



Date: October 9, 2026

DMS Operations Memo 26-33

To: Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff
FSET Agencies

Affected Programs:

- | | |
|---|--|
| ☒ BadgerCare Plus | ☐ Caretaker Supplement |
| ☐ FoodShare | ☐ FoodShare Employment and Training |
| ☒ Medicaid | |
| ☐ SeniorCare | |

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Federal Medicaid Work Requirement for BadgerCare Plus Childless Adults

CROSS-REFERENCE

- [One Big Beautiful Bill Act, H.R. 1 Section 71109, 119th Cong. \(2025-2026\)](#)
- BadgerCare Plus Eligibility Handbook, [Section 2.2.2 Caretaker Relative](#), [Section 9.9.6 Income](#), [Section 26.1 Renewals](#), and [Section 26.3.1 Changes in Circumstance](#)

EFFECTIVE DATE

January 1, 2027

PURPOSE

The purpose of this memo is to announce a new federal work requirement starting January 1, 2027, for certain Medicaid applicants and members, as required by the One Big Beautiful Bill Act, H.R. 1 (2025).

BACKGROUND

Section 71119 of the One Big Beautiful Bill Act, H.R. 1 (2025), which was signed into law on July 4, 2025, requires that states implement a new work requirement for certain Medicaid applicants and members. In Wisconsin, this applies to the BadgerCare Plus childless adult (CLA) eligibility group.

Under current policy, BadgerCare Plus CLA applicants and members are not required to meet a work requirement to be eligible for health care coverage. To comply with the new federal Medicaid work

requirement, BadgerCare Plus CLA applicants and members will need to meet the work requirement or have an exemption to keep their coverage.

POLICY

NEW FEDERAL MEDICAID WORK REQUIREMENT

The new federal Medicaid work requirement will apply to BadgerCare Plus applicants and members who:

- Are ages 19 through 64; and
- Are not pregnant; and
- Are not receiving Medicare, except for Medicare Part B Immunosuppressive Drug Benefit (Part B-ID); and
- Have no dependent children under age 19 who reside with them at least 40% of the time.

If they do not have an exemption, an individual may meet the requirement through one or more of the following qualifying activities in a single month:

- Completing 80 hours of work, volunteering, or work program participation
- Attending school or an educational program at least half-time
- Completing any combination of the above activities for 80 or more hours
- Having at least \$580 in countable household income, which is the federal minimum wage multiplied by 80 hours. The current federal minimum wage is \$7.25 ($\$7.25 \times 80 \text{ hours worked} = \580 in income)

Starting January 1, 2027, new applicants will need to meet the requirement or be exempt:

- An applicant must meet the work requirement in the calendar month before the month in which they submit their application or have prospective monthly income that is equal to or greater than \$580.
- Depending on the exemption, an applicant can meet an exemption either in the calendar month they submit their application or the calendar month before the month they submit their application.

Example 1: Amy, age 40, applies for BadgerCare Plus in July 2027 and is potentially eligible as a CLA. Amy participated in a work program for 80 hours in June 2027. Amy meets the work requirement.

Starting with renewals due in March 2027, current members will be subject to the work requirement at their next renewal. For renewals due March 31, 2027, and later, a member must have met the work requirement or be exempt in any one month during their previous certification period.

Example 2: Jack, age 40, is enrolled as a BadgerCare Plus CLA. Jack's renewal is due in March 2027. In December 2026, Jack worked for 40 hours and volunteered for 40 hours. Jack meets the work requirement.

MEETING THE WORK REQUIREMENT

An individual who is subject to the work requirement will be required to complete one or more of the following work requirement activities if they do not have an exemption.

WORK

Paid, unpaid, self-employment, or in-kind work counts towards the work requirement.

- Paid work is work in exchange for money.
- Unpaid work may include unpaid internships, work that is unpaid as part of a trial period when applying for a job, or certain caregiving hours.
- Self-employment is work through one's own business, and hours are counted regardless of the income received.
- In-kind work is work that is done in exchange for goods or services.

VOLUNTEERING

Volunteer activities, which may also be referred to as community service, count towards the work requirement if the activities are conducted within a structured program that benefits the community, such as those of a government or non-profit organization. The organization must be able to track the volunteer activity completed by an individual.

Court-mandated community service also counts towards the work requirement.

