LEGAL ACTION CENTER

Important Medicaid Updates for Carceral Staff Working with Reentry Populations

In July 2025, Congress passed a law making changes to Medicaid. This includes a new work reporting requirement, which will go into effect in 2027.

Here's how to maximize access to health coverage for people leaving incarceration when the new policies take effect.

What's changing?

Beginning January 1, 2027, people ages 19-64 who have or want to enroll in Medicaid through the expansion (low-income adults without children) will have to spend **80 hours per month in work (or activities like job training or school) OR have a household income of at least $580 per month OR meet one of the exemptions from the requirement.**

Exemptions for people leaving incarceration

Many Medicaid enrollees are expected to lose their coverage solely because of the red tape associated with these new requirements. For individuals leaving incarceration, who already face significant discrimination and barriers in rebuilding their lives, the burden of the new requirements may be especially challenging. Studies show access to coverage and receiving healthcare reduces recidivism.

The best way to protect people returning home from jail or prison from losing access to health care is to ensure they meet the requirements or qualify for applicable exemptions, such as:

- People released from jail or prison in the last 3 months;
- People with certain health conditions or disabilities, including substance use disorders
- People participating in certain drug addiction or alcohol treatment; and
- Others listed on page 2.

How can carceral facility staff help?

First, check your state's Medicaid website to see if it has any more details about how the new rules work in your state. There may be stricter rules, or the state may have forms or other guidance that could help.

- **Enrollment assistance**
  - Help all individuals activate (unsuspend) or enroll in Medicaid *before* they're released.
  - Identify applicable exemptions (see above) from work reporting requirements.
  - If problems arise, connect them to **local legal aid agencies**.
  - Partner with local enrollment assistors if available.

- **Documentation**
  - Screen all individuals for their health care needs and ensure a clinician formally documents when someone has a substance use disorder, disabling mental health condition, or other medical condition.
  - As part of reentry planning, help provide referrals or warm handoffs to care managers, medical appointments and treatment.
  - Give the individual a **hard copy** of all their medical records and record of release upon reentry.

- **Data Matching**
  - Share documentation with the **state Medicaid agency** so they have proof of a person's release date that could help facilitate access to Medicaid. If also sharing medical records, remember that these documents contain sensitive health information and be sure to follow the laws protecting patient privacy, including by obtaining patient consent when necessary.

Other work reporting requirement exemptions that may apply:

- Foster care youth and former foster youth under 26
- Parents or caregivers of dependent children under 14 or people with disabilities
- People already meeting TANF work requirements
- People subject to SNAP work requirements
- Pregnant people or those receiving postpartum coverage
- Veterans with total disability ratings
- American Indians and Alaska Natives
- People eligible for Medicare

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