

Medicaid Fact Sheet

Work Requirements

This Fact Sheet explains the new federally mandated Medicaid work requirements (also called community engagement) passed in HR 1. This is subject to change as final federal guidance and rules are expected in June 2026.

Medicaid covers 1 in 5 Coloradans

Health First Colorado (Colorado's Medicaid program) covers about 1.2 million people, including about 40% of the state's births and 40% of the state's children. Medicaid provides access to:

- physician services, like primary and specialty care
- inpatient and outpatient hospital care
- prescription drugs
- labor, delivery and related maternal health care
- diagnostic testing, like lab and x-ray
- behavioral health care
- dental care
- long term care for people with disabilities in institutional and community settings

HR 1 requires states to implement a new work requirement for certain “able bodied” adults to gain or retain Medicaid coverage starting in January 2027. Based on the experiences in other states, we would expect to see:



Coverage loss for people subject to the new requirement.



Additional administrative and technology costs for the state



Heavy investment in technology and systems to automate, as mandated by HR 1

Work requirements mandated by HR 1 apply to low income adults *without* disabilities (also known as the Affordable Care Act (ACA) Expansion population) - 369,638* Coloradans, with exemptions.

WILL BE Impacted (*not exempted*)

- All adults without kids who do not meet the exemptions
- Parents 69% FPL with kids aged 14+

Household Size	Income (100% - 133% FPL)
1	\$15,650 - \$20,815
2	\$21,150 - \$28,130
3	\$26,650 - \$35,445
4	\$32,150 - \$42,760

WILL NOT be Impacted (*exempted*)

- Kids under age 19
- Individuals with disabilities
- Seniors aged 65+
- Entitled to Medicare
- Pregnant or postpartum
- Former foster care youth up to age 26
- Parent or caregiver of kid, up to age 13
- Parent or caregiver of individual with disabilities
- Veterans
- American Indian/Alaska Natives
- Medically frail
- Enrolled in a SUD treatment program
- Incarcerated or released in last 90 days



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*Data is based on annualized monthly caseload from FY 24-25 as of June 30, 2025

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Estimating the Impact of a Medicaid Work Requirement

Increased Medicaid disenrollment and increased uninsured

The [CBO has estimated](#) that work requirements would reduce federal spending and would result in a higher number of uninsured people. Medicaid would experience disenrollment when individuals cannot or do not meet the work requirement criteria or they do not complete and submit the proper paperwork to communicate that they did.

- In Arkansas, for example, 18,000 people lost coverage (about 1 in 4 who were subject to the requirement after exemptions) in less than a year when work requirements were implemented. A subsequent [Health Affairs study](#), following the Arkansas work requirement implementation, found more than half of respondents who lost coverage had increased medical debt, delayed care and delayed taking medications due to costs.

Increased administrative costs and burden

HR 1 requires states to leverage existing information for the new requirements wherever possible (known as “ex parte” verifications).

- This necessitates significant investments in technology to reduce administrative burden for members, counties, employers and others. The federal government has not released detailed guidance yet, making costs difficult to estimate. That guidance is expected from CMS no later than June 2026, which is insufficient time to build these massive systems to meet a January 1, 2027 federal mandate.
- HR 1 allows states to count SNAP and TANF requirements towards the Medicaid work requirement for those enrolled in multiple programs (about 41% of individuals enrolled in Medicaid are active in SNAP as of July 2025), potentially reducing the administrative burden for the new Medicaid requirement.
- For applicants or renewals that cannot be automated, a worker will be required to verify the information. Given Colorado’s state-supervised, county-administered model, implementation of this new requirement will drive administrative complexities and costs, and strain budgets. The current state funding model for counties does not account for this type of work in Medicaid.
- Because the required H.R.1 IT infrastructure builds are nearly impossible for states to comply with by January 1, 2027, CMS has communicated that states will only be required to have a functional “Minimum Viable Product” (MVP) to comply with the H.R.1 work requirement mandate, by January 1, 2027. HCPF is working on that design now, and will be stakeholdering it shortly. That MVP design as well as the long term, compliant ex parte approach, will be memorialized in an Advance Planning Document (APD) for submission to CMS targeting mid-October 2025. The APD will enable HCPF to secure federal funding at a 90/10 match for this IT build.

Learn More about HR 1 & Colorado Medicaid: hcpf.colorado.gov/impact

[Want to Engage? Information About Stakeholder Opportunities](#)



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