WORK PROGRAM PARTICIPATION

Participation in work program activities approved for meeting the FoodShare work requirement count towards the federal Medicaid work requirement. Allowable work programs include:

- FoodShare Employment and Training (FSET)
- Transitional Jobs/Transform Milwaukee Jobs
- Children First
- Workforce Innovation and Opportunity Act (WIOA) programs such as Job Corps, Dislocated Worker, and On the Job Training
- Any Veteran Employment Services program operated by the Department of Veterans Affairs or Department of Labor
- Programs under section 236 of the Trade Act such as Trade Adjustment Assistance
- AmeriCorps
- Wisconsin Works (W-2), including W-2 placements for non-custodial parents

SCHOOL ENROLLMENT

An individual must be enrolled in an educational program at least half-time to meet the work requirement. An educational program includes a high school, a college or university, a program of career and technical education, or a state-approved program of study that leads to a certificate of high school equivalence, such as a General Education Development (GED) program.

If an individual's enrollment status is less than half-time, their credit hours will be converted into work requirement hours. One credit counts as three hours. The credit hours will be multiplied by three hours and 4.33 weeks to determine work requirement hours for the month. This conversion will allow their

school enrollment to be combined with other work requirement activities to meet the 80-hour requirement.

Example 3: Inez is enrolled at a local community college. Inez's total credit hours are four. The four credit hours are converted to 52 work requirement hours ($4 \text{ credit hours} \times 3 \text{ hours} \times 4.33 \text{ weeks} = 51.96$, rounded up to 52). Inez needs to complete 28 hours of another activity, such as work, volunteering, or participation in a work program, in a month to meet the work requirement.

If an individual's educational program does not use credit hours, actual hours spent participating in educational activities, such as in-classroom time, lab, or practicum, will be counted for the work requirement.

Example 4: Starting May 2027, Abeba is enrolled in a cosmetology program that requires 1,600 hours of technical training to receive a cosmetology license. The program does not use credit hours. In July 2027, Abeba applies for health care coverage and is potentially eligible as a CLA. In their application, Abeba reports completing 100 hours in an educational program. Abeba will need to provide documentation from the cosmetology program that shows completion of at least 80 hours of training in June 2027 to meet the work requirement.

An individual may be a student applying for health care coverage during a regularly scheduled school break, such as winter or summer break. In this situation, the individual is considered enrolled half-time in the month before their application month if they are enrolled at least half-time in an educational program in the most recent semester before the school break and the semester immediately following the school break.

Example 5: Jane was enrolled at a university half-time during the spring 2027 semester, from January 2027 through May 2027. Jane graduated in May 2027 and enrolled in a different educational program half-time starting September 2027. Jane applies for BadgerCare Plus in July 2027, during summer break, and is potentially eligible as a CLA. Because Jane was enrolled in an educational program at least half-time during the spring semester and is enrolled again in the fall semester at least half-time, Jane meets the work requirement.

COMBINATION OF ACTIVITIES

An individual can meet the work requirement by completing 80 hours in a month of any combination of work, volunteering, work program participation, and attending school or an educational program for less than half-time.

Example 6: Jaden applies for BadgerCare Plus in March 2027 and is potentially eligible as a CLA. Jaden has a part-time job and worked 40 hours in February 2027. Jaden also participated in a WIOA program for 40 hours in the same month. Jaden has a total of 80 hours of qualifying activities (40 work hours and 40 work program hours) in February 2027, so Jaden meets the work requirement.

INCOME THRESHOLD

An individual meets the work requirement based on income if their household's Modified Adjusted Gross Income (MAGI) in a month is greater than or equal to the federal minimum wage multiplied by 80 hours, currently \$580.

Their MAGI household income can be either their own individual income or, if married, the combination of their and their spouse's income. It also does not have to be earned income. Any countable MAGI income, including income from a job, self-employment, Social Security, unemployment compensation, certain support payments, and other taxable income will count. If an income type is not countable under MAGI rules, it cannot be used to meet the income threshold.

At application, the applicant will meet the work requirement based on income if one of the following is greater than or equal to \$580:

- Their prospective monthly household income, which is used to determine eligibility for BadgerCare Plus
- Their household income in the month before the month of application

Example 7: Mai applies for BadgerCare Plus in June 2027 and is potentially eligible as a CLA. Mai reports on her application and provides verification that she gets \$700 in interest and dividend income per month, which is countable income under MAGI rules. Because Mai's prospective monthly household income is greater than \$580, Mai meets the work requirement based on income.

