



Protecting Family Caregivers Under OBBBA's Medicaid Community Engagement Requirements

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AARP | aarp.org/caregiving

Caregiving Resources

- AARP Care for the Caregiver Guide aarp.org/careforthecaregiver
- AARP Family Caregiving Site – aarp.org/caregiving
- AARP Family Caregivers Discussion Group on Facebook at facebook.com/groups/aarpfamilycaregivers
- Online Community Resource Finder – aarp.org/crf
- AARP Local – aarp.org/localcaregiving



Caregiver Health and Well-Being

Guidance and support for caregivers to help achieve a better life balance, enhanced self-care and improved mental health



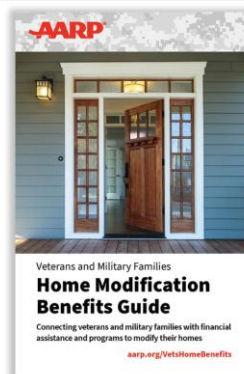
Becoming a Caregiver

Establishing a support system and researching common issues can help anyone starting out



Join Local Caregiving Events

Discover AARP caregiver events and free guides to help you stay supported and informed



Military and Veteran Caregiver Resources

- AARP Veterans Resources - aarp.org/vetresources
- VA Caregiver Support Program: www.caregiver.va.gov
- AARP VMF Caregiver Guide: aarp.org/caringforvets
- AARP VMF Caregiver Financial Workbook: aarp.org/vmfcaregivermoney
- AARP Family Caregiving Site – aarp.org/caregiving

Why This Matters to Aging in North Carolina

- Family caregivers are the backbone of NC's long-term care system
- Medicaid coverage supports caregivers' own health, mental well-being, and ability to provide care
- New federal Medicaid policy changes create risk of coverage disruptions if exemptions aren't implemented smoothly at the state level





Family Caregivers Rely on Medicaid

- About **7.3 million** family caregivers ages 18 - 64 have Medicaid coverage.
- Many (60 percent) provide 20+ hours/week of care.
- Most provide care alone and experience financial and/or emotional strain.

Family Caregivers with Medicaid Provide Critical Support

- Virtually all family caregivers with Medicaid support a person with some type of disability.
 - Instrumental activities of daily living
 - Activities of daily living
 - Medical/nursing tasks
- Medicaid-covered caregivers on average provide help with two activities of daily living.
 - In many state Medicaid programs, 2+ ADLs is the threshold for a person to be considered needing a nursing facility level of care.



Why Continuous Coverage Matters



- Medicaid helps family caregivers to:
 - Manage chronic health conditions
 - Access preventive care and mental health supports
- Coverage loss/gaps can:
 - Reduce caregiver capacity to provide care
 - Increase likelihood of nursing home placement for older adults
 - Increase costs across Medicare/Medicaid state budgets

What OