

IMPACTS OF THE OBBBA'S MEDICAID WORK REQUIREMENTS IN NEBRASKA

*Experiences of First State to Implement Work Requirements
Foreshadows Risks as Nationwide Deadline Draws Near*

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act (OBBBA) into law. In addition to containing tax cuts that [overwhelmingly benefit](#) high-income households and corporations, the OBBBA cut spending on Medicaid by mandating that states subject enrollees and applicants to work requirements. Under these new rules, most adults without dependents will need to document at least 80 hours per month of work, education, or related activities by the end of 2026 to maintain Medicaid coverage. The Congressional Budget Office estimates that the OBBBA's work requirements will [increase the number of uninsured individuals](#) in the U.S. by 4.8 million by 2034.

In May 2026 — eight months before the federal deadline — Nebraska became the [first state in the country](#) to implement the OBBBA's Medicaid work requirements. Human Rights Watch and Oxfam America interviewed over a dozen Nebraskans with personal or professional experience with Medicaid in August and September. **We found that Nebraska's effort to implement the OBBBA's work requirements underscore fears that millions of people will experience avoidable barriers to healthcare coverage:**

WIDESPREAD CONFUSION AND RISK OF DISRUPTED CARE

On September 29, 2026, Nebraska publicly released [initial figures](#) showing that over 1,000 people lost or were denied Medicaid coverage under the new requirements between May and August. The number of people affected is likely to grow significantly over the coming months as enrollees' eligibility is reviewed on a rolling basis.

People currently on Medicaid expressed confusion about whether work requirements or relevant exemptions applied to them, and what steps they needed to take to maintain coverage.

"I got a letter early in January stating that the work requirements were coming, and then basically, that's it," said Schmeeka Simpson, a 44-year-old community organizer in Omaha and mother of three. She said she received a letter informing her that she was approved for Medicaid in August, but with no explanation for how Nebraska determined she complied with the work requirements. "I'm like, 'great, that's wonderful,' but I don't know how they came to those conclusions." Because of the lack of

clarity, Simpson said, it is difficult to know how to maintain Medicaid eligibility. **"Who, what, when, where, why, and how hasn't been answered.... These are life and death situations for people. This is not just politics."**

Melissa Craig, a single mother in Omaha who relies on Medicaid, said she only learned that she qualified for an exemption to work requirements shortly before they went into effect: **"It is very stressful for me on a day-to-day basis about what my future and my son's future looks like. Staying on top of it is a full-time job."**

Megan Word, government relations director covering Nebraska and Kansas for the American Cancer Society Cancer Action Network (ACS CAN), said, "The workers can't even quickly identify whether somebody is on the expansion population or not." She said that even Medicaid eligibility workers may be unaware of whether someone will be subject to work requirements.

"The biggest concern is the administrative burden that is going to be placed on... the patient," said Amy Behnke, who leads the Health Center Association of Nebraska, which represents the seven healthcare

providers operating [Federally Qualified Health Centers](#) in Nebraska. She said:

“Prior to Medicaid expansion, our health centers had a 50 percent uninsured rate, and now we’re down to about a third. So, expansion has been incredibly significant to our health centers and to their patients ... [But] often what we see with patients is that ... they’re working sometimes multiple jobs, they’re taking care of their families, they’re figuring out how to put food on their table. **And so any time you ask somebody to take one more step when it comes to verifying their health insurance, the higher the likelihood is that something is going to fall through the cracks.**”

She described a recent case at one of the centers she represents. A pregnant woman arrived for a prenatal appointment and learned she no longer had Medicaid coverage, despite being exempt from work requirements. Eventually staff determined that state officials had overlooked a box indicating she was pregnant and the woman was able to regain Medicaid coverage, but it took multiple calls and she had to reschedule appointments. **“This never should have been an issue,” Behnke said.**

Confusion surrounding work requirements may also discourage otherwise eligible people from applying for Medicaid coverage. “I had three different patients outright tell me, ‘What’s the point of enrolling? I’m not employed,’” said a licensed social worker based in Omaha who like some others spoke on condition of anonymity. She stressed that working with a social worker was essential to getting these people to apply. **“It really, in our experience, becomes a game of how connected you are to a caseworker who can write these accommodations or write these letters and verify your status. And it really just becomes, just kind of a dice roll of privilege, unfortunately.”**

This confusion may already be causing disruptions in care.