Example 8: Spouses Val and Taylor apply for BadgerCare Plus in September 2027 and are potentially eligible as CLAs. They report no household income in September. In August 2027, Val got \$320 in unemployment compensation and Taylor got \$300 in countable income from a job. Because their MAGI household income in the month prior to the month of application is greater than \$580, both Val and Taylor meet the work requirement based on income.

If an individual has monthly unearned income that is less than \$580, the unearned income amount will be converted to a number of hours by dividing the unearned income amount by the federal minimum wage of \$7.25. These hours can be combined with work hours, volunteer hours, work program participation hours, and hours attending an educational program when enrolled less than half-time to meet the work requirement.

Example 9: Marta applies for BadgerCare Plus in October 2027 and is potentially eligible as a CLA. Marta reports on her application that she gets \$350 per month in Social Security benefits. This income is verified using data from the Social Security Administration. Because this income is unearned income and is less than \$580, the income is converted to 49 hours ($\$350 \div \$7.25 = 48.3$ hours, rounded up to 49 work requirement hours).

Marta also reports on her application that she is enrolled in college less than half-time for three credit hours for the fall semester of September 2027 through December 2027. Marta's credit hours are converted to 39 work requirement hours ($3 \text{ credit hours} \times 3 \text{ hours} \times 4.33 \text{ weeks} = 38.97$, rounded up to 39 work requirement hours).

Marta has a total of 88 work requirement hours in September, the month prior to the month of application (the 49 hours converted from unearned income less than \$580 and the 39 hours converted from completing educational activities when enrolled less than half-time). Marta meets the work requirement.

VERIFICATION FOR WORK REQUIREMENT ACTIVITIES

All available information from data sources must be used to determine work requirement compliance before an applicant or member is asked to take action.

WORK HOURS

If work hour information cannot be obtained from data sources or documentation already provided and used to determine eligibility, the applicant or member will need to provide documentation of their work hours.

VOLUNTEER HOURS

Self-attestation will be accepted for volunteer hours. Applicants and members will not be required to verify volunteer information reported at application or renewal unless it is questionable.

WORK PROGRAM PARTICIPATION HOURS

Self-attestation will be accepted for work program participation hours. Applicants and members will not be required to verify work program participation information reported at application or renewal unless it is questionable.

SCHOOL ENROLLMENT

Applicants and members will need to provide documentation from their educational program that verifies their enrollment status, credit hours, or educational activity hours.

INCOME

Existing policy for verifying income will continue to be used. See BadgerCare Plus Eligibility Handbook, [Section 9.9.6 Income](#).

WORK REQUIREMENT EXEMPTIONS

Individuals who meet an exemption do not need to meet the work requirement to be eligible for health care coverage.

To be exempt from the work requirement at application, some exemptions may be met only in the month prior to the month of application, whereas other exemptions may be met either in the month prior to the month of application or in the application month. The table below lists each exemption in the relevant category.

To be exempt from the work requirement at renewal, the member must meet an exemption in any one month during their previous certification period.

Exemption	May be met in the month prior to the month of application	May be met in the month of application
Individuals who are under age 19	☒	☐
Individuals who are pregnant or were pregnant in the last 12 months	☒	☒
Individuals who are entitled to or enrolled in benefits under Medicare Part A or enrolled in benefits under Medicare Part B	☒	☐
Individuals who meet the requirements to be enrolled in Medicaid as a Former Foster Care Youth	☒	☒
Individuals who are currently incarcerated in a jail or prison	☒	☒
Individuals who were previously incarcerated in a jail or prison during the three-month period preceding the month before the application month	☒	☐
Members of an American Indian Tribe or Alaska Native Village; children or grandchildren of a Tribal member (first or second degree); Urban Indians; California Indians; and individuals eligible to receive health care from the Indian Health Service	☒	☒
Caregivers of a dependent child under age 14 or of a person with a disability	☒	☒
Veterans with a total (100%) disability rating	☒	☒
Individuals who are blind or determined disabled by the Social Security Administration.	☒	☒
Individuals living with a drug or alcohol disorder that affects their ability to work	☒	☒
Individuals living with a mental health disorder that makes it hard for them to work 80 hours in a month	☒	☒
Individuals living with a physical, intellectual, or developmental disability that makes it hard to do daily activities and affects their ability to work	☒	☒
Individuals living with a serious or complex medical condition that makes it hard for them to work 80 hours in a month	☒	☒
Participants in certain drug addiction or alcoholic treatment and rehabilitation programs	☒	☒
Individuals in compliance with the Wisconsin Works (W-2) work requirements	☒	☒
Members of a household receiving FoodShare who are not exempt from FoodShare work requirements	☒	☒

