempt or are working enough.

People with disabilities, mental health, and substance abuse disorders are also homeless.


Medical frailty exemption gaps: mental illness, substance abuse

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Disabling mental disorders must significantly impact the ability of the person to meet the 80-hour Community Engagement requirement to qualify for exemption.



CMS does not define disabling mental disorder or what threshold an individual must prove to demonstrate they cannot meet the 80-hour requirement.



Substance Abuse exemption excludes people who are in stable recovery (more than 5 years).

Definitions: Caretaker relative, Family Caregiver of a Disabled Individual, Guardian

Caretaker relative

Parent or other relative (related by blood, adoption, or marriage) living with a person with a disability, who assumes primary responsibility for the person with a disabilities' care.

Rule lists who qualifies as a relative and additional relationships (husband, wife, son, daughter, stepson, stepdaughter, grandson, granddaughter) under which individuals could qualify as a caretaker relative of a disabled individual.

Family Caregiver, Disabled individual

An adult family member or other individual who has a significant relationship with, and who provides care within a broad range of assistance to, a dependent child or a disabled individual.

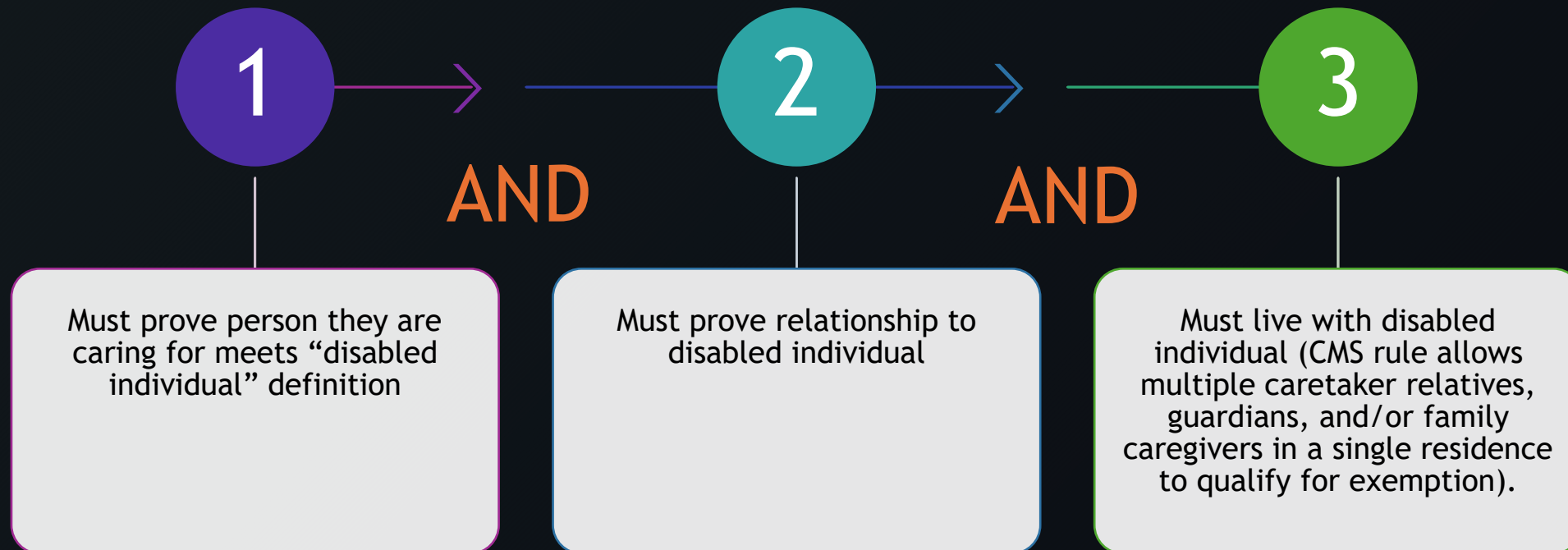
“Disabled individual” means an individual who meets the ADA definition of disability (ADA definition)

Guardian

An adult appointed by a court to care for and make personal decisions on behalf of an individual who cannot care for themselves (in Wisconsin, guardian of the person)

CMS does not consider persons appointed by the court solely to manage financial responsibilities to qualify for an exemption.

To qualify for the caretaker relative exemption:



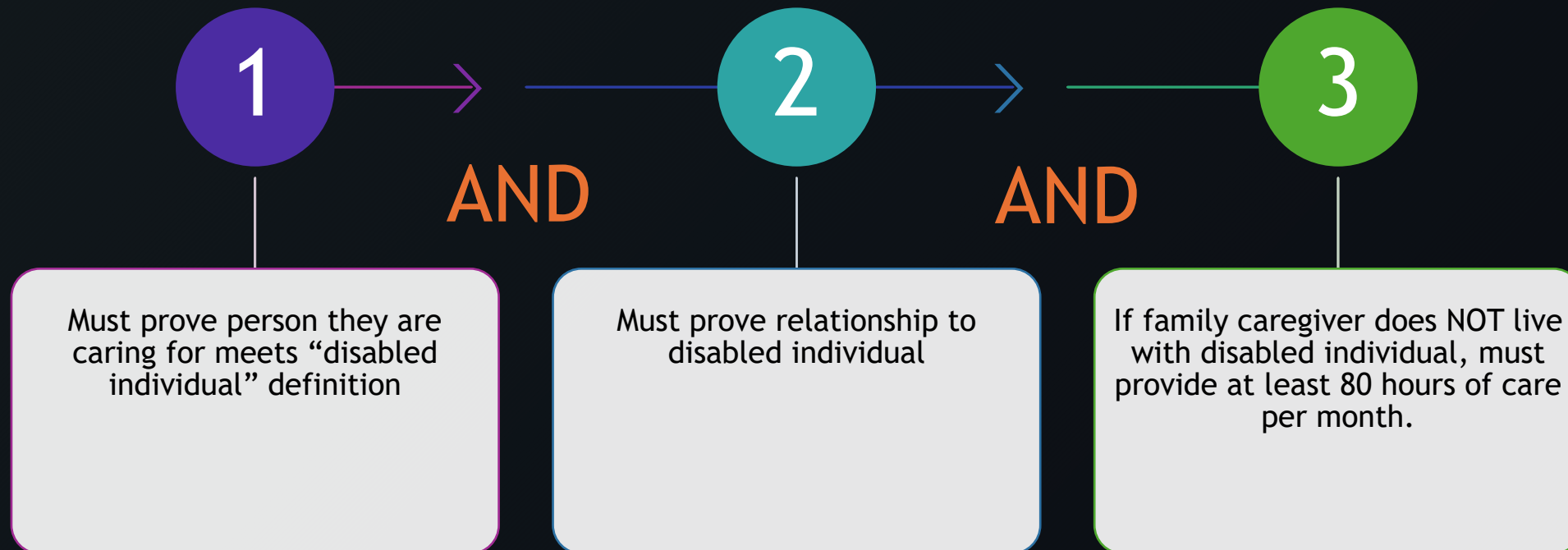
States must verify individual receiving care is a disabled individual, using reliable data and the minimum amount needed to determine disability.

States must verify caretaker relative’s relationship to disabled individual.

Caretaker relatives living with disabled individuals do not have demonstrate minimum care hours but must demonstrate they provide care on regular basis that is not incidental.

