

HHS Phases Out Medicaid Workforce, Multiyear Eligibility Waivers

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Ganny Belloni

Reporter

- **Agency says it will no longer approve or extend waivers**
- **Focus will be on waivers demonstrating cost savings**

The Trump administration will no longer approve or extend state Medicaid waivers that allow for workforce initiatives to recruit and retain providers or expand continuous eligibility for beneficiaries.

The Centers for Medicare & Medicaid Services informed states of this change via [letters](#) released Thursday. The agency explained its about-face in policy was necessary to “ensure scarce federal resources prioritize providing quality care to our nation’s most vulnerable.”

The CMS has approved multiyear continuous eligibility waivers for children in nine states, according to the [health research firm KFF](#). Research has found that continuous eligibility reduces the rate of Medicaid beneficiaries temporarily losing coverage and re-enrolling.

The agency said in a [letter](#) to states that it was concerned that providing continuous eligibility for durations longer than required could “affect fiscal and program integrity.”

A handful of states—including California, Massachusetts, New York, and North Carolina—also fund workforce initiatives such as student loan repayment and workforce training programs for physicians through these waivers, the CMS said in a [news release](#). The initiatives have required federal investments of more than \$1 billion, the agency said.

The agency said it doesn’t anticipate extending these existing demonstrations and that if needed, it will work with affected states to ensure they have time to adopt the changes required to end the programs.

This includes offering technical assistance on “phase-out plans” on how to end continuous coverage for children receiving expanded eligibility.

The agency said it will focus on “supporting actions that demonstrate clear health benefits, cost savings, and strong accountability for federal spending.”

“For too long, Medicaid and CHIP have drifted away from their core mission of providing a safety net for the truly vulnerable—that ends now,” CMS Administrator Mehmet Oz said. “CMS is restoring commonsense guardrails to Medicaid and CHIP, which will ensure that Medicaid remains a lifeline for those who are eligible and in need of quality health care.”

To contact the reporter on this story: Ganny Belloni at gbelloni@bloombergindustry.com