November 19, 2026

The Honorable Mehmet Oz, M.D.
Administrator
Centers for Medicare & Medicaid Services (CMS)
U.S. Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

Re: Request for a Good Faith Effort Exemption from Medicaid Work and Community Engagement Implementation

Dear Dr. Oz:

Please find attached our request for a good faith effort exemption from implementation of Medicaid work and community engagement requirements, pursuant to section 1902(xx)(11) of the Social Security Act and 42 C.F.R. § 435.560. We request approval to extend the implementation date from January 1, 2027 to July 1, 2027. This request is in addition to—and does not supersede—any other good faith extension request from any individual state.

Our states have worked diligently to prepare to implement work and community engagement requirements beginning January 1, 2027. The federal district court's October 29, 2026 decision vacates the "significant impairment" element of the IFR's medical frailty definition and restores the statutory medical frailty standard that states were preparing to implement before the Interim Final Rule (IFR). Consistent with the statute and the court's order, our states are working to implement the IFR, including the medical frailty exclusion. The court's order also provides that states will not be penalized for any errors or delays in implementing the IFR occurring before April 29, 2027. However, CMS has now signaled its intent to appeal the court's order and continues to press the position that the IFR's medical frailty definition is lawful in other lawsuits. *See, e.g.,* Sigi Ris, Oz: CMS Will Appeal Work Req Medically Frail Suit, Case Could Go to SCOTUS, InsideHealthPolicy.com (Nov. 3, 2026); Defs.' Brief ISO MSJ, Taylor v. Kennedy, Dkt. 74-1 (filed Nov. 3, 2026). That creates uncertainty as to whether states will once again have to pivot their implementation approach to the medical frailty standard and as to whether the district court's stay of enforcement will continue to fully protect our states from enforcement for any delays in implementation.

We recognize that, on November 13, 2026, CMS announced an optional "hold harmless" period for community engagement implementation, which will allow states to suspend denials and disenrollments based on a failure to demonstrate community engagement compliance until July 1, 2027. We are grateful that CMS has provided this flexibility, as it will help protect members' coverage in states that elect this option. However, since states are still required to implement work requirements and assess individuals' compliance during the "hold harmless" period, and CMS has continued to indicate its intent to appeal the injunction regarding medical frailty, uncertainty regarding which standard will apply and operational challenges for implementation remain. These challenges are compounded by the fact that states taking advantage of this option may require yet further systems work and extensive revisions to business rules, operational workflows, notices, and eligibility worker training to turn off application denials and member disenrollments. Moreover, the hold harmless provision may exacerbate member confusion, as members will be evaluated for, but not have their eligibility impacted by, work requirements between January 1 and July 1, 2027.

To provide certainty as states continue implementation, we ask that CMS use the authority provided to

it by Congress to grant a good faith delay until July 1, 2027. We are six weeks away from implementation, and a potential federal appeal creates uncertainty about which medical frailty standard will apply and when—concerns that are not fully addressed by the "hold harmless" option. A good faith delay would give states a clear timeline and ensure that individuals who qualify for the medical frailty exclusion receive its protection to the fullest extent possible and avoid unnecessary member confusion.

We will continue our efforts to implement the law diligently, as we have over the last year, and we will continue advancing this work during the exemption period, as required by federal law. We respectfully request expedited review and written approval so that states can proceed with a clear implementation timeline.

Sincerely,

By signing below, the undersigned confirms that they are authorized to submit this request.

Signature: Signed by: Tyler Sadwith B4B28C7769DE4AA...
Name: Tyler Sadwith
Title: State Medicaid Director
Agency: California Department of Health Care Services
State: California
Date: 11/19/2026

Signature: Signed by: Adela Flores-Brennan 970845B2AC82445...
Name: Adela Flores-Brennan
Title: Medicaid Director
Agency: Colorado Department of Health Care Policy and Financing
State: Colorado
Date: 11/20/2026

Signature: Signed by: Christen Linke Young 501183A26B1A498...
Name: Christen Linke Young
Title: Cabinet Secretary
Agency: DHSS
State: Delaware
Date: 11/19/2026

Signature: Signed by: Eugene Simms 0641F30E3495445...
Name: Eugene Simms
Title: Acting Senior Deputy/Medicaid Director
Agency: Department of Health Care Finance
State: District of Columbia
Date: 11/19/2026

Signature: Signed by: Meredith Nichols 6E40A3520FB04C0...
Name: Meredith Nichols
Title: Administrator/Medicaid Director
Agency: Department of Human Services, Med-QUEST Division
State: Hawai'i
Date: 11/19/2026

Signature: Signed by: Laura Phelan 835C4EAA86554C6...
Name: Laura Phelan
Title: Medicaid Administrator
Agency: Illinois Department of Healthcare and Family Services
State: Illinois
Date: 11/20/2026

