STRATEGIC HEALTH CARE

POLICY MEMORANDUM

DATE: October 29, 2026
RE: Federal court limits CMS medical-frailty standard for Medicaid work requirements
CASE: Commonwealth of Massachusetts et al. v. Oz et al., No. 1:26-cv-12962-RGS (D. Mass.)

Executive Summary

On October 29, 2026, U.S. District Judge Richard G. Stearns ruled in favor of 25 states and the District of Columbia on a central challenge to CMS implementation of Medicaid community engagement requirements. The court rejected a CMS standard that conditioned the statutory medical-frailty exemption on showing that the individual's condition "significantly impairs" the ability to comply with work or community engagement activities. The court concluded that CMS had impermissibly narrowed the exemption established by Congress and blocked enforcement of that limitation. [1–3]

The decision is a partial victory for the plaintiff states, not an invalidation of Medicaid community engagement requirements. Other challenged verification restrictions were upheld. The statutory requirements are generally scheduled to begin January 1, 2027. [1, 2]

Key Findings

1. **CMS medical-frailty test rejected.** CMS cannot impose the additional requirement that a qualifying physical, mental, or behavioral health condition significantly impair a person's ability to meet the community engagement mandate as the basis for recognizing medical frailty. [1, 2]
2. **Other verification provisions survived.** The court upheld challenged rules that limit the use of medical-frailty diagnoses more than one year old and restrict self-attestation to once per continuous enrollment period. These provisions may continue to create documentation and renewal burdens. [2]
3. **Work requirements remain in place.** The ruling does not strike down the Medicaid community engagement framework. Under the federal statute, affected expansion adults generally must document 80 hours per month of qualifying activity or meet an exemption; implementation is generally slated for January 1, 2027. [1, 2]
4. **States must reassess implementation procedures.** States preparing eligibility systems, notices, verification procedures and staff guidance should review whether their medical-frailty screening incorporates the invalidated CMS impairment test. This is an implementation implication, not a separate court holding.

Case Status and Source Notes

The lawsuit was filed June 29, 2026, in the U.S. District Court for the District of Massachusetts (No. 1:26-cv-12962-RGS). Judge Stearns had previously ruled on a preliminary-injunction motion on July 29, 2026. This memorandum summarizes the October 29 ruling using contemporaneous reporting; the signed October 29 opinion was not independently reviewed at preparation. Precise operative language and the scope of relief should be checked against that order when it becomes publicly available. [1–4]

References

1. Reuters, "US judge blocks Trump limits to Medicaid work requirement exceptions," Oct. 29, 2026.

2. Associated Press, “Judge blocks Trump administration’s Medicaid rule forcing sick recipients to prove frailty,” Oct. 29, 2026.
3. Georgetown Health Care Litigation Tracker, case profile and docket.
4. U.S. District Court, July 29, 2026 preliminary injunction memorandum (earlier ruling, not October 29 order).