



WISCONSIN DEPARTMENT
of HEALTH SERVICES

The New Federal Medicaid Work Requirement: Medical Exemptions and Verification Processes

October 22, 2026



Welcome



Welcome



Today's goal: Share more about Wisconsin's approach to exemptions, with a focus on medical exemptions.



Reminder: We continue to share details about the work requirement based on current federal guidance for calendar year 2027 only.



Agenda

- Federal Medicaid Work Requirement Background
- Medical Exemptions
- Getting Other Exemptions
- Caregiver Exemption
- \$580 Income Threshold
- School Enrollment
- FoodShare





Background



Overview



- The One Big Beautiful Bill Act (OBBBA) requires that states implement a new work requirement (described in federal law as “community engagement”) for certain Medicaid members.
- It goes into effect January 1, 2027, for new applicants.
- It will go into effect for current members at renewals due March 31, 2027, and later.



Impacted Members in Wisconsin

- Only certain BadgerCare Plus members are subject to the federal Medicaid work requirement. Individuals must meet the work requirement or have an exemption if they:
 - Are not pregnant
 - Are age 19 through 64
 - Have no dependent children under age 19 in their home



Meet the Work Requirement

- Do one or more activities that meet the federal Medicaid work requirement for 80 hours or more in a single month:
 - Working (including self-employment, in-kind, or unpaid work)
 - Volunteering
 - Participating in a work program that assists with learning new skills and supporting career development
- Go to school or attend an educational program at least half-time in a single month.
 - If less than half-time, can combine time in school with other activities.
- Get at least \$580 in income in a single month.



Exemptions to the Work Requirement

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- Member of an American Indian tribe or an Alaska Native, or the child or grandchild of a Tribal member.
- Caregiver of a dependent child under age 14 or someone with a disability.
- Someone who is pregnant or was pregnant in the last 12 months.
- Veteran with a total (100%) disability rating.
- Participant in a qualifying drug addiction or alcoholic treatment and rehabilitation program.



Exemptions to the Work Requirement

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- In prison or jail, or were in prison or jail in the past four months.
- Complying with Wisconsin Works (W-2) work requirements.
- Enrolled in FoodShare and not exempt from FoodShare work requirements.
- Experiencing a qualifying short-term hardship situation, such as a hospital stay or needing to travel outside of community for an extended period for medical care.



Exemptions to the Work Requirement

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- Medical exemptions:
 - A drug or alcohol disorder that affects their ability to work.
 - A mental health disorder that makes it hard to work 80 hours in a month.
 - A physical, intellectual or developmental disability that makes it hard to do daily activities and affects their ability to work.
 - A serious or complex medical condition that makes it hard to work 80 hours in a month.





Medical Exemptions



Overview



- Individuals may be exempt from work requirements if they have a medical condition that affects their ability to work. This is referred to at the federal level as “medical frailty.” Individuals will qualify for this exemption if they are living with a:
 - Drug or alcohol disorder that affects their ability to work.
 - Physical, intellectual, or developmental disability that makes it hard to do daily activities and affects their ability to work.
 - Mental health disorder that makes it hard to work 80 hours in a month.
 - Serious health condition that makes it hard to work 80 hours in a month.



Member-Reported Medical Exemptions

- Individuals will get a medical exemption if they report having a medical condition in their application, at renewal, through ACCESS or MyACCESS, or by contacting their local agency.
- They do not need a diagnosis, they do not need to report what the condition is, and the specific condition will not be recorded in our eligibility system.
- They do not need to provide verification.
- Providers will not be asked to report on members' conditions.



Medical Exemption Questions

- Are you living with a drug or alcohol disorder that affects your ability to work?
- Are you in a treatment program for a drug or alcohol disorder?
- Are you living with a physical, intellectual, or developmental disability that makes it hard to do daily activities and affects your ability to work?
- Are you living with a serious or complex medical condition that makes it hard for you to work 80 hours in a month?
- Are you living with a mental health disorder that makes it hard for you to work 80 hours in a month?