To qualify for the family caregiver exemption:

17



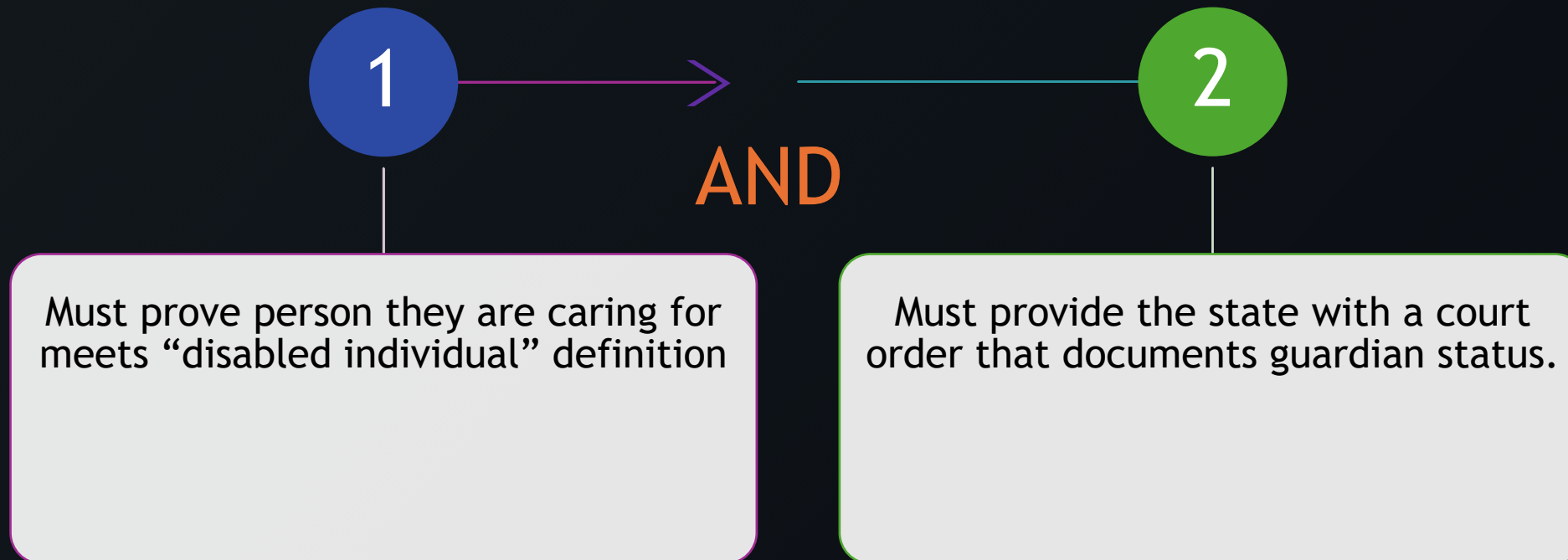
States must verify individual receiving care is a disabled individual, using reliable data and the minimum amount needed to determine disability.

States must verify caretaker relative’s relationship to disabled individual.

States must verify number of hours of care provided using reliable data. If no reliable data state may get info from caregiver to verify hours. If less than 80 provided, caregiving hours can count toward 80-hour Community Engagement requirement.

To qualify for the guardian exemption:

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States must verify individual receiving care is a disabled individual, using reliable data and the minimum amount needed to determine disability.

States have lots of work, little time

[Advocates say feds' Medicaid work rule could make qualifying for healthcare needlessly hard](#)

States must now make many decisions that must also be approved by CMS.

The CMS rule tells states they must document and verify work, education, volunteer, and caregiving hours that can count toward the 80-hour community engagement requirement and that states must document how individuals fit into an exempt category and verify that they continue to be exempt.

States must decide what data counts as proof and where they can get the data to verify whether someone is compliant or exempt.

States need to develop new processes to evaluate if new applicants already comply with the community engagement requirement or are exempt from it as a condition of eligibility.

States can apply for hardship waivers to ask for more time, but CMS has said they will not grant any.

That means states must plan to be up and running Jan 1, 2027, which means they must start communicating with impacted Medicaid participants by September.

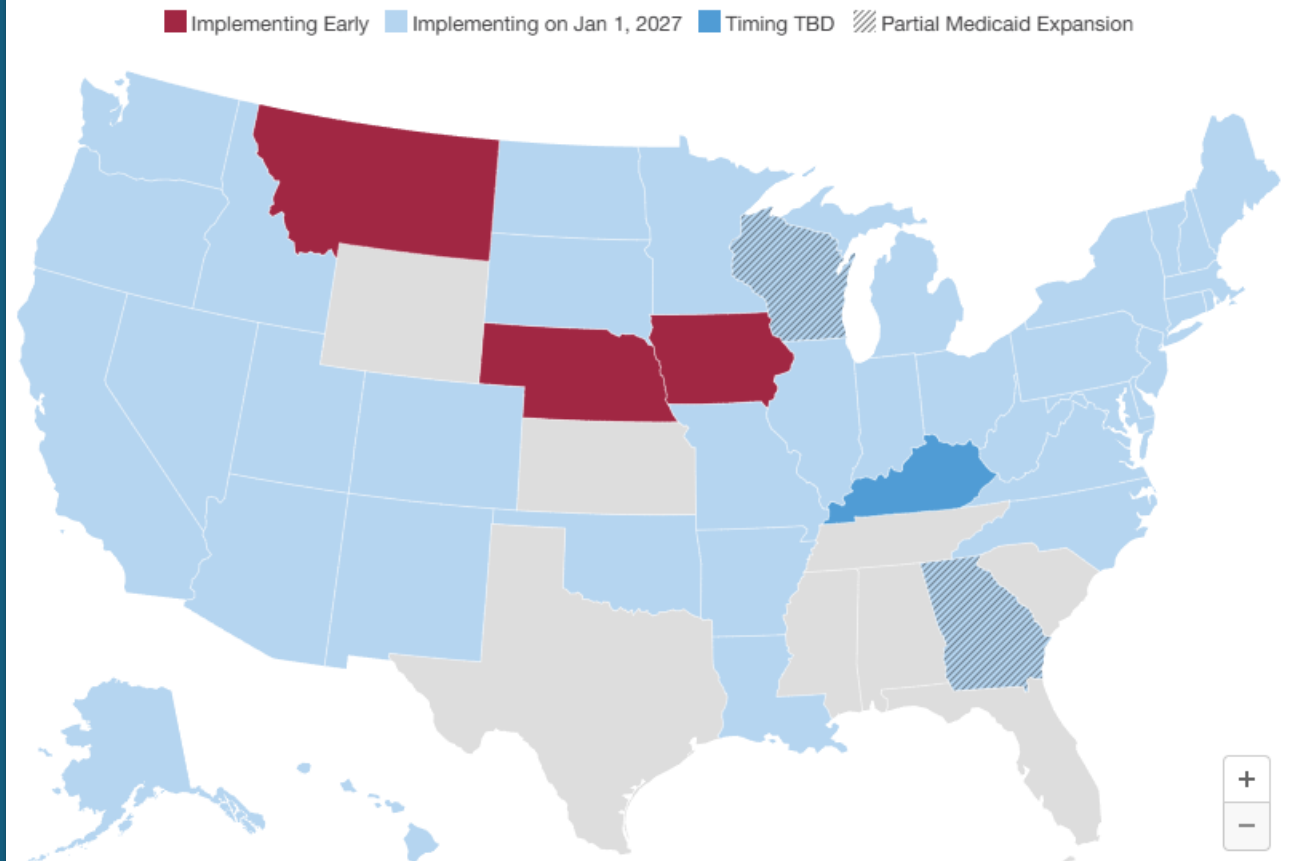
Tracking how states are implementing “prove you’re working/exempt” requirements

- States will be making different decisions that impact whether people will be able to prove they are exempt or prove they are working enough.
- State data systems, funding, time, and available staffing will impact decisions.
- Different states may have different priorities when it comes to preventing loss of coverage.
- This tracker has a page for each state that is tracking major categories of decisions and what decisions states have made or still need to make.

<https://ccf.georgetown.edu/feature/tracking-implementation-of-h-r-1-medicaid-work-reporting-requirements/>

Tracking State Implementation of H.R. 1 Medicaid Work Reporting Requirements

Forty-three states, including the District of Columbia, must implement Medicaid work reporting requirements. This includes adults in the Affordable Care Act (ACA) Medicaid expansion group in 41 states, plus enrollees in partial expansion waiver programs in Georgia and Wisconsin. Three states -- Nebraska, Montana, and Iowa -- have chosen to start early, requiring work reporting prior to January 2027.