Nebraskan Eli McCreary lost Medicaid coverage while undergoing cancer treatment. Eli learned that he had lost his coverage from his healthcare providers.

“Unless you’re going to self-pay, we can’t take you, because your insurance canceled out,” he said, describing his conversation with hospital staff. “I had to cancel all of my appointments.”

He said that when he contacted the managed care organization that administered his Medicaid coverage, he was informed that he had lost coverage because he was not working. “They said, you’re not working. I can’t really do anything for you.” Eli explained that he is unable to work because of his condition. “If I could work, I would work,” he said. “But I can’t.... I can’t walk around. I mean, I can’t breathe. I can’t walk very far.”

ADMINISTRATIVE CAPACITY AND PERVERSE INCENTIVES

Implementing these work requirements involves creating new administrative processes within state agencies overseeing Medicaid, as well as training for the public employees who administer them, the organizations said. The federal law [also requires](#) all states, starting in January 2027, to increase the frequency of eligibility redeterminations from once per year, as required by the federal Affordable Care Act, to every six months. While this will effectively double the number of eligibility determinations the department must process each year, staffing is not keeping up with the increased workload.

In the December 2025 news conference to announce that Nebraska would be the first state to implement work requirements under the OBBBA, Governor Jim Pillen [said that](#) no extra staff would be hired to help track work requirements. In July, Nebraska instituted a [hiring freeze for state agencies](#), including the health department, citing a state budget shortfall that has been worsened by a 2023 law that [nearly halved](#) Nebraska’s tax rate for the highest earners.

One Medicaid eligibility worker said that capacity issues, along with internal bureaucratic incentives, exacerbate the risk that eligible people will be denied coverage. They said that chronic understaffing and pressure to clear cases is compounded by confusion and a lack of adequate training around the eligibility changes:

“We just sometimes don’t know what we are doing... and then you have [Medicaid applicants] coming in — understandably they’re upset.”

They said staff had recently been required to revisit some cases because supervisors had relayed incorrect information. “The supervisors were told something wrong and told us something wrong and now we’re having to go back and fix all these cases.”

The worker said they face pressure to increase the number of cases closed. “You have to get your numbers up,” the worker said, relaying the message they and other staff regularly get from managers. “That’s really messed up because denials are the easiest.” This prioritizes speed over accuracy, the worker said, incentivizing staff to rapidly deny applications if there is any cause and disincentivizing staff from spending the time necessary to correct apparent errors and omissions or inquire about potential pathways to coverage through existing exemptions. “All of that work that you do to try to verify, it doesn’t count. So, it looks like you did nothing,” the worker said. “All I think about is numbers and getting it done. I get so anxious and nervous.”

RUSHED AND UNCLEAR IMPLEMENTATION

In Nebraska’s rush to be the first state to implement the work requirements, it developed eligibility criteria before official federal guidance was issued. The result has been a mismatch between the state and federal eligibility rules.

“Nebraska went live with their work requirement implementation on May 1 and the Feds published their [mandatory guidance] on June 1,” said Megan Word of the ACS CAN. **“[Nebraska] did not pause. They did not say, ‘Wait a minute ... we need to review the differences,’ because there were many.”**

She said before the federal government issued mandatory guidance in June, through the [Interim Final Rule](#), Nebraska had created a list of medical codes for diagnoses that might automatically satisfy the “medically frail” exemption to work requirements [written into the OBBA](#). “If you can find one of those

medical conditions on the list, then theoretically, you should be eligible for an exemption,” Word said.