Signature: Signed by: Sara Gagné-Holmes 9CF325EFC437415...
Name: Sara Gagné-Holmes
Title: Commissioner
Agency: Maine Department of Health and Human Services
State: Maine
Date: 11/19/2026

Signature: Signed by: Perrie Briskin 83CC6F4880C64BC...
Name: Perrie Briskin
Title: Deputy Secretary for Healthcare Finance and Maryland Medicaid Director
Agency: Maryland Department of Health
State: Maryland
Date: 11/20/2026

Signature: Signed by: Ryan Schwarz, MD, MBA BEEC078833294DF...
Name: Ryan Schwarz, MD, MBA
Title: Assistant Secretary for MassHealth
Agency: MassHealth
State: Massachusetts
Date: 11/19/2026

Signature: Signed by: Meghan Groen C33AAEEC261849D...
Name: Meghan Groen
Title: Medicaid Director
Agency: Michigan Department of Health and Human Services
State: Michigan
Date: 11/19/2026

Signature: Signed by: C18CD73390F846E...
Name: Ann Jensen
Title: Administrator
Agency: Nevada Medicaid
State: Nevada
Date: 11/19/2026

Signature: Signed by: B03CCA2103094EE...
Name: Stephen Cha, MD
Title: Commissioner
Agency: Department of Human Services
State: New Jersey
Date: 11/20/2026

Signature: DocuSigned by: Kari Armijo 1BA9EB5EAD80499...
Name: Kari Armijo
Title: Cabinet Secretary
Agency: New Mexico Health Care Authority
State: New Mexico
Date: 11/19/2026

Signature: Signed by: 7E47ED39D604480...
Name: Amir Bassiri
Title: Medicaid Director and Deputy Commissioner
Agency: New York State Department of Health
State: New York
Date: 11/20/2026

Signature: DocuSigned by: Melanie Bush B8DC650BFB454DA...
Name: Melanie Bush
Title: Deputy Secretary, NC Medicaid
Agency: NC Department of Health and Human Services
State: North Carolina
Date: 11/19/2026

Signature: Signed by: Emma Sandoe B0721AD82B0B4B2...
Name: Emma Sandoe
Title: Medicaid Director
Agency: Oregon Health Authority
State: Oregon
Date: 11/19/2026

Signature: Signed by: Sally A. Kozak
DBBC4701569B460...
Name: Sally A. Kozak
Title: Deputy Secretary/State Medicaid Director
Agency: PA Department of Human Services
State: Pennsylvania
Date: 11/19/2026

Signature: Signed by: John Bonin
BEB6A3C99CE34C1...
Name: John Bonin
Title: Interim Medicaid Director
Agency: EOHHS
State: Rhode Island
Date: 11/19/2026

Signature: Signed by: Steven Ford
E56B99219B3D474...
Name: Steven Ford
Title: Director
Agency: Department of Medical Assistance Services (DMAS)
State: Virginia
Date: 11/19/2026

Signature: Signed by: Trinity Wilson
999D1324536C433...
Name: Trinity Wilson
Title: Medicaid and CHIP Director
Agency: Health Care Authority
State: Washington
Date: 11/20/2026

Attachment: Good Faith Effort Exemption Request

Request for a Good Faith Effort Exemption from Medicaid Work and Community Engagement Implementation

Requested exemption period: January 1 through June 30, 2027
Proposed implementation date: July 1, 2027

Pursuant to section 1902(xx)(11) of the Social Security Act and 42 C.F.R. § 435.560, states request a good faith effort exemption from implementing Medicaid work and community engagement requirements until July 1, 2027. This request addresses the criteria in 42 C.F.R. § 435.560(b) and seeks additional time to complete implementation following the federal district court's October 29, 2026 ruling in light of CMS's stated intent to appeal the ruling in *Massachusetts et al. v. Oz et al*.

The November 13, 2026 "hold harmless" period offered by CMS still requires implementation of Community Engagement requirements, and, therefore, does not address the challenges described in this request. In order to exercise the "hold harmless" period option, states are required to implement work requirements and assess individuals' compliance. Therefore, even under a "hold harmless" period, uncertainty regarding which medical frailty exclusion standard will apply and operational challenges for implementation remain, now compounded by the fact that states wishing to take advantage of this option may require yet further systems work and extensive revisions to business rules, operational workflows, notices, and eligibility worker training to turn off application denials and member disenrollments. Moreover, the hold harmless provision may exacerbate member confusion, as members would be evaluated for, but not have their eligibility impacted by, work requirements between January 1 and July 1, 2027.