Source: J. Tolbert et al., "An Early Look at Policy Decisions as States Get Ready to Implement Work Requirements: Results from the 2026 Medicaid Eligibility, Enrollment, and Renewal Policies Annual Survey." (KFF: April 2026).



Action Step: Submit comments on CMS “prove you’re working/exempt” guidance, CC Congress

- Read the rule:
<https://www.federalregister.gov/documents/2026/06/03/2026-11094/medicaid-program-community-engagement-requirement-for-certain-individuals>
- Submit public comment:
<https://www.regulations.gov/docket/CMS-2026-2047>
- **Deadline July 31, 2026**
- **Once you submit your public comment to the federal register, send your comments to your two U.S. Senators and U.S. Representative.**

- Interim Final Rules are effectively immediately (or a specific date) before comments are fully considered.
- Agencies still accept comments, but rule is in effect while comments are being reviewed
- Rule may later be revised and replaced by a final rule after comments are considered.
- Used when an agency claims there is a good reason to act more quickly.

White House proposes new rules giving political appointees final approval on all federal grants

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- OMB has released a draft rule that would give political appointees at all federal agencies the ability to decide where federal grant funds are (or aren't awarded) based on whether they conform with presidential priorities.
- The rule impacts a wide range of federal grant funding awarded states, universities, local governments, and nonprofits.
- The rule would put new bureaucratic reviews in place before any payments are made, decide what costs are not allowed, let agencies put more specific conditions on federal funding, and give federal agencies the ability to end already awarded grants at their discretion.
- Congress appropriates funding. This rule would give OMB full discretion in deciding where, whether, and how money is spent regardless of Congress's intent.



<https://www.scientificamerican.com/article/white-house-proposes-new-rules-giving-political-appointees-final-say-on-research-grants/>

<https://www.npr.org/2026/06/03/nx-s1-5844678/trump-science-funding-omb-budget-office-rule-change>

Action Step: Submit comments on OMB rule that gives administration power to decide who gets federal funding

- Read the rule:
<https://www.federalregister.gov/documents/2026/05/29/2026-10817/regulation-for-federal-financial-assistance>
- Submit public comment:
<https://www.regulations.gov/document/OMB-2026-0034-0001>
- **Deadline July 13, 2026**
- **Once you submit your public comment to the federal register, send your comments to your two U.S. Senators and U.S. Representative.**

- Proposed rules are published for public comment before becoming final.
- Agencies ask for comments and may revise the rule based on what they hear from people.
- Followed by a separate final rule
- Standard Administrative Procedures Act Process.

White House Blocks \$2 Billion for Education

24

- The Trump administration is using an obscure and typically routine federal budget procedure to withhold more than \$2 billion for education that Congress approved in February.
- Congress approved a [fiscal 2026 budget](#) for the U.S. Department of Education [on Feb. 3](#).
- Before the agency can spend those dollars, the federal Office of Management and Budget must “apportion” the correct amounts, or dispense them, into the agency’s accounts.
- During past presidencies, most apportionments occurred no later than a month and a half after the federal budget was signed into law.

White House Blocks \$2 Billion for Education: See All the Affected Programs



By Mark Lieberman — May 21, 2026 | Updated: May 22, 2026 | 3 min read



https://www.edweek.org/policy-politics/white-house-blocks-2-billion-for-education-see-all-the-affected-programs/2026/05?fbclid=IwY2xjawSKd9xleHRuA2FlbQlxMA BicmlkETFyZ29aR2NhcjhPRUFNUkN0c3J0YwZhcHBfaWQQMjl yMDM5MTc4ODIwMDg5MgABHiG4ob_IR00xAZm7ri2cDzCBd1B J63PLSZkwyYWokAUZCg_6L9wAWesEmdCJ_aem_C-c1zVLKRPky6M-j_xxvMA

White House Blocks \$2 Billion for Education

25

- As of May 21, OMB has apportioned little or no fiscal 2026 funding for 33 of the Dept of Education's competitive grant programs totaling more than \$1.8 billion.
- OMB has also apportioned less than 25% of the \$790 million Congress approved this year for the Institute of Education Sciences, the department's research arm.
- Education advocates and federal budget experts worry stalling routine apportionments could mean more funding disruption in the coming months.
- The White House has twice proposed slashing IES funding and eliminating all 33 grant programs on this list.
- Congress rejected all of those proposed cuts for fiscal 2026.

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Education Department programs with FY26 funding blocked by OMB

Click column headers to sort and hover or click on the program name to see more information

Information is current as of May 21, 2026

Program	FY26 appropriation ▼	FY26 amount apportioned	FY26 competition announced?	Expiration date
Institute for Education Sciences *	\$765,000,000	\$205,300,000	No	9/30/2027
Developing Hispanic-serving Institutions	\$259,000,000	0	No	9/30/2026
Education Innovation and Research	\$235,000,000	\$65,000	No	9/30/2026
Full-Service Community Schools	\$150,000,000	0	No	9/30/2027
Magnet Schools Assistance Program	\$139,000,000	0	No	9/30/2027
Strengthening Institutions	\$102,000,000	0	Yes	9/30/2026
Promise Neighborhoods	\$91,000,000	\$500,000	Yes	9/30/2027
Supporting Effective Educator Development	\$90,000,000	\$200,000	Yes	9/30/2027
International and Foreign Language Education	\$81,000,000	\$115,000	No	9/30/2026
Teacher Quality Partnership	\$70,000,000	\$39,520	Yes	9/30/2026
Teacher and School Leader Incentive Grants	\$60,000,000	\$200,000	Yes	9/30/2027
Comprehensive Centers	\$50,000,000	\$500,000	Yes	9/30/2026
Native Hawaiian Education Program	\$46,000,000	\$350,000	No	9/30/2026
Alaska Native Ed.	\$45,000,000	0	No	9/30/2026
Assistance for Arts Education	\$37,000,000	0	No	9/30/2027
Ready to Learn	\$31,000,000	\$310,000	Yes	9/30/2027
RSA: Training	\$29,388,000	0	No	9/30/2026
Postbaccalaureate/Hispanic Americans	\$27,780,000	0	No	9/30/2026

High School Equivalency Program (HEP)	\$26,000,000	\$181,701	Yes	9/30/2026
College Assistance Migrant Program	\$26,000,000	\$181,701	Yes	9/30/2026
Strengthening Institutions: ANNH	\$25,000,000	0	No	9/30/2026
Strengthening Institutions: PBIU	\$23,000,000	0	No	9/30/2026
American History and Civics	\$23,000,000	\$200,000	No	9/30/2027
Statewide Family Engagement Centers	\$20,000,000	0	No	9/30/2027
Graduate Assistance (GAANN)	\$20,000,000	0	No	9/30/2026
Strengthening Institutions: AANAPISI	\$19,000,000	0	No	9/30/2026
Javits Gifted and Talented	\$17,000,000	\$165,000	Yes	9/30/2027
Minority Science and Engineering (MSEIP)	\$16,000,000	0	No	9/30/2026
Hawkins Centers of Excellence	\$15,000,000	0	No	9/30/2026
Adult Ed. Nat'l Activities	\$14,000,000	0	No	9/30/2027
Strengthening Institutions: NASNTI	\$12,000,000	0	No	9/30/2026
Perkins Nat'l Activities	\$12,000,000	0	No	9/30/2027
Training and Advisory Services	\$7,000,000	0	No	9/30/2026
RSA: Demonstration and Training	\$5,796,000	0	Yes	9/30/2026

* NOTE: The Institute for Education Sciences apportionment figure comes from the [SF-133 spending document](#) published by OMB on May 20. As of May 21, no formal apportionment documents have been signed for FY26 funds for IES.