However, this was inconsistent with [the federal rule](#). Under that rule a diagnosis such as cancer does not automatically establish an exemption, leaving many people who are unable to work because of their health unsure of whether they remain eligible for Medicaid. Instead, the federal rule [defines “medically frail”](#) as a “physical, mental, or other behavioral health condition [that] significantly impairs the individual’s ability to comply” with work requirements.

“The Interim Final Rule makes it harder for patients to obtain this exemption,” Word said, because it puts the burden of proving one’s inability to work on enrollees while also requiring a case-by-case review from implementing agencies. “That will involve some sort of independent verification, a process that no one really understands at this point.”

For the time being, Nebraska is allowing people to submit a declaration — “self-attest” — that they are “medically frail” without having to provide additional supporting documentation. Human Rights Watch and Oxfam America recommended that federal authorities should help enable self-attestation in their [May letter](#).

Although the rules [published in June](#) allowed states to accept self-attestation for an exemption from work requirements, it only allows states to do so until January 2028, after which states will only be allowed to accept self-attestation when documentation is not “reasonably available.”

In practice, both a lack of awareness regarding the availability of these exemptions and a broad misunderstanding about who may be eligible for them undermines the temporary availability of self-attestation, the groups found. People who may be unable to work because of their health must also juggle bureaucratic hurdles to prove their eligibility, frequently while undergoing sometimes intensive medical treatment.

According to KFF, a nonpartisan health policy research organization, more than [6 out of every 10](#) people under age 65 on Medicaid are already working

full or part time. About 3 out of 10 are not working because of caregiving responsibilities, disability, or illness, or because they are attending school. Fewer than 1 in 10 are unemployed for another reason, including retirement or the inability to find work.

“Why are you putting in work requirements when the majority of people who rely on Medicaid are already working anyway?” Word said.

LESSONS FROM GEORGIA

Human Rights Watch and Oxfam America’s [joint research](#) in the state of Georgia — which in 2023 [expanded Medicaid coverage](#) to adults without dependents but conditioned eligibility on meeting work requirements similar to those in the OBBBA — indicate that work requirements compound existing barriers to accessing healthcare.

According to data provided by the state to the Georgia Budget and Policy Institute, a nonprofit advocacy organization, over 100,000 people are [estimated to be eligible](#) for Georgia’s Medicaid expansion, but as of August 2026, [just 20,321](#) were enrolled. According to the [latest data](#) published by the state of Georgia, **about half of all 17,638 denials for their Medicaid expansion program between October 2024 and September 2025 were due to a failure to either meet or verify compliance with work requirements.**

LACK OF TRANSPARENCY

Because Nebraska has been slow to release data on the impact of work requirements on Medicaid enrollment, advocates have struggled to assess the impacts of these policies.

“We’re flying blind,” Behnke said. Without detailed data, health centers cannot identify where patients are losing coverage or adjust outreach strategies effectively.

OBBBA’S DISPROPORTIONATE IMPACT ON LOW-INCOME HOUSEHOLDS

The addition of work requirements to Medicaid was among a [series of provisions](#) in the OBBBA that reduced federal spending on public services and programs, including through restrictive eligibility and reporting requirements. These reductions were [designed in part to offset](#) tax cuts that disproportionately benefit high-income households and corporations.

The nonpartisan Congressional Joint Committee on Taxation found that those in the top 0.1 percent of earners will receive an [average tax cut of \\$311,000](#) in 2027 because of the OBBBA, while taxes will increase for the lowest-income households. The Congressional Budget Office [found that](#) the OBBBA’s Medicaid work requirements will [reduce federal spending by \\$326 billion](#) over the next decade. Meanwhile, the total cost of the OBBBA’s [tax breaks for corporations](#) and the [wealthiest 1 percent](#) of households is estimated at around \$2 trillion.



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