Individuals who were enrolled in another full-benefit Medicaid eligibility group	☒	☐
Individuals experiencing a qualifying short-term hardship event, including: - Individuals receiving inpatient hospital services, nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities, inpatient psychiatric hospital services, or other similar services - Individuals residing in a county where there is an emergency or disaster declared by the President - Individuals living in an area where the unemployment rate is at or above 8% or 1.5 times the national unemployment rate, whichever is lower - Individuals or their dependents must travel at least 45 minutes from their home to receive medical services necessary to treat a serious or complex medical condition, requiring multiple appointments or an overnight stay	☒	☐

Example 10: Darius applies for BadgerCare Plus on March 15, 2027, and is potentially eligible as a CLA. Darius was enrolled in FoodShare in February 2027 and was not exempt from the FoodShare work requirement. Darius' last day of FoodShare enrollment was February 28, 2027. Because the exemption for members of a household receiving FoodShare who are not exempt from the FoodShare work requirement may be met in the month prior to the month of BadgerCare Plus application, Darius is exempt from the federal Medicaid work requirement.

Example 11: Olga applies for BadgerCare Plus on April 28, 2027, and is potentially eligible as a CLA. From April 5 through April 23, Olga was an inpatient in a hospital. The exemption for individuals receiving inpatient hospital services may be met only in the month prior to the month of application. As a result, Olga does not qualify for this exemption.

This does not prevent Olga from qualifying for other exemptions. Olga is exempt if she reports having a serious or complex medical condition.

Example 12: Alexei applied for BadgerCare Plus in April 2026 and is enrolled as a BadgerCare Plus CLA with a certification period from April 2026 through March 2027. Alexei was in jail for three days in September 2026. Alexei is subject to the work requirement at his March 2027 renewal. Because Alexei was in jail in September 2026, Alexei has met an exemption in a month during his previous certification period. Alexei is exempt from the work requirement. If Alexei meets all other eligibility

requirements at the March 2027 renewal, Alexei will be enrolled in a new BadgerCare Plus certification period.

CRITERIA FOR CERTAIN EXEMPTIONS

Medicare Part A or B Enrollment

An individual receiving Medicare cannot enroll in the BadgerCare Plus CLA eligibility group unless they receive Medicare Part B Immunosuppressive Drug Benefit (Part B-ID). A BadgerCare Plus CLA who receives or received Part B-ID is exempt from the work requirement.

An applicant will be exempt if they were enrolled in Medicare Part A or B in the month before they applied for BadgerCare Plus.

Example 13: Tou was enrolled in Medicare in August 2027. Tou was disenrolled from Medicare and applied for BadgerCare Plus in September 2027. Because Tou was enrolled in Medicare in August, Tou is exempt from the work requirement. At the next renewal in August 2028, Tou will have to meet the federal Medicaid work requirement.

Incarcerated in a Jail or Prison

An applicant who is in jail or prison at any time in their application month or the four months prior to the application month will be exempt.

A member will be exempt if they were in jail or prison at any time during their previous certification period.

Example 14: Jacob applied for BadgerCare Plus in August 2027 and is potentially eligible as a CLA. Jacob needs to demonstrate meeting the work requirement in July. In the application, Jacob reports a past incarceration in April 2027. Because Jacob was incarcerated sometime between April 2027 and August 2027, Jacob is exempt from the work requirement.

Enrolled in Another Full-Benefit Medicaid Eligibility Group

An applicant will be exempt if they are applying for or re-requesting BadgerCare Plus and they were enrolled in a full-benefit Medicaid category in the month before the application or re-request.

A member will be exempt if they are enrolled in a full-benefit Medicaid category and they are transitioning to the BadgerCare Plus CLA category during their certification period or at renewal. At the member's next eligibility determination, they will need to meet the work requirement or have a different exemption.

Example 15: Olivia and her 16-year-old child Bryson live together and are enrolled in BadgerCare Plus. Olivia is enrolled in the parent category. Bryson moves out of the home on January 5, 2027, and Olivia reports this change on January 7. Olivia's eligibility is determined as a CLA. Olivia is exempt from the federal Medicaid work requirement because Olivia was previously enrolled in another full-benefit Medicaid category prior to transitioning to a CLA.