DHS-Applied Medical Exemptions

- DHS will automatically apply medical exemptions to members based on information we have in their medical claims.
- We will use a method developed by Harvard University to identify medical conditions in medical claims that qualify for a medical exemption.
- The Harvard method has been reviewed by our chief medical officer along with several other states.
- If a member isn't automatically found in the system, they will need to report their exemption to us.



Verifying Medical Exemptions

Exemption	Verification
<ul style="list-style-type: none">• Drug or alcohol disorder• Mental health disorder• Physical, intellectual or developmental disability that makes it hard to do daily activities and affects their ability to work• Serious or complex medical condition• Participation in a drug or alcohol treatment program	<ul style="list-style-type: none">• Individuals may report these exemptions.• Self-attestation is acceptable.• If identified through medical claims data, the exemption will be applied.





Getting Other Exemptions



Overview



- We can often confirm activities or exemptions based on information we already have on file or from external data sources.
- If information is not available, we will ask someone to tell us how they are meeting the work requirement or if they have an exemption.
 - In many cases, we will accept self-attestation without further verification.
 - Sometimes we will ask the person to complete a form or provide additional verifications.



Automatically Applied Exemptions

Exemptions will be applied automatically in situations where we have data exchanges or information on file that show someone:

- Meets the requirements for enrollment in Medicaid as former foster care youth.
- Is in compliance with the TANF W-2 work requirements.
- Is a member of a household receiving FoodShare who is not exempt from FoodShare work requirements.
- Is residing in a county affected by an emergency or disaster declared by the President.
- Is living in an area where the unemployment rate is at or above 8% or 1.5 times the national unemployment rate, whichever is lower.
- Was under age 19 in the month before application
- Was enrolled in another full-benefit Medicaid eligibility group.
- Is enrolled in a long-term care program.
- Is blind or has been determined disabled by the Social Security Administration.
- Was enrolled in Medicare Part A or Part B





Other Exemptions

Exemption	Verification
Pregnancy and postpartum status	<ul style="list-style-type: none">• Self-attestation is acceptable.• If previously enrolled in BadgerCare Plus as a person who is pregnant, the exemption will be applied.• If identified through medical claims data, the exemption will be applied.
Veteran with total disability rating	<ul style="list-style-type: none">• Individuals need to provide documentation from the U.S. Department of Veterans Affairs.• Permanent disability ratings will not be reverified at subsequent renewals.
Tribal status	<ul style="list-style-type: none">• Effective October 26, 2026, self-attestation is acceptable.
Currently incarcerated or recently released	<ul style="list-style-type: none">• Individuals may report these exemptions.• Current processes will be used to verify if someone is incarcerated.• Self-attestation is acceptable for individuals recently released.
Medicare enrollment	<ul style="list-style-type: none">• If an applicant reports they were enrolled in Medicare Part A or B in the month prior to their application month, and DHS does not have a record of the Medicare enrollment, self-attestation is acceptable.

Individual Declaration Form

- Individuals need to complete an individual declaration form to report these exemptions:
 - Caregiver status.
 - Received inpatient care at a hospital, nursing facility, psychiatric hospital, or intermediate care facility for individuals with intellectual disabilities, or other similar inpatient services.
 - Travel by an individual or dependent outside of their community for an extended period of time to get medically necessary treatment for a serious or complex medical condition that was not available in their community.





Sample Form F-03455

Section 1 – Applicant or member information

Name (Last, First, MI): _____

Case number: _____ Date of birth: _____

Phone number: _____

Section 2 – Federal Medicaid work requirement exemption detail

Select the exemption that applies to you and answer the questions only for any exemption you select.

☐ I am or was the parent, guardian, caretaker relative, or caregiver of a dependent child age 13 or younger or an individual with a disability.

a) Does this currently apply to you? ☐ Yes ☐ No

b) If this does not currently apply to you, which month(s) in the last 12 months did it apply? If none, leave this blank: _____

If you are a caregiver (meaning you are not a parent, guardian, or caretaker relative), select the option that fits you best and answer the questions for that option.