DATA SOURCE: Office of Management and Budget [apportionment documents](#) displayed on the [OpenOMB transparency portal](#)

White House Blocks \$2 Billion for Education

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- More than \$1 billion of the currently unapportioned Education Department funds will expire and return to the Treasury if OMB doesn't release the money in the next four months.
- Federal law says the executive branch can't "impound," or declining to spend, congressional appropriations.
- Similar OMB actions since last year have affected grantees for other agencies, including for community development financial institutions, domestic violence prevention, health and science research, and public transit.

White House Blocks \$2 Billion for Education: See All the Affected Programs



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https://www.edweek.org/policy-politics/white-house-blocks-2-billion-for-education-see-all-the-affected-programs/2026/05?fbclid=IwY2xjawSKd9xleHRuA2FlbQIxMA BicmlkETFyZ29aR2NhcjhPRUFNUkN0c3J0YwZhcHBfaWQQMjl yMDM5MTc4ODIwMDg5MgABHiG4ob_IR00xAZm7ri2cDzCBd1B J63PLSZkwyYWokAUZCg_6L9wAWesEmdCJ_aem_C-c1zVLKRPKy6M-j_xxvMA

8,000 federal policy officials lose civil service protections

28

- President Trump has issued an executive order turning an estimated 8,000 federal workers into at-will employees, which means the government could fire them without providing any reason.
- A Project 2025 idea, the “Schedule F” order would strip federal employees of civil service protections designed to protect their work from political interference.
- Nearly all of the 8,000 people affected are at the highest level of the civil service.
- These roles have significant influence over policy.
- They include leaders of policy offices and their chiefs of staff, heads of regional offices, program managers, senior public affairs officers and those overseeing spending and grants.



<https://www.npr.org/2026/06/03/nx-s1-5742806/trump-federal-employees-civil-service-job-protections-schedule-f>

<https://www.govexec.com/workforce/2026/06/trump-federal-employees-schedule-f/413945>

RFK Jr. Seeks To Peek at Americans' Medical Records for Clues on Autism and Vaccines

29

- Secretary Kennedy wants the federal government to have access to most Americans' medical records, in a quest to research a link between vaccines and autism.
- The U.S. Dept. of Health & Human Services is seeking data from little-known state systems that allow hospitals and clinics to exchange detailed, identifiable patient information.
- Kennedy told KFF Health News that medical records are key to investigating the cause of autism, vaccine safety, and chronic diseases.
- HHS has not publicly announced any new projects involving medical records and autism or vaccine research.



<https://kffhealthnews.org/mental-health/sharing-patients-medical-records-access-rfk-jr-project-link-autism-vaccine-injuries>

Conservative think tank alleges widespread ObamaCare enrollment fraud

30

- A conservative think tank claims 25% of all ACA exchange enrollments were improper, adding to claims of fraud from the Trump administration and GOP lawmakers.
- The Paragon Health Institute's [report](#) claims more than 6 million people were improperly enrolled in 2026, and that nearly \$25 billion in ACA subsidies were distributed.
- Paragon helped design many of the Medicaid cuts contained in HR 1, and advised lawmakers to let the ACA subsidies expire this fall.
- According to Paragon's analysis, improper enrollments were a bigger problem in states that did not expand Medicaid and in states that use the federal healthcare.gov platform instead of their own systems.



<https://thehill.com/policy/healthcare/590860-0-obamacare-improper-enrollments-report/>

Paragon Report on Persistent ACA Plan fraud:
https://paragoninstitute.org/wp-content/uploads/securepdfs/2026/06/The_Persistent_Obamacare_Enrollment_Fraud_RELEASE_V1.pdf

FDA misses deadline on electric shock ban, disability advocates speak out

31

- Two years ago, the Food and Drug Administration gave itself a deadline to decide whether to ban use of electrical shock devices on people with intellectual disabilities and autism.
- The May deadline has passed without a decision, leaving disability advocates and former recipients of these shocks worried that they will continue.
- The practice — dubbed a form of “torture” by United Nations officials and “punishing” by the American Academy of Pediatrics is still used at one institution: the Judge Rotenberg Center in Massachusetts.
- Disability advocates have been trying to shut down JRC for decades, especially after a video of a resident being shocked for seven hours was shown in court in 2012.
- The institution has 347 residents, with 54 residents receiving some shock treatments, according to a JRC spokesperson.



<https://www.statnews.com/2026/06/01/fda-misses-deadline-electric-shock-ban-disability-advocates-speak-out>

Continued coverage of impact of Reconciliation bill

Lots of
articles to
share.

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Potential HCBS Reductions

Elimination of HCBS programs or services within programs	Reduced waiver slots or service caps	Cuts to HCBS provider rates
Higher eligibility for HCBS programs (esp. Level of Care)	Reduced capitation rates	Policies that force people into more congregate supports

Home and Community Based Services Impacts Tracker Project

<https://hpmatters.publichealth.gwu.edu/HCBS-impacts-tracker-project>

Potential Impacts of HCBS Reductions

Decreased utilization of HCBS and longer HCBS waiting lists	Worsened direct care workforce crisis	Increased number of family caregivers
Higher use of institutional care	Increased physician visits, ER visits, and mortality	Increased use of congregate settings over individualized supports



This tracker lists verified changes to home care programs made by states through legislative, budget, or state agency policies.



Participants in Medicaid may be the first to know about agency changes that result in cuts to home care.



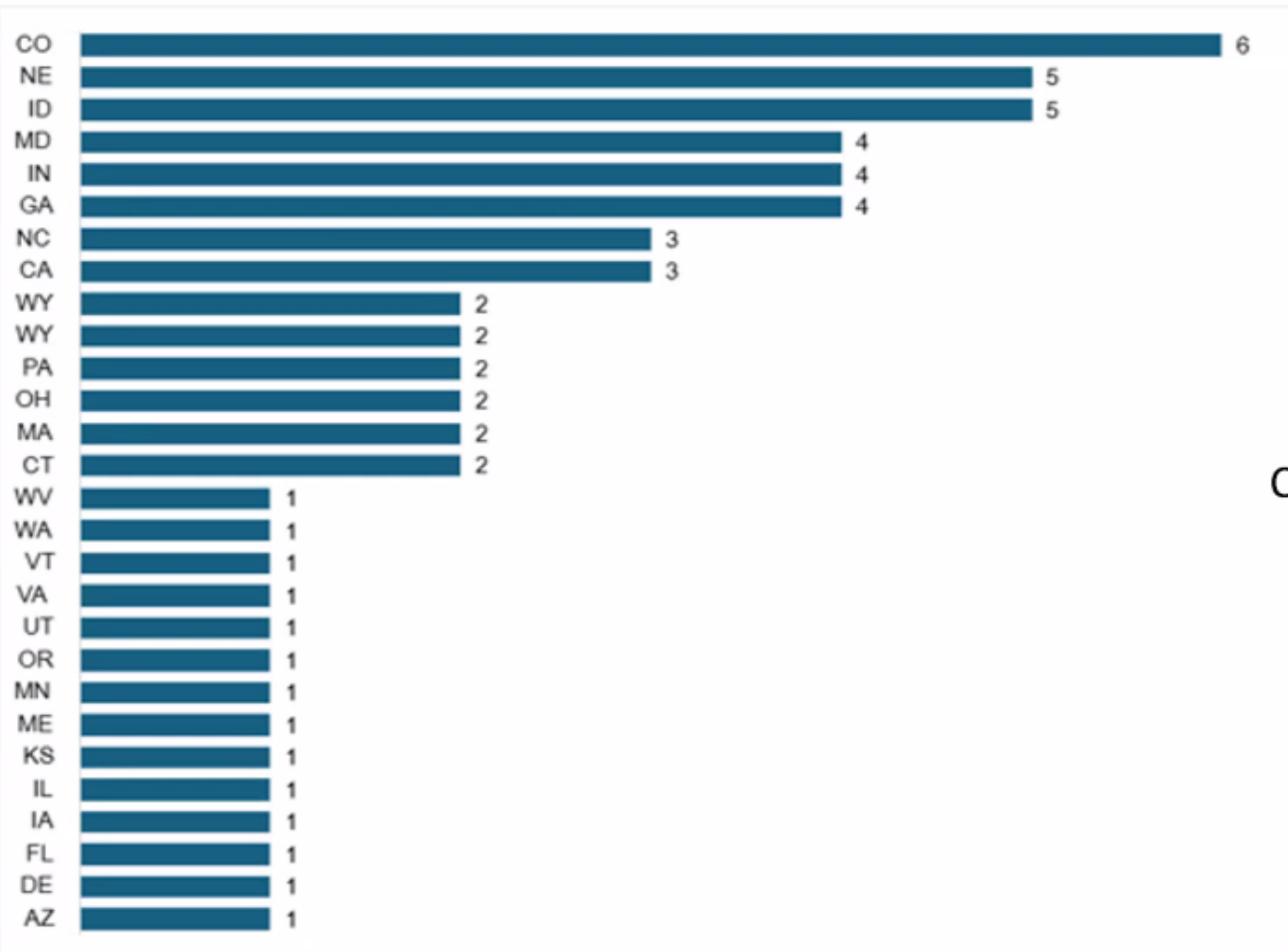
You can report changes and upload documentation using a form on the site.