Caregiver of a Dependent Child Under Age 14 or a Person with a Disability

An applicant or member will be exempt if they previously met or are meeting one of the following criteria:

- They have the legal status of a mother or father, including by adoption, and provide some level of care to a dependent child under age 14 or a person with a disability.
- They are an adult appointed by a court to care for and make personal decisions for a dependent child under age 14 or a person with a disability who cannot care for themselves.
- They are living with a dependent child under age 14 or a person with a disability, they assume primary responsibility for the care of the dependent child under age 14 or the person with a disability, and their relationship to the dependent child under age 14 or the person with a disability is one of the qualifying relationships listed in the BadgerCare Plus Eligibility Handbook, [Section 2.2.2 Caretaker Relative](#).
- They are the spouse, child, stepchild, or grandchild of a person with a disability, they are living with the person with a disability, and they assume primary responsibility for the care of the person with a disability.

An applicant or member also will be exempt if they previously met or are meeting one of the following criteria:

- They primarily reside with a dependent child under age 14 or a person with a disability and provide assistance that occurs on a regular basis and is not solely incidental in nature.
- They are a relative of, but do not reside with, a dependent child under age 14 or a person with a disability and provide assistance that occurs on a regular basis and is not solely incidental in nature.
- They do not reside with and are not a relative of a dependent child under age 14 or a person with a disability and provide at least 80 hours of assistance per month to the dependent child under age 14 or the person with a disability.
 - If the applicant or member does not provide at least 80 hours of assistance per month and their caregiving work is unpaid, their caregiving hours may be counted as unpaid work and may be combined with other work requirement activities.

For this exemption, a *person with a disability* is a person with a physical or mental impairment that substantially limits one or more major life activities. The person does not need to be eligible for Medicaid or other federal programs because of their disability. The person does not need to have a disability determination from the Social Security Administration.

For this exemption, a person with a disability can be any age.

More than one person can qualify for this exemption for care given to the same individual.

As a reminder, the federal Medicaid work requirement applies to the BadgerCare Plus CLA eligibility group. It is possible for a person to be potentially eligible in the CLA group and qualify for the caregiver exemption.

Example 16: Walter is not married and is the father of a 10-year-old child. The child resides with Walter only on weekends. Walter applies for BadgerCare Plus in October 2027 and is potentially eligible as a

CLA. Because Walter has the legal status of a father and provides care to a dependent child under age 14, Walter is exempt.

Veterans with a Total (100%) Disability Rating

A veteran is exempt from the Medicaid work requirement if they have a total (100%) disability rating, whether permanent or temporary. A veteran is also exempt if they have a combined rating below 100% but receive 100% compensation based on individual unemployability.

Participants in Certain Drug Addiction or Alcoholic Treatment and Rehabilitation Programs

Treatment and rehabilitation programs that qualify for an exemption from the Medicaid work requirement are the same as the programs approved for an exemption from the FoodShare work requirement. These include, but are not limited to:

- Medically-managed inpatient services
- Medically-monitored treatment services
- Day treatment services
- Outpatient treatment services
- Transitional residential treatment services
- Narcotic treatment services for opiate addiction

Participation in Alcoholics Anonymous (AA) or Narcotics Anonymous (NA) does not meet the criteria for this exemption.

There are no minimum number of hours or days of stay an individual must meet to qualify for this exemption.

Blind or Determined Disabled

Individuals who are blind or determined disabled by the Social Security Administration will be exempt.

Drug or Alcohol Disorder

Individuals living with a drug or alcohol disorder that affects their ability to work will be exempt. The individual does not need to be in an active treatment program to qualify for this exemption. Individuals who are in stable recovery for five or more years do not qualify for this exemption.

Mental Health Disorder

Individuals living with a mental health disorder that makes it hard for them to work 80 hours in a month will be exempt.

Physical, Intellectual, or Developmental Disability

Individuals living with a physical, intellectual, or developmental disability that makes it hard to do daily activities and affects their ability to work will be exempt.

Serious or Complex Medical Condition

Individuals living with a serious or complex medical condition that makes it hard for them to work 80 hours in a month will be exempt.

Compliance with the Wisconsin Works (W-2) Work Requirements

An individual enrolled in W-2 is exempt from the federal Medicaid work requirement.

Members of a Household Receiving FoodShare who are not Exempt from FoodShare Work Requirements

An individual is exempt from the federal Medicaid work requirement if they either:

- Are receiving FoodShare and are subject to the FoodShare work requirement; they do not need to be meeting the FoodShare work requirement.
- Received FoodShare and were subject to the FoodShare work requirement; they do not have to have met the FoodShare work requirement.