Option 1: I am currently living with the person whom I am the caregiver of.

i. Do you live in the same household as the person you care for? ☐ Yes ☐ No

ii. Do you provide regular care for this person? ☐ Yes ☐ No

Option 2: I am related to the person I am the caregiver of, but I do not live with them.

i. How are you related to them? _____

ii. Do you provide regular care for them? ☐ Yes ☐ No

Option 3: I am not related to the person I am the caregiver of, and I do not live with them.

i. Do you provide regular care for them? ☐ Yes ☐ No

ii. How many hours per month do you provide care for them? _____

☐ I have received inpatient care at a hospital, nursing facility, psychiatric hospital, or intermediate care facility for individuals with intellectual disabilities, or other similar inpatient services.

a) On what dates did you receive the services: _____

b) What is the name of the facility where you received the services? _____

c) What is the address of the facility where you received the services? _____

☐ I or my dependent had to travel for an extended period of time to get medically necessary treatment for a serious or complex medical condition for myself or my dependent, and the treatment was not available in my community.

a) Who received the medical services?

☐ Myself

☐ My dependent; What is your relationship to them? _____

b) On what dates were the services received? _____

c) What is the name of the facility where the services were received? _____

d) What is the address of the facility where the services were received? _____

Section 3 – Signature and date

By signing this statement, I certify under penalty of perjury and false swearing that the information I have given is correct and complete to the best of my knowledge.

Signature — Applicant/member: _____

Name — Applicant/member (printed): _____ Date signed: _____

Verifying Activities and Income

Activity or Income	Verification
Work hours	If hours cannot be obtained from data sources, verification will be needed through pay stubs or other documentation.
Volunteer hours	Self-attestation is acceptable.
Work program participation hours	Self-attestation is acceptable.
School enrollment	Documentation is needed from the educational program verifying enrollment status, credit hours, or educational activity hours.
Income of at least \$580	Existing policy for verifying income will continue to be used.





Caregiver Exemption



»»» **Reminder**

- A parent is not subject to the work requirement if their dependent child under 19 lives with them at least 40% of the time.
- The caregiver exemption is different. It applies to people who are subject to the work requirement.



Overview



- The caregiver exemption is for people in the “childless adult” category of BadgerCare Plus who are:
 - Parents, guardians, caretaker relatives, or caregivers of a dependent child under age 14
 - Parents, guardians, caretaker relatives, or caregivers of a person of any age with a disability
- To get this exemption, the caregiver needs to complete and sign an Individual Declaration Form.



Definitions of Caregiver Types

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Type of Caregiver	Description
Parent	An individual with the legal status of a mother or father who provides some level of care to a dependent child under age 14 or to a person of any age with a disability.
Guardian	An adult appointed by a court to care for and make personal decisions for a dependent child under age 14 or person with a disability who cannot care for themselves.
Caretaker relative	Someone with a qualifying relationship (as defined in the BadgerCare Plus Handbook section 2.2.2) who cares for a dependent child under age 14 or person of any age with a disability.



Definitions of Caregiver Types

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Type of Caregiver	Description
Caregiver	<p>Someone who provides paid or unpaid caregiving to a dependent child under age 14 or a person with a disability and meets one of these criteria:</p> <ul style="list-style-type: none">• They primarily live with the person they are caring for and provide assistance on a regular basis.• They are a relative of, but do not live with, the person they are caring for and provide assistance on a regular basis.• They do not live with and are not a relative of the person they are caring for and provide at least 80 hours of assistance per month. If they provide less than 80 hours of assistance per month, their caregiving hours may be combined with other work requirement activities.





\$580 Income Threshold



Overview



- Individuals may meet the federal Medicaid work requirement by receiving at least \$580 in income in a month, which is the federal minimum wage multiplied by 80 hours.

$$\text{\$7.25} \times 80 \text{ hours} = \text{\$580 in income}$$



Explaining MAGI

- The income-counting methodology used for BadgerCare Plus financial eligibility is modified adjusted gross income, commonly called MAGI.
- MAGI is someone's adjusted gross income (AGI) as calculated on their tax return, with certain deductions and exclusions added back in. It includes earned income, Social Security, and most forms of taxable income such as unemployment compensation, certain support payments, and more.
- MAGI includes the individual's income, their spouse's income and the counted income of any tax dependents.