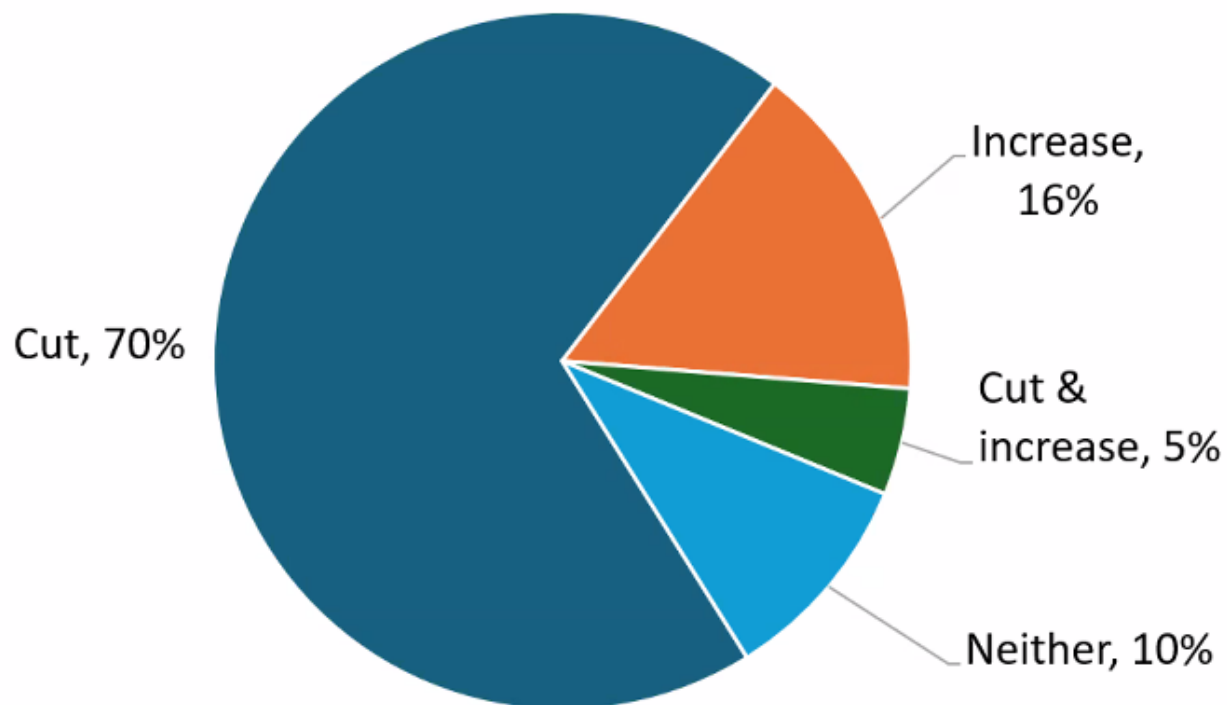
Share this with your networks, especially friends in other states so they know where to go if they see HCBS cuts in their state.

Early Trends*

Number of States Taking Actions (28)

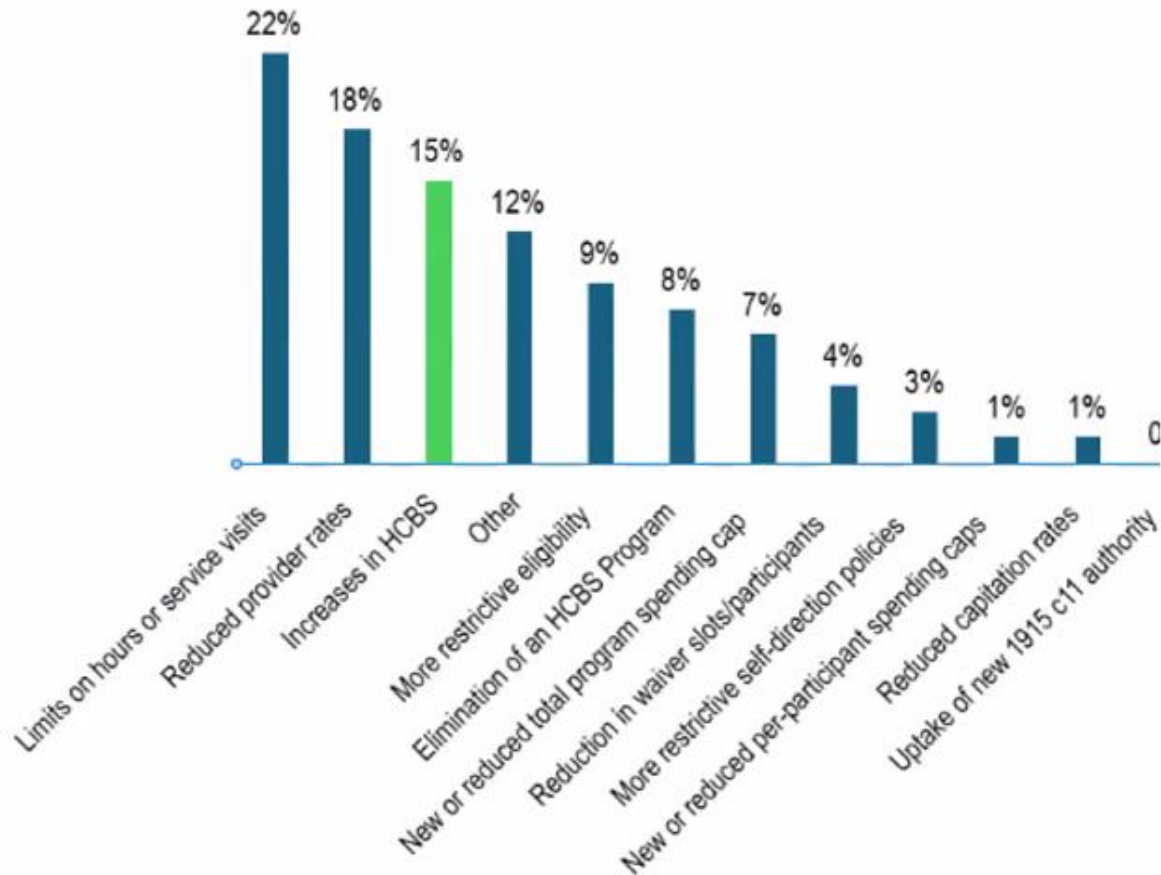


Percentage of Cuts and Increases



* Based on pilot data in the tracker as of May 22, 2026.