Example 17: Peter is a FoodShare member who needs to meet the FoodShare work requirement but currently does not work, volunteer, or participate in a work program. Peter began using time-limited FoodShare benefit months as of May 2027. In June 2027, Peter applies for BadgerCare Plus and is potentially eligible as a CLA. Because Peter received FoodShare in May and was subject to the FoodShare work requirement, Peter is exempt from the Medicaid work requirement.

Example 18: Susan is a FoodShare member who is exempt from the FoodShare work requirement because she is a Tribal member. Since Susan is exempt from the FoodShare work requirement, she does not qualify for the Medicaid work requirement exemption based on FoodShare. However, Tribal membership is an exemption from the Medicaid work requirement, so Susan is exempt from the Medicaid work requirement on that basis.

Short-Term Hardship Events

There are four categories of short-term hardship events that can qualify individuals for an exemption. Individuals qualify for an exemption if:

- They are receiving inpatient hospital services, nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities, inpatient psychiatric hospital services, or other similar services.
- They are residing in a county where there is an emergency or disaster declared by the President pursuant to the National Emergencies Act or the Robert T. Stafford Disaster and Emergency Assistance Act. For emergencies declared pursuant to the National Emergencies Act, an exemption will be applied when the emergency affects the residents' ability to meet the work requirement. For emergencies or disasters declared under the Stafford Act, an exemption will be applied starting in the first month in which the incident period begins and through at least the end of the month in which the incident period ends. Department of Health Services (DHS) will grant this exemption if a qualifying emergency or disaster occurs. Applicants and members cannot request this exemption.
- They are living in a county where the unemployment rate is at or above 8% or 1.5 times the national unemployment rate, whichever is lower. Before this exemption is granted to residents of a specific county, DHS must request this exemption from the Centers for Medicare & Medicaid Services (CMS) and CMS must approve the exemption.
- They or their dependent must travel at least 45 minutes one way from their home to receive medical services necessary to treat a serious or complex medical condition. In the calendar month in which this hardship occurs, the individual or their dependent must travel at least two

separate days or once with an overnight stay to receive this exemption. An individual does not need to travel with their dependent to receive this exemption. If the individual is not traveling, their dependent's travel must impact their ability to meet the work requirement.

VERIFICATION FOR WORK REQUIREMENT EXEMPTIONS

All available information from data sources must be used to determine whether an applicant or member qualifies for an exemption before they are asked to take action. Depending on the exemption, the exemption may be verified via data sources, self-attestation, documentation, or a new form.

PREGNANCY AND POSTPARTUM STATUS

Applicants and members who report a pregnancy will not be required to verify this information to be exempt from the work requirement. If a person enrolled as a BadgerCare Plus CLA is verified as pregnant through the medical claims data exchange, they will be exempt and will remain enrolled as a CLA unless and until they report the pregnancy to their agency.

Applicants and members who were previously enrolled in BadgerCare Plus as pregnant individuals will be exempt due to their postpartum status.

TRIBAL STATUS

Effective October 26, 2026, self-attestation will be accepted from applicants and members who report being a member of an American Indian Tribe or Alaska Native Village, child or grandchild of a Tribal member (first or second degree), Urban Indian, California Indian, or eligible to receive health care from the Indian Health Service. Verification will only be required if reported information is questionable.

If a member's Tribal status is already on file with DHS, the exemption will be automatically applied.

VETERAN DISABILITY RATING

An applicant or member will be required to submit documentation from the U.S. Department of Veterans Affairs that verifies their total (100%) veteran disability rating. Permanent disability ratings will not be reverified at subsequent renewals. Temporary disability ratings will need to be reverified at every renewal.

BLIND OR DETERMINED DISABLED

If the applicant or member has been determined disabled by the Social Security Administration and DHS has a record of the disability determination, the exemption will be automatically applied.

DRUG OR ALCOHOL DISORDER

Applicants and members may report to their agency that they are living with a drug or alcohol disorder that affects their ability to work. Self-attestation will be accepted as verification.

There is a new data exchange that uses medical claims data. If DHS has a medical claim for an individual that meets the criteria for this exemption, this exemption will be automatically applied.

MENTAL HEALTH DISORDER

Applicants and members may report to their agency that they are living with a mental health disorder that makes it hard for them to work 80 hours in a month. Self-attestation will be accepted as verification.

If DHS has a medical claim for an individual that meets the criteria for this exemption, this exemption will be automatically applied via the medical claims data exchange.

