NCUIH Releases New Resource on Medicaid Work Requirements and the AI/AN Exemption

Category: Policy Blog
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Washington, DC, August 14, 2026 — The National Council of Urban Indian Health (NCUIH) has released a new resource, Medicaid is Changing, outlining upcoming changes to Medicaid under the One Big Beautiful Bill Act (OBBBA) and the protections in place for American Indian, Alaska Native, and Urban Indian beneficiaries.

Starting in 2027, most Medicaid enrollees will face new work requirements, more frequent eligibility redeterminations, and new cost-sharing charges for some expansion adults. Indians, Urban Indians, California Indians, and individuals otherwise determined eligible for the Indian Health Service are exempt from these changes.

As of August 2026, some states have already begun implementing these changes ahead of the national deadline. UIOs and patients should confirm their state's specific timeline with their state Medicaid agency.

What Is the AI/AN and Urban Indian Medicaid Exemption?

Indians, Urban Indians, California Indians, and individuals otherwise determined eligible for the Indian Health Service are exempt from the OBBBA's new Medicaid work requirements, six-month redetermination cycle, and cost-sharing changes. This exemption is written into the statute itself.

What the Exemption Protects

- No Work Requirement: No work, school, or volunteer hour requirement to keep Medicaid. (OBBBA § 71119(a))
- 12-Month Renewal: The current 12-month renewal cadence is retained, rather than the new 6-month redetermination cycle. (OBBBA § 71107)
- Cost-Sharing Protection: No new cost sharing for services at an Indian health care provider or through qualifying referred care. (ARRA § 5006, 42 U.S.C. § 1396o(j))
    - *Note: This protection applies specifically to care received at an Indian health care provider or through a qualifying referral from one. It does not extend to cost sharing for Medicaid services received elsewhere.*

Call to Action

Primary Ask: Ensure Proper Implementation of the AI/AN and Urban Indian Medicaid Work Requirement Exemption

States may not yet have sufficient information to reliably identify everyone who qualifies for the AI/AN exemption before outreach occurs, creating a risk of misidentification or confusing notices. HHS and CMS should issue binding guidance so states apply the AI/AN exemption automatically, ensuring implementation does not create new barriers for AI/AN and Urban Indian people.

Ongoing Priority: Preserve and Maintain All Existing Medicaid Resources for the Indian Health System

Cuts to Medicaid place a heavier burden on states and can force Indian health care providers to reduce essential services. Preserving Medicaid resources is critical to ensuring AI/AN and Urban Indian beneficiaries can access necessary care and to fulfilling the trust responsibility.

Frequently Asked Questions

Do American Indian and Alaska Native people have to comply with the new Medicaid work requirements?

No. AI/AN and Urban Indian Medicaid beneficiaries are statutorily exempt from the OBBBA's community engagement and work requirements.

Will AI/AN Medicaid beneficiaries have their eligibility checked every six months?

No. The exemption preserves the current 12-month Medicaid renewal cycle for AI/AN and Urban Indian beneficiaries.

Will AI/AN people face new Medicaid cost-sharing charges?

No. Federal law already prohibits cost sharing for services furnished to Indians through Indian health programs, and this protection remains in place under the OBBBA.

When do the OBBBA Medicaid changes take effect?

As of August 2026, the new work requirements and six-month redeterminations are already in effect in Nebraska and Montana, with Arkansas notifying enrollees ahead of a January 1, 2027 compliance start and Iowa following in December 2026. All other states must comply by January 1, 2027.

Who is covered by the AI/AN and Urban Indian Medicaid exemption?

Indians, Urban Indians, California Indians, and individuals otherwise determined eligible for services from the Indian Health Service.