How MAGI is Used

- The income used for the \$580 threshold is the member's MAGI household income.
- The income is used for both spouses. As long as they have \$580 in a month between them, both spouses meet the requirement.
- If someone has income that is not counted under MAGI rules (such as gifts), it cannot be used to meet the threshold.



Example 1

- Mai is a childless adult who applies for BadgerCare Plus in June 2027. Mai gets \$700 in interest and dividend income per month. Because her MAGI household income is greater than \$580, Mai meets the work requirement based on income.



Example 2

- Spouses Val and Taylor apply for BadgerCare Plus in September 2027.
- Val gets \$320 in unemployment compensation and Taylor gets \$300 in countable income from a job, totaling \$620.
- Because their MAGI household income is greater than \$580, both Val and Taylor meet the work requirement based on income.



Monthly Income Less than \$580

- If a household's monthly unearned income is less than \$580, the amount will be converted to hours by dividing the unearned income by the federal minimum wage of \$7.25.
- These hours can be combined with other activities to meet the 80-hour requirement.



Example

- Marta receives \$350 per month in Social Security benefits. Because this is considered to be unearned income less than \$580, the income is converted to hours.

$$\$350 \div \$7.25 = 48.3 \text{ hours, rounded up to 49 work requirement hours}$$

- She needs another 31 hours of work or another qualifying activity to meet the work requirement that month.





School Enrollment



Overview



- Individuals may meet the requirement by being enrolled in an educational program at least half-time (as defined by the program).
- An educational program includes high school, 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.



Enrollment Less than Half Time

- If the individual is enrolled less than half-time, credit hours will be converted to work activity hours, which can be combined with other activities to meet the 80-hour requirement.





FoodShare



»»» Background

- The Supplemental Nutrition Assistance Program (SNAP), known as FoodShare in Wisconsin, also has a work requirement.
- Certain FoodShare members must meet a work requirement. If they don't, they are limited to getting three months of FoodShare in a three-year period.
- Like Medicaid, FoodShare also has reasons someone could be exempt from the work requirement. These are similar to but not exactly the same as the Medicaid work requirement exemptions.



