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Insights

D.C. District Court Invalidates Medicaid Work Requirements

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D.C. District Court Judge James Boasberg invalidated Federally approved Medicaid work requirements in Kentucky and Arkansas and sent the question back to the Centers for Medicare and Medicaid Services ("CMS") for further analysis. The March 27, 2019 decision is a legal setback for CMS and states seeking to obtain work requirements as part of their Medicaid expansion, a vision CMS has supported since January of 2018. To date, CMS has approved work and community engagement requirements in 8 states, including Indiana, and 7 more states have similar waivers pending with the agency.

This is the second such ruling invaliding the Medicaid work requirements, calling into question whether and to what extent CMS can remedy the deficiencies if the decision is not overturned on appeal. The essence of the ruling is that CMS failed to demonstrate that it adequately considered whether the Medicaid work requirements advanced the core objective of the Medicaid program, which the court identified as providing medical coverage to the needy, when it approved Kentucky's and Arkansas' work requirement requests. CMS could still potentially overcome this obstacle, but it appears from the ruling that a more substantial consideration of this core Medicaid objective is required.

The decision does not directly affect Indiana's Medicaid work requirements, which went into effect in January 2019, though it may prompt additional scrutiny of its program at some future date.

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