Early Trends* (May 2026)

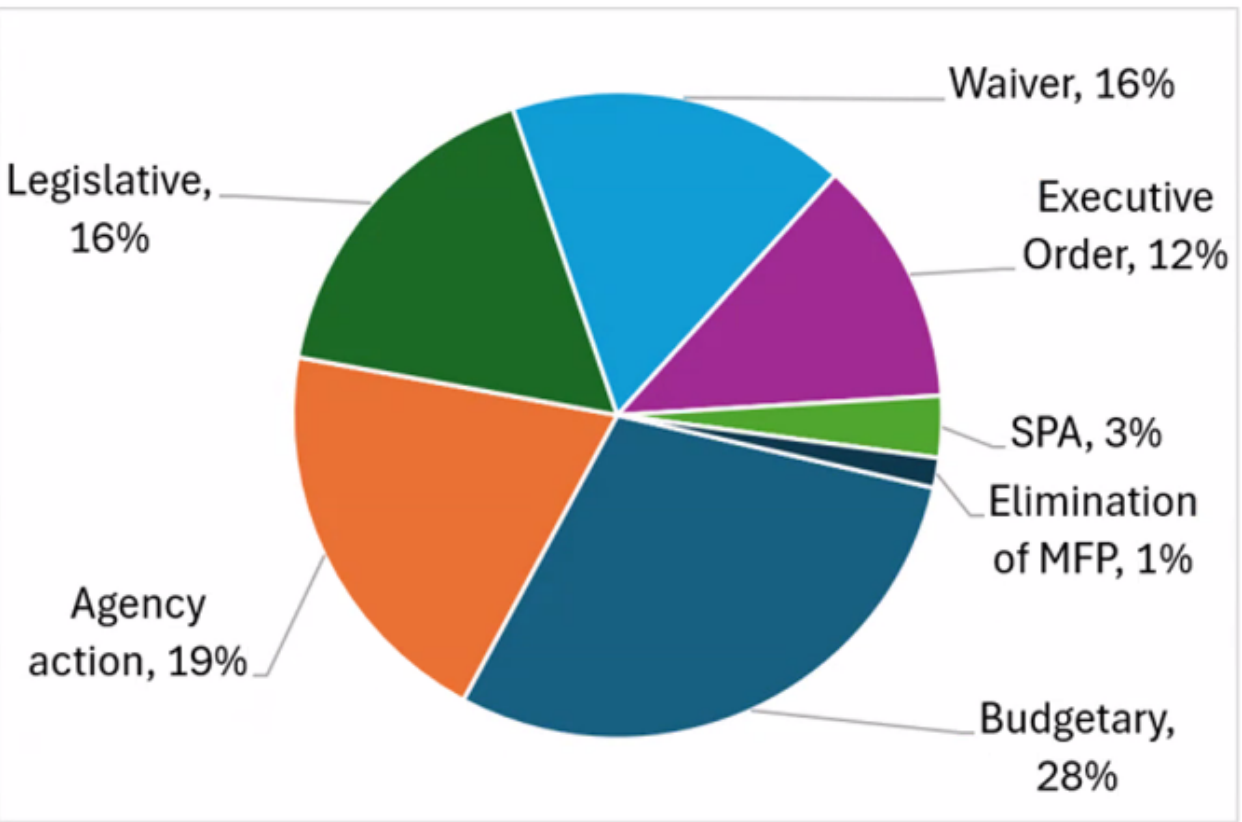


The largest portion of actions tracked to-date are limits on hours or service visits or reduced provider rates.

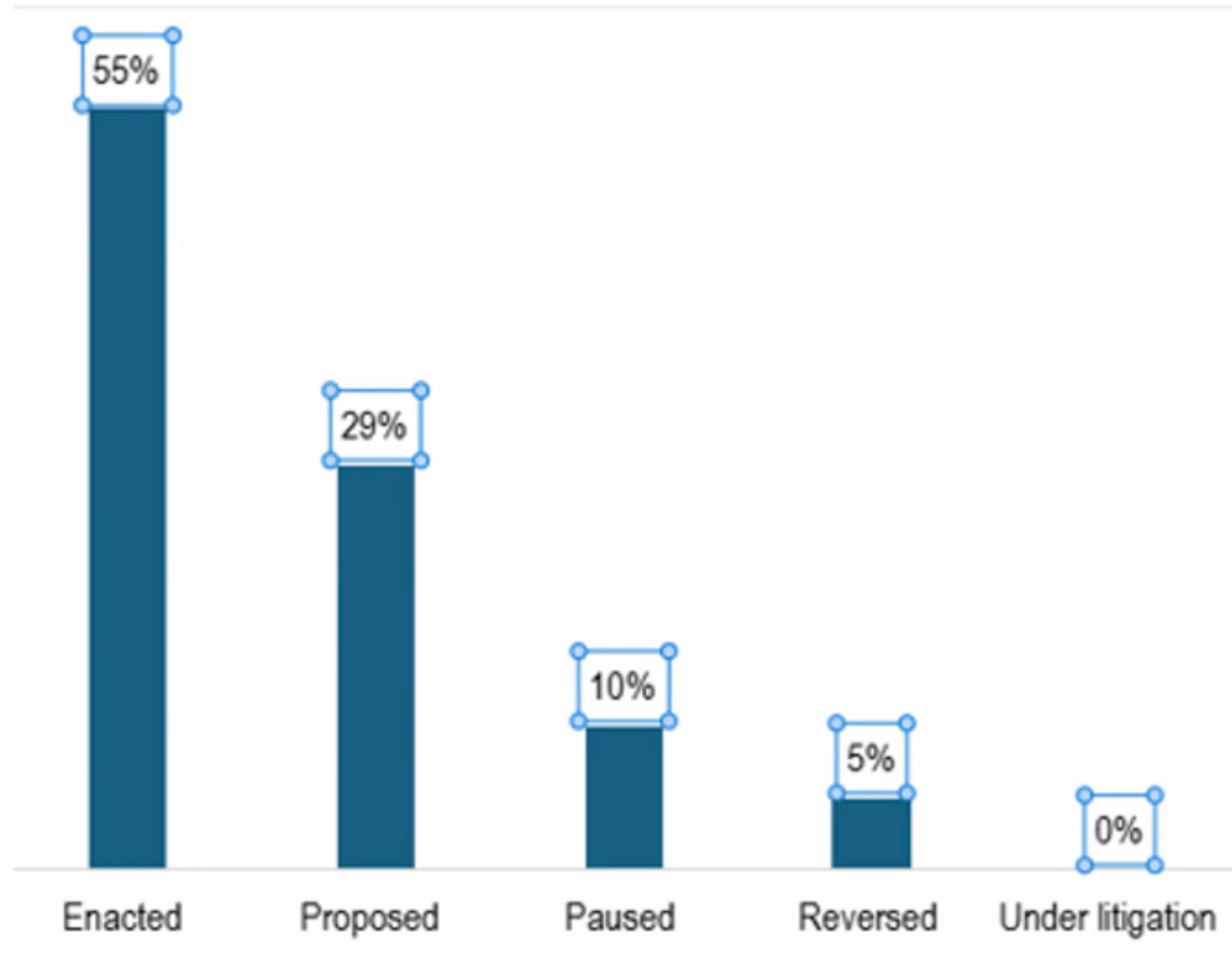
Increases in HCBS tracked in 15% (74 actions)

Early Trends*

Percentage of Actions by Authority



Status of Actions



* Based on pilot data in the tracker as of May 23, 2026

States balk at the high price of Medicaid work requirements amid budget crunch

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- The Trump administration is counting on Medicaid work requirements to save the government billions of dollars.
- But well before the rules formally go into effect Jan. 1, they're costing already-strapped states millions or tens of millions to implement.
- State health departments are having to funnel resources into hiring more staff, paying for overtime, and upgrading their aging technology systems so they can determine which low-income residents are working, volunteering, caregiving, or studying enough hours to keep their Medicaid coverage.
- They are also building new systems to determine who is sick enough to qualify for an exemption.



