NATIONAL CONSUMERS LEAGUE
1701 K Street, NW, Suite 1200 Washington, DC 20006
Main: (202) 835-3323 Fax: (202) 835-0747 www.nclnet.org

July 31, 2026

Dr. Mehmet Oz, Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services

Re: Medicaid Program; Community Engagement Requirement for Certain Individuals; Interim Final Rule with Comment Period (CMS-2454-IFC)

Dear Administrator Oz:

The National Consumers League (NCL) is America's oldest consumer advocacy organization, dedicated to advancing consumer protections in healthcare, food safety, child labor, and privacy. NCL advocates for increased access to high-quality healthcare, and is extremely concerned that CMS's definition of the medically frail exemption and its restrictions on self-attestation unnecessarily increase the risk of avoidable coverage losses. This policy will leave millions more Americans uninsured, increase delays in needed healthcare, drive higher levels of medical debt, and ultimately make it more difficult for many individuals to achieve long-term financial independence.

The "One Big Beautiful Bill Act's" medically frail exemption includes five categories of individuals: individuals who are blind or disabled; have a substance use disorder; have a disabling mental disorder; have a physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more activities of daily living; or have a serious or complex medical condition. CMS's interim final rule will make it harder for individuals to receive a medically frail exemption because it requires states to consider the extent to which the condition impairs an individual's ability to engage in community engagement activities, such as work.

The rule creates a materially narrower medically frail exemption than Congress intended. As Chairman Guthrie of the House Energy and Commerce Committee explained, "the

1701 K Street, NW, Suite 1200 Washington, DC 20006
Main: (202) 835-3323 Fax: (202) 835-0747 www.nclnet.org

policy is targeting just a subset of *fully able adults* who are voluntarily *choosing* not to work or give back to their communities," and that "[y]ou're exempt if you're medically frail, which includes anyone who's blind, disabled, battling a chronic substance-use disorder or living with a serious and complex medical condition like cancer."[1] Yet under CMS's framework, an individual with cancer undergoing chemotherapy who continues working part-time could be deemed capable of satisfying the 80 hour per month community engagement requirement and therefore denied a medically frail exemption.[2] Many individuals with serious medical conditions continue working or participating in their communities to the extent their health permits while still requiring ongoing treatment and reliable health insurance coverage. By tying the medically frail exemption to whether an individual's condition significantly impairs their ability to satisfy the community engagement requirement, the rule risks penalizing those who are making every effort to remain engaged in work or their communities while managing serious illnesses.

In addition, many people with serious or complex medical conditions will fall through the cracks because of the limits on self-attestation and the challenges of navigating complex documentation requirements. New Hampshire's experience with Medicaid work requirements demonstrates the barriers CMS's policy can create.[3] To qualify for an exemption, enrollees had to obtain certification from a healthcare provider that they were unable to work, but many individuals struggled to secure this documentation because providers were often hesitant to certify that a patient was unable to work.
Requiring providers to make subjective judgments about an individual's capacity to satisfy community engagement requirements diverts clinical time toward administrative paperwork, produces inconsistent determinations, and creates unnecessary burdens for practices already serving large Medicaid populations.

---

[1] Chairman Guthrie Op-Ed: Don't fall for the lies about the GOP's plan for Medicaid: We're actually STRENGTHENING it - New York Post
[2] The Impact of New Medicaid Work Requirements on People with Cancer | American Cancer Society Cancer Action Network
[3] The Medical Frailty Exemption from Medicaid Work Requirements: Key Takeaways from the CMS Interim Final Rule | KFF

NATIONAL CONSUMERS LEAGUE
1701 K Street, NW, Suite 1200 Washington, DC 20006
Main: (202) 835-3323 Fax: (202) 835-0747 www.nclnet.org

Loss of coverage does not eliminate an individual's need for healthcare. Instead, they are more likely to delay care, incur medical debt, and seek treatment only after their conditions worsen. Medical debt can also damage an individual's credit, making it more challenging to purchase a home or car.[4] To the extent the Administration seeks to promote work and self-sufficiency, policies that increase financial insecurity may instead make it more difficult for individuals to achieve long-term independence.

Medicaid serves as a critical source of healthcare coverage for millions of Americans, including individuals managing serious and complex medical conditions. The medically frail exemption should ensure that these individuals are not forced to choose between maintaining their health and maintaining their coverage. CMS should delay implementation and revise the policy to minimize the number of people who will lose access to coverage.

Sincerely,

Lisa Bercu
Senior Director of Health Policy

[4] NCL-Medical-Debt-and-340B-National-Survey.pdf