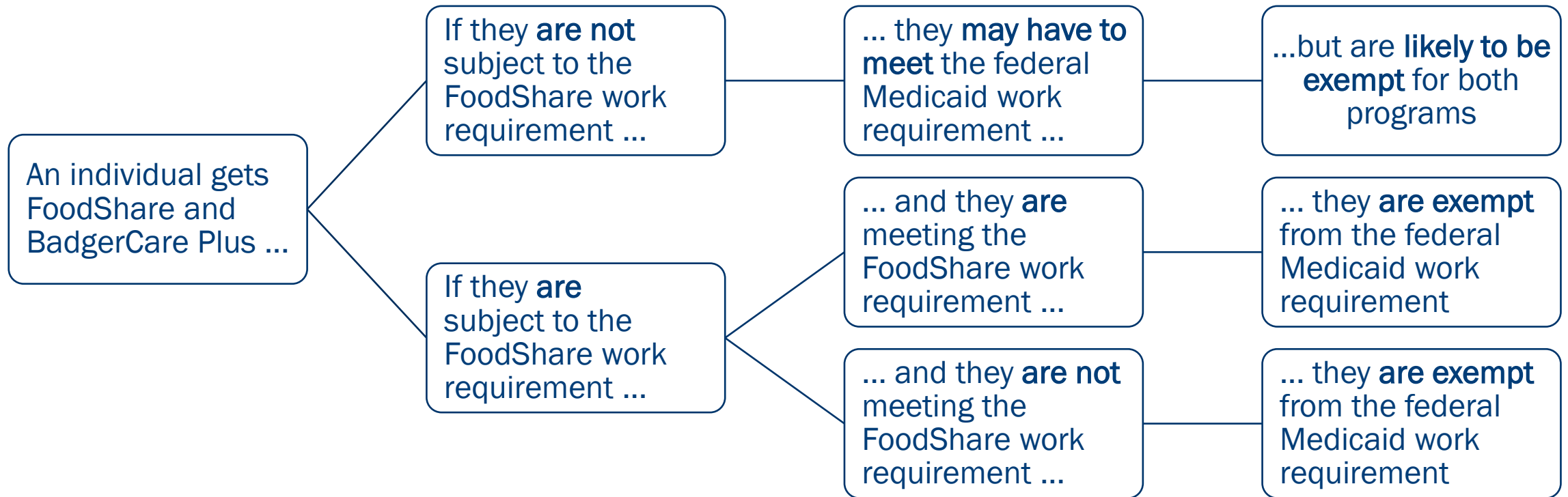
Overview



- An individual is exempt from the federal Medicaid work requirement if they are **receiving FoodShare** and are **subject to the FoodShare work requirement**.
- They **do not need to be meeting** the FoodShare work requirement to get the FoodShare exemption.



At a Glance



Example 1

- Peter is a FoodShare member who needs to meet the FoodShare work requirement. He currently does not work, volunteer, or participate in a work program. Peter began using time-limited FoodShare benefit months in May 2027.
- In June 2027, Peter applies for BadgerCare Plus. Because he got FoodShare in May and he was not exempt from the FoodShare work requirement, Peter is exempt from the Medicaid work requirement.



Example 2

- A.J.'s health care renewal is due in October 2027. The lookback period for work requirement compliance is any month between November 2026 and October 2027.
- A.J. was subject to the FoodShare work requirement when enrolled in that program in November 2026. Their FoodShare enrollment ended November 30, 2026.
- They are exempt from the federal Medicaid work requirement at renewal because they were enrolled in FoodShare and not exempt from the FoodShare work requirement for one month during their lookback period.

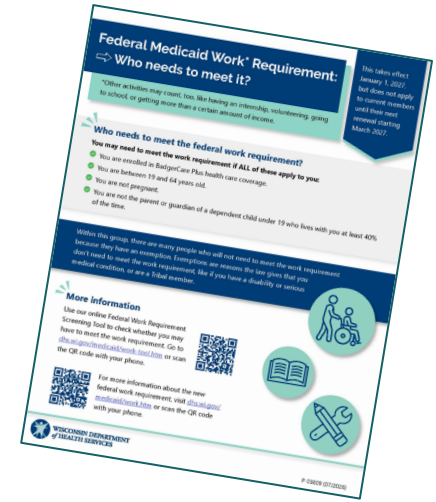




Closing



Work Requirement Fact Sheets



- Now in English, with Hmong and Spanish coming soon
 - Information for Caregivers
 - How can I find out if I am enrolled in BadgerCare Plus
 - How can I find out when my next renewal is due
 - What New Applicants Need to Know
- Available in English, Hmong, and Spanish
 - Who Needs to Meet It
 - Who Is Exempt
 - How to Meet It
 - Information for Tribal Members
 - Information for Parents
 - Information for People with Disabilities

Go to the work requirement section of the Partner Toolkit at dhs.wi.gov/forwardhealth/partners/toolkit.htm



Other Resources

- Medicaid news dhs.wi.gov/medicaid/news.htm
- New Federal Work Requirement dhs.wi.gov/medicaid/work.htm
- Federal Work Requirement Screening Tool
dhs.wi.gov/medicaid/work-tool.htm
- ForwardHealth Policy Update Call Series
dhs.wi.gov/dms/policycalls.htm
- Join our mailing lists dhs.wi.gov/aboutdhs/alerts.htm



Wrap Up

- ★ Reminder: ACCESS users can log in at access.wi.gov or use the MyACCESS app to check their renewal date.
- ★ Additional webinars will be scheduled as needed. Watch for future announcements with details.
- ★ As always, email your feedback and questions to DHSForwardHealthPartners@dhs.wisconsin.gov



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