1. Actions taken toward implementation (42 C.F.R. § 435.560(b)(1))

Our states have undertaken sustained efforts to implement the work and community engagement requirements beginning January 1, 2027, including changes needed to comply with the June IFR, which materially alters prior state policy and systems decisions. These efforts include developing eligibility policies and IT system business rules; compiling claims and encounter data sets for *ex parte* verification, including of medical frailty consistent with the June IFR and September medical frailty framework guidance; modifying eligibility systems and data connections; preparing applications, renewal forms, and notices; developing and deploying staff training; and coordinating with managed care plans, providers, and community partners. States have devoted substantial staff and vendor resources to this work and participated in CMS technical assistance.

Our states have been working diligently to prepare to go live, including developing code lists to assess medical frailty consistent with the IFR and CMS guidance. Many of us have been ready to do so, and some of us have requested, or were considering requesting, good faith exemptions to delay implementation.

2. Significant barriers to implementation (42 C.F.R. § 435.560(b)(2))

The October 29 decision vacated the IFR's requirement at 42 C.F.R. §435.554(c)(5)(i) that an individual's condition significantly impairs their ability to comply with work and community engagement requirements to qualify for the medical frailty exclusion. States will implement the

medical frailty exclusion consistent with the statute and the court's order. As part of that work, states will review the policies and processes developed under that standard and determine the corresponding changes needed across their eligibility systems and operations.

Under the statute's and regulation's verification hierarchy, medical frailty is integral to determining whether work and community engagement requirements apply to an individual. States cannot reliably administer those requirements without first accurately identifying individuals who are excluded. The necessary changes therefore extend beyond a discrete medical frailty policy and affect the broader eligibility process.

States must review medical frailty methodologies and code lists, translate revised policies into business requirements, modify automated rules and verification processes, update forms and notices, and revise workforce and stakeholder training materials. These changes must then undergo integrated testing to confirm that the full process produces accurate eligibility determinations. States will continue to train staff and update and test eligibility systems as they implement the statutory standard. Administrator Oz's November 3, 2026 public statement regarding an appeal of the *Massachusetts v. Oz* judgment creates uncertainty about which standard states will need to apply, and when. A good faith delay would give states a clear timeline for implementation and reduce member confusion. For states that cannot operationalize the "hold harmless" period or face significant challenges doing so, a good faith delay would also reduce the risk that eligible applicants are denied coverage or that beneficiaries who qualify for the medical frailty exclusion lose coverage due to ongoing implementation and uncertainty resulting from the potential for continued shifting medical frailty standards.

3. Plan, timeline, and milestones for implementation (42 C.F.R. § 435.560(b)(3))
Our states propose July 1, 2027 for the end date of the good faith waiver exemption. Our states would use the exemption period to complete the necessary policy, systems, and operational changes. Milestones guiding this work may include:

- Assess the decision's effects, identify necessary changes, and revise implementation plans based on the statutory standard and available CMS direction.
- Finalize revised policies, medical frailty methodologies, business requirements, forms, and notices; advance systems development and operational changes.
- Complete systems configuration and integrated testing, including verification sequencing and the identification of excluded individuals within the verification hierarchy; conduct beneficiary outreach; identify and correct errors.
- Complete remaining end-to-end testing and readiness reviews, deploy systems changes, and train staff and implementation partners.
- Conduct broad outreach, training, and communications to ensure members are aware of the appropriate medical frailty definition.
- Implement the work and community engagement requirements.

Each state would maintain a detailed workplan supporting these milestones and provide CMS with quarterly progress reports and information on newly identified risks, barriers, and mitigation activities, consistent with 42 C.F.R. § 435.560(d).

4. Exigent circumstances beyond the agency's control (42 C.F.R. § 435.560(b)(4))
The potential appeal of the October 29 decision and the confusion and chilling effect that will result from continued requirements to implement the work requirements despite the hold harmless period constitute exigent circumstances that materially change the implementation requirements shortly before the statutory deadline. When designing their systems and operational processes, state Medicaid Directors had no reasonable option but to proceed with implementation planning consistent with the IFR, despite the ongoing litigation. Administrator Oz's threat of further court action compounds the challenge by creating uncertainty about the standard states must build, test, and deploy.

These circumstances have disrupted implementation despite states' sustained preparation and investment. An exemption through June 30, 2027 would provide a defined period to address the resulting changes while continuing demonstrable progress toward implementation.

Requested approval
For these reasons, the states listed below respectfully request approval of a good faith effort exemption through June 30, 2027, with implementation beginning July 1, 2027. This additional time would allow states to complete a coordinated, legally compliant implementation that accurately identifies excluded individuals, avoids member confusion, and protects eligible people from erroneous coverage loss in states that cannot operationalize the "hold harmless" period or face significant challenges doing so.

Signature: Signed by: Tyler Sadwith
Name: Tyler Sadwith
Title: State Medicaid Director
Agency: California Department of Health Care Services
State: California
Date: 11/19/2026

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