POLITICO.COM

States balk at the high price of Medicaid work requirements amid budget crunch

<https://www.politico.com/news/2026/05/31/state-s-medicaid-work-requirements-high-costs-budgets-00943360>

States balk at the high price of Medicaid work requirements amid budget crunch

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- POLITICO asked officials in 37 states how much they are spending to implement work requirements by the Jan. 1 deadline.
- Twenty-one responded, reporting upfront costs of between \$4 million and more than \$30 million. Some had also calculated ongoing annual costs, while others had not.
- While HR 1 included \$200 million in federal funds to help pay for implementation costs, several officials said it won't be nearly enough to cover them.
- North Carolina, for example, got \$1.9 million in federal funding to implement the work requirements, but expects it will need to spend an estimated \$31.2 million annually to enforce them and conduct the biannual eligibility checks Congress mandated.



<https://www.politico.com/news/2026/05/31/states-medicaid-work-requirements-high-costs-budgets-00943360>

States balk at the high price of Medicaid work requirements amid budget crunch

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- States and the federal government would theoretically save money if the requirements cause millions to drop off the Medicaid rolls, as predicted.
- A Missouri lawmaker said while the “additional cost” of enacting work requirements is causing “consternation” in his state, he expects the policy to eventually yield dividends when large numbers of beneficiaries are dropped from the rolls for noncompliance.
- Republicans argue the rules will encourage people to find jobs with private health insurance benefits.
- However, state officials fear any state savings will be offset or even cancelled out by expenditures to enforce the rules, as well as other impacts of HR 1.



<https://www.politico.com/news/2026/05/31/state-s-medicaid-work-requirements-high-costs-budgets-00943360>

NJ bill would help Medicaid recipients meet new federal work requirements

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- A [bill](#) calls for state agencies to connect Medicaid members with volunteer opportunities and make it easier for them to document the time they gave to these causes.
- “People are now running into barriers that have nothing to do with whether they qualify but have everything to do with whether they can navigate the system,” he said.
- The bill would provide \$120,000 to support various state volunteer programs to create a comprehensive database of opportunities with links to multiple state websites.
- It also calls for records documenting people’s volunteer jobs to be easily available to Medicaid and food stamp administrators.
- The Assembly Aging and Human Services Committee passed the bill Monday, with four Democrats voting yes and two Republicans abstaining over concerns that the language suggested the Trump administration’s requirements were unreasonable.



<https://www.newsfromthestates.com/article/nj-bill-would-help-medicaid-recipients-meet-new-federal-work-requirements>

Ohio: anti-fraud bill would ban Medicaid from paying family for personal care services

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- The bill would prohibit family members from being paid by Medicaid for personal caregiving,
- The bill still requires electronic visit verification or EVV, and would put new restrictions on home health care providers and suspend payments to suspect providers.
- It would increase mandatory fines for Medicaid fraud ranging from \$1,000 to \$15,000.
- Speakers said if family members who apply for waivers can't be paid, then thousands more paid caregivers will be needed or more disabled Ohioans could end up in costly long-term care facilities such as nursing homes.

Disabled Ohioans sound alarm at big, sudden changes to Medicaid home health providers

The Statehouse News Bureau | By Karen Kasler
Published June 4, 2026 at 2:53 AM EDT



▶ LISTEN • 1:15



<https://www.wosu.org/2026-06-04/disabled-ohioans-sound-alarm-at-big-sudden-changes-to-medicaid-home-health-providers>

Ohio: anti-fraud bill would ban Medicaid from paying family for personal care services

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- Justin Martin of the Columbus area is a teacher who has cerebral palsy and uses a wheelchair. He said he's had trouble hiring aides to help him with day-to-day activities so he can get to work and socialize with friends.
- "I have to hear folks on this committee saying things like, 'oh, we're just here to protect the taxpayer' as if a) I'm not a taxpayer. I'm trying to work here. I need to be able to be dressed to do that and b) I'm fine with safeguarding the taxpayer. I just think we should start with the taxpayers who can't shower and dress themselves, which will eventually be all of your constituents," Martin said.

Disabled Ohioans sound alarm at big, sudden changes to Medicaid home health providers

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Congress

What are
they doing?
(and not
doing)

2026 Reconciliation bill moves

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U.S. Senate passed the 2026 Reconciliation bill Thursday.



U.S. House went home for the weekend before voting on the bill.



This reconciliation bill bypasses the normal annual federal appropriation process.



It will provide \$72 B the Dept. of Homeland Security through 2029.



National advocates warn the faster the 2026 reconciliation bill moves the easier it will be to move a 2027 reconciliation bill

2027 Reconciliation bill taking shape

45



Reported that CMS Director Oz met with House Republican leaders on Wednesday to recommend ways to cut down on Medicaid and hospice “fraud”.



Oz identified \$100 B in “fraud” and other misuses of taxpayer money that could be used to pay for spending increases in other parts of the bill.



Other members wanted changes to health insurance (HSA, catastrophic plans), and ways to restrict ACA enrollment processes to prevent “improper” sign ups.



National advocates warn [H.R. 8464](#) (Stopping Fraudulent Payments Act) could be included. This bill would let federal agencies to delay, condition, or withhold payments they believe have an “elevated risk” of fraud.

2027 Reconciliation bill taking shape

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The first step—Budget Resolution—in June.



In addition to health care cuts, revenue decreases (tax cuts), increased military spending, and potentially language related to voting (parts of the SAVE Act) are considered likely to be included in the bill.



Congress may move quickly to pass a bill before the summer recess (July 23rd).

House releases 2027 federal Labor/Dept. Health & Human Services/Education bill

- House Committee having a markup hearing today. The bill includes some of Trump's proposals and not others.
- The Administration for Community Living exists and advocates are hearing all ACL programs are level funded (the President's budget wanted to eliminate ACL and eliminate separate appropriation lines for many programs).
- It increases funding for the Low-Income Home Energy Assistance Program (LHEAP), which the President's budget proposed to eliminate.
- It reduces overall funding for the Department of Education, but increases Special Education funding and does not cut the Office of Civil Rights as the President's budget proposed.
- It increases funding to combat health care fraud, waste, and abuse.
- It proposes \$575 million for rural health, including increased support for rural hospitals - especially those at risk of closure.

Bill Text:

<https://appropriations.house.gov/sites/evo-subsites/republicans-appropriations.house.gov/files/evo-media-document/fy27-labor-health-and-human-services-education-and-related-agencies-subcommittee-mark.pdf>

As summarized by Majority:

<https://appropriations.house.gov/sites/evo-subsites/republicans-appropriations.house.gov/files/evo-media-document/fy27-labor-health-and-human-services-education-and-related-agencies-bill-subcommittee-summary.pdf>

EdWeek Education analysis:

<https://www.edweek.org/policy-politics/house-gop-endorses-education-cuts-as-talks-on-trumps-budget-begin/2026/06>

House releases 2027 federal Labor/Dept. Health & Human Services/Education bill

- Full House appropriations committee will meet June 9th on this bill.
- The Senate hasn't yet begun releasing its appropriations bills for fiscal 2027.
- Last budget the House and Senate bills differed significantly.
- Many watchers do not expect Congress to agree and pass appropriation bills before the end of the fiscal year deadline of September 30th and expect a Continuing Resolution will be passed to avoid a government shutdown.