PHYSICAL, INTELLECTUAL, OR DEVELOPMENTAL DISABILITY

Applicants and members may report to their agency that they are living with a physical, intellectual, or developmental disability that makes it hard to do daily activities and affects their ability to work. Self-attestation will be accepted as verification.

If DHS has a medical claim for an individual that meets the criteria for this exemption, this exemption will be automatically applied via the medical claims data exchange.

This exemption will be automatically applied to applicants and members in the BadgerCare Plus CLA category who are enrolled in a long-term care program.

SERIOUS OR COMPLEX MEDICAL CONDITION

Applicants and members may report to their agency that they are living with a serious or complex medical condition that makes it hard for them to work 80 hours in a month. Self-attestation will be accepted as verification.

If DHS has a medical claim for an individual that meets the criteria for this exemption, this exemption will be automatically applied via the medical claims data exchange.

PARTICIPATION IN A DRUG OR ALCOHOL TREATMENT PROGRAM

Applicants and members may report their participation in a drug or alcohol treatment program. Self-attestation will be accepted as verification.

INCARCERATED IN JAIL OR PRISON

Applicants and members may report incarceration in jail or prison. Current processes will be used to verify if someone is currently incarcerated. Self-attestation will be accepted for individuals who have already been released from incarceration.

MEDICARE ENROLLMENT

If DHS has a record of an applicant or member's Medicare enrollment, the exemption will be automatically applied. If an applicant reports they were enrolled in Medicare Part A or Part B in the month prior to their application month, and DHS does not have a record of the Medicare enrollment, self-attestation will be accepted.

SYSTEM VERIFICATION

The following exemptions will be applied only if the information is verifiable through data exchanges or the information comes from DHS:

- Individuals who meet the requirements for enrollment in Medicaid as Former Foster Care Youth
- Individuals who are in compliance with the Wisconsin Works (W-2) work requirements
- Members of a household receiving FoodShare who are not exempt from FoodShare work requirements
- Individuals residing in a county affected by an emergency or disaster declared by the President
- Individuals living in an area where the unemployment rate is at or above 8% or 1.5 times the national unemployment rate, whichever is lower
- Individuals who were under age 19
- Individuals who were enrolled in another full-benefit Medicaid eligibility group

INDIVIDUAL DECLARATION FORM

Applicants and members requesting the following exemptions will need to complete an Individual Declaration form to attest to the information they are reporting:

- Caregiver of a dependent child under age 14 or a person with a disability.
- Individuals receiving inpatient hospital services, nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities, inpatient psychiatric hospital services, or other similar services.
- Individuals or their dependents must travel at least 45 minutes from their home to receive medical services necessary to treat a serious or complex medical condition requiring multiple appointments or an overnight stay.

This form will be sent with the verification checklist if an individual reports having one or more of these exemptions.

NONCOMPLIANCE PROCEDURES

Federal law states that if an individual does not meet the work requirement at application or renewal, they must be sent a noncompliance letter and they must be provided additional time to demonstrate compliance.

At application, if the applicant does not provide needed information about meeting the work requirement or meeting an exemption by the verification due date, a noncompliance letter will be sent. The applicant will have 35 days from the date the noncompliance letter is mailed to report and provide any needed information about meeting the work requirement or meeting an exemption. If the applicant does not report and provide any needed information about meeting the work requirement or meeting an exemption by this 35-day due date, the application will be denied.

If an individual's application is denied due to not meeting the work requirement, the individual can re-request BadgerCare Plus within 30 days of the application denial date or can submit a new application after the 30-day re-request period has ended. If the individual meets the work requirement in the month of application, the individual can be enrolled in BadgerCare Plus starting in the month after the month of application.

Example 19: Felix applies for BadgerCare Plus on March 8, 2027, and is potentially eligible as a CLA. Felix does not have an exemption from the work requirement, so his verification due date for meeting the work requirement is April 7, 2027. Felix does not provide verification of meeting the work requirement by this date, so Felix is mailed the noncompliance letter. Felix has an additional 35 days –

until May 12, 2027 – to verify meeting the work requirement. Felix does not provide verification of meeting the work requirement by May 12, so his application is denied.

Felix submits a new application on June 21, 2027. Felix provides verification that he worked 80 hours in June. Felix meets all other BadgerCare Plus eligibility requirements, so Felix will be enrolled in BadgerCare Plus starting in July 2027.

