

# Court Rejects States' Plea To Pause Work Reqs Rule, But Expedites Legal Proceedings

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A federal judge in Massachusetts on Thursday (July 30) denied a request by 25 states to put on hold parts of CMS' interim final rule on Medicaid work requirements as the Aug. 31 deadline approaches for states to inform Medicaid enrollees if they no longer qualify for benefits, but the judge said he would expedite the case.

Central to the states' preliminary injunction request was that the Trump administration is going beyond the statute by adding an "ability to work" test for Medicaid beneficiaries trying to claim a medically frail exemption from the work requirements -- a detail among others that the administration argues Congress delegated for CMS to set.

The judge maintained his rejection is not a reflection of the case's merits and pushed for an expedited schedule aimed at meeting the Jan. 1, 2027 implementation deadline, which is months after states emphasized in their initial filing that they would have to send out notices to beneficiaries.

**The court says states can renew their plea for an injunction if the case drags beyond Dec. 31, 2026 and the Trump administration does not defer implementation.**

Twenty-five states filed suit against the Trump administration on June 29, arguing CMS' interim final rule on implementing work requirements violates the Administrative Procedure Act as well as constitutional limits on federal spending authority due to its "unclear and shifting requirements" on states.

Facing an Aug. 31 statutory deadline to inform Medicaid beneficiaries about the new work requirements, states asked the court to immediately block certain parts of the administration's rule. Their lawsuit primarily focuses on the administration's decision to add an "ability to work" test for Medicaid beneficiaries to trying to claim a medically frail exemption from the work requirements.

The American Medical Association filed an amicus brief supporting the states' injunction request, warning that without an injunction, millions of Medicaid beneficiaries will be running to their providers in August to help them understand their work requirement notices.

**The request was rejected by District Court of Massachusetts Judge Richard Stearns, who wasn't swayed by the states' claims of irreparable harm if the IFR's provisions are allowed to take effect.**

"Because injunctive relief is the exception, not the rule, there is a certain point at which damages fail to justify the issuance of such an extraordinary measure," Stearns' order says. "Plaintiffs have not shown that their damages rise above that minimal threshold here."

Specifically, states said they lack any means to recover costs incurred by having agency staff work on the tight timeline required to implement the IFR's provisions and by upgrading technology with the new standard.

But the quick turnaround was set by Congress, and the federal government will reimburse 90% of state costs associated with designing, developing and installing new eligibility systems, Stearns points out.

"Moreover, the additional costs that may be incurred by the States are unlikely to bloom disproportionately given the familiarity of the responsible state agencies with the tasks to be performed," he added.

**But the court maintained this denial is not a reflection of the case's merits, saying the "case presents difficult issues regarding the scope of Congress's delegation of interpretative authority to the Secretary and the faithfulness to Congressional intent with which the Secretary performed his task."**