Bill Text:

<https://appropriations.house.gov/sites/evo-subsites/republicans-appropriations.house.gov/files/evo-media-document/fy27-labor-health-and-human-services-education-and-related-agencies-subcommittee-mark.pdf>

As summarized by Majority:

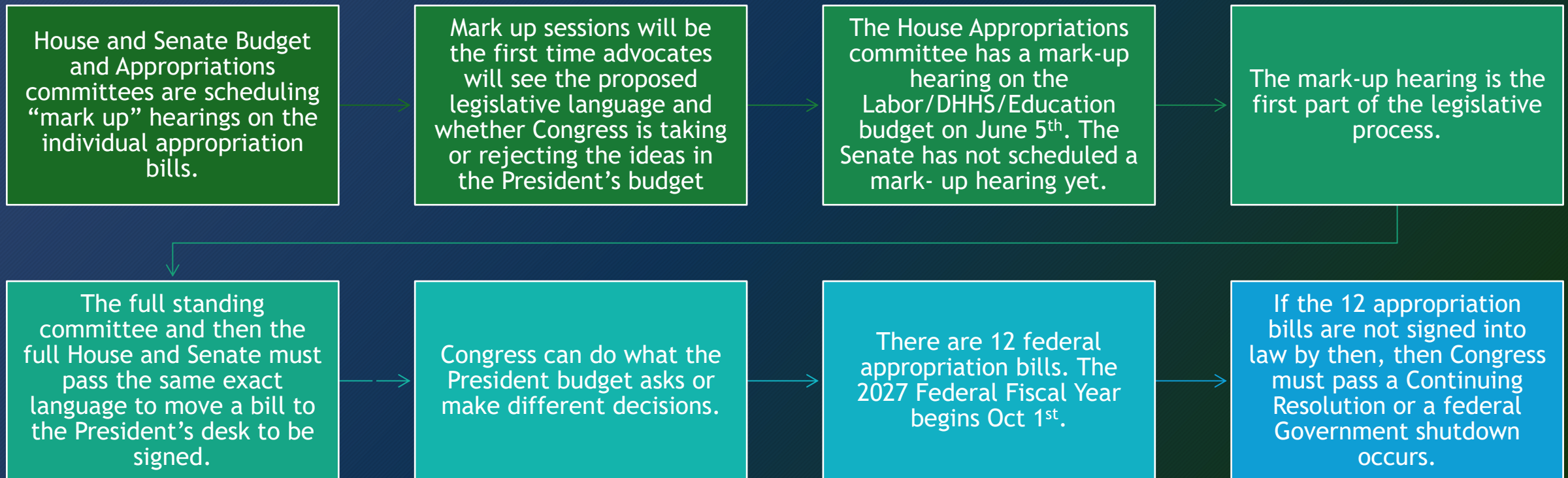
<https://appropriations.house.gov/sites/evo-subsites/republicans-appropriations.house.gov/files/evo-media-document/fy27-labor-health-and-human-services-education-and-related-agencies-bill-subcommittee-summary.pdf>

EdWeek Education analysis:

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2027 federal budget process

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Let Congress know you are paying attention

Let Congress know what you think about them using a reconciliation process to pass spending that doesn't have to be negotiated and agreed upon by both parties.

Let Congress know what you think about proposed cuts and changes to disability programs. Let them know it's important to have dedicated funded appropriated to preserve current programs (like DD Councils and P&As).

Ask Congress if they are doing a third reconciliation bill and what they are going to put in it. Will changes impact Medicaid, Medicare, health insurance options, voting access?

Ask Congress what they will do if the administration cuts, freezes, claws back, fails to send funding for programs that impact people with disabilities, or otherwise ignores how Congress has told the administration to spend money.

Educate your members of Congress on what Home and Community Based Services (Family Care, IRIS, CLTS) do and mean for people with disabilities and families. Not fraud, just care.

Wisconsin

What are
they doing?
(and not
doing)

Joint Finance decision provides some, but not full funding for DVR

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- Beginning in December 2025, DVR ran out of money and people with disabilities seeking work were told they would wait in line for possibly a year to get help.
- The Department of Workforce Development (DWD) sent a request (called a 13.10) to Wisconsin's Joint Finance Committee (JFC) for \$11M to meet demand through June 30, 2027.
- The additional \$11M in state funding would allow Wisconsin to draw in nearly \$75 M more in federal funding to support Wisconsin residents with disabilities get jobs.



<https://wisconsinexaminer.com/2026/06/03/budget-committee-releases-funds-for-agency-that-aids-people-with-disabilities-seeking-work/>

Joint Finance decision provides some, but not full funding for DVR

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- This week JFC approved \$7 million to DVR, \$4 million less than requested.
- The \$600,000 additional funding in the first year of the state budget will let Wisconsin draw federal match for 2026 and let DWD have the required state matching funds to compete for an uncertain amount of federal grant funding in July 2026.
- The current waitlist of more than 7600 people may be reduced by an unknown number, but it is unknown whether the current waitlist will be fully eliminated before June 30, 2027.



<https://wisconsinexaminer.com/2026/06/03/budget-committee-releases-funds-for-agency-that-aids-people-with-disabilities-seeking-work/>

Joint Finance decision provides some, but not full funding for DVR

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- For the second year of the budget, DVR remains \$4M short of what it needs in state funds to be able to fully draw down an additional 80% in federal formula funds.
- By not setting aside enough state dollars to fully draw down the federal formula match in the second year of the current state budget, **Wisconsin's DVR program will start the 2027-2029 state budget process with a \$4M shortfall** where the funding is not sufficient to meet the needs of all the people who need help funding work.
- That \$4 M shortfall means that Wisconsin misses out on significant federal funding which decreases the ability for DVR to help people who need services in real time, and puts Wisconsin at risk of having to create another waitlist next year when the program funding is not enough to meet demand.



<https://wisconsinexaminer.com/2026/06/03/budget-committee-releases-funds-for-agency-that-aids-people-with-disabilities-seeking-work/>

Resources

People with
disabilities
and families
can use

Disability Questions you can ask any candidate

https://wi-bpdd.org/wp-content/uploads/2026/04/DisabilityQuestionsforCandidates_042026.pdf

Wisconsin Democrat Disability Caucus
[2026 Governor Candidate Forum](#)

Disability questions you can ask ANY candidate

- With federal Medicaid cuts about to hit state budgets, what will you do to guarantee seniors and people with disabilities can continue to get the help they need to stay in their own homes (and out of expensive Medicaid funded institutions)?
- Every year the special education reimbursement is not enough to cover actual costs. What will you do to make sure the legislature keeps its promises and funding is guaranteed for these students?
- People with disabilities who want to work are being told they must wait at least a year for help. What will you do to make sure that workers with disabilities can use the Division of Vocational Rehabilitation in real time to get the support they need to find and keep a job?
- Right now, people with disabilities can't get the care they need to stay in their homes outside of Medicaid. That means they are required to be poor forever just to have the help they need to survive. What will you do to make sure people with disabilities can earn and save more without losing the health and home and community-based long-term care services they need?
- Will you consult with disability organizations and advocates when you are developing policies? How will you solicit ideas, feedback, and make changes to proposals that impact people with disabilities?
- How do you plan to make sure decisions are driven by the people who must live and navigate the programs, that decisions make it easier for them not harder, and that decisions are going to result in outcomes people with disabilities want (greater independence, inclusion, integration)?

Tool to help people understand what small changes in Medicaid could mean for them

Have individuals:

- List the major parts of their care plan,
- How many paid hours/service the plan currently provides,
- How much natural supports unpaid caregivers are currently doing to make the care plan work.

Ask them what would happen if:

- The amount of paid caregiver hours was reduced (what would it mean if you lost 5 hours? 10 hours? More?)
- The amount of services you currently get was reduced?
- Some of the services you have now would not be in your care plan any more.
- Unpaid caregivers could not cover the same hours or weren't able to cover more hours?

https://wi-bpdd.org/wp-content/uploads/2026/04/BPDD_Worksheet_ImpactCarePlanReductions_042026.pdf

WHAT WOULD IT MEAN IF I GOT LESS HELP THAN I HAVE NOW?

	Number of paid hours/amount of service in my care plan	Tasks or time covered by unpaid caregivers in my care plan	Impact of cuts to paid hours or reduction of services in my care plan?
Personal care			
Home health			
Nursing			
Therapies			
Medical Equip. & Supplies			
Mental Health			
Group home			
Employment Services			
Day Services			
Other services or supports			

Here is what my life looks like now. (Ex. I live in my home in the community, not an institution, I work, I volunteer etc.)

With Family Care, IRIS, CLTS as it is now, I am not always able to Ex. Find enough caregivers, get transportation in the evenings, get support on my job.)

What are you most worried about if you have less help than you have now?|