At renewal, the noncompliance letter will be sent at the same time as the BadgerCare Plus eligibility renewal letter and the pre-printed renewal form to any member who has not met the work requirement or met an exemption. The due date to meet the work requirement or meet an exemption listed on the noncompliance letter will be the adverse action date of the renewal due month. As a reminder, a BadgerCare Plus renewal received by the last business day of the renewal month is considered timely. When a renewal is received timely, the member will remain enrolled in BadgerCare Plus until the renewal is fully processed. See BadgerCare Plus Eligibility Handbook, [Section 26.1 Renewals](#).

EARLY AND LATE RENEWALS

Effective January 1, 2027, a member enrolled as a BadgerCare Plus CLA who submits an early renewal or a late renewal will be subject to the federal Medicaid work requirement.

To be compliant with the work requirement at an early renewal, the member must meet the work requirement or meet an exemption in any one month in their current certification period.

Example 20: Laila is enrolled as a BadgerCare Plus CLA with a certification period of May 2026 through April 2027. Laila submits an early renewal on February 8, 2027. Laila is subject to the federal Medicaid work requirement at this early renewal. Laila's monthly income for BadgerCare Plus eligibility purposes is \$1,000. Because Laila's monthly income is at least \$580, Laila is compliant with the federal Medicaid work requirement.

To be compliant with the work requirement at a late renewal, the individual must meet the work requirement or meet an exemption in any one month between the first month of their previous certification period and the month they submit a late renewal. This period could be as long as 15 months, as it could include the 12-month certification period and the three-month period in which members may submit a late renewal. This policy applies regardless of whether an individual is requesting coverage of months in which a gap in coverage occurred because of the late renewal.

Example 21: Ryu is enrolled as a BadgerCare Plus CLA with a certification period of September 2026 through August 2027. Ryu does not submit a renewal by August 31, 2027, so Ryu is disenrolled from BadgerCare Plus. Ryu submits a late renewal on October 13, 2027. Ryu provides verification of half-time enrollment at a university for the fall semester that began in September 2027. Ryu is compliant with the federal Medicaid work requirement.

Example 22: Elani is enrolled as a BadgerCare Plus CLA with a certification period of December 2025 through November 2026. Elani does not submit a renewal by November 30, 2026, so Elani is disenrolled from BadgerCare Plus. Elani submits a late renewal on January 4, 2027, and requests coverage for December 2026. Elani was enrolled in FoodShare and was not exempt from the FoodShare work

requirement from July 2025 through December 2025, so Elani met an exemption from the federal Medicaid work requirement in December 2025. Elani is compliant with the federal Medicaid work requirement in the late renewal. Elani may receive coverage as of December 2026 if all other necessary information and verifications are provided for that month.

BACKDATED ELIGIBILITY AT APPLICATION

If an applicant meets the work requirement or is exempt at application, the applicant also meets the work requirement for any requested backdated eligibility months.

Example 23: Johan applies for BadgerCare Plus on March 29, 2027, and is potentially eligible as a CLA. Johan requests backdated eligibility for January and February. Johan attests to volunteering for 80 hours in February at a youth recreation center. Johan meets the federal Medicaid work requirement for the requested backdated eligibility months of January and February and for ongoing coverage beginning in March 2027.

TRANSITIONS TO THE CLA CATEGORY

If a member enrolled in another full-benefit Medicaid category transitions to the BadgerCare Plus CLA category either during their certification period or at their renewal, the member will be exempt from the work requirement due to being enrolled in another full-benefit Medicaid category. See the Criteria for Certain Exemptions section above.

ELIGIBILITY REDETERMINATIONS

As discussed in BadgerCare Plus Eligibility Handbook, [Section 26.3.1 Changes in Circumstance](#), when an individual becomes eligible for a new health care certification period on a case, a new 12-month certification period is established for other eligible health care members on the case.

When an individual becomes eligible for a new health care certification period on a case that already includes an existing CLA member, the existing CLA member will not need to meet the federal Medicaid work requirement to have a new 12-month certification period established.

Example 24: Sharif is enrolled as a BadgerCare Plus CLA with a certification period from June 2026 through May 2027. In February 2027, Sharif gets married and requests health care for his wife, Eva. Eva is eligible and enrolled as a BadgerCare Plus CLA from February 2027 through February 2028. Sharif does not need to meet the federal Medicaid work requirement to be eligible for a new 12-month certification period. Sharif continues to be eligible with a new certification period from March 2027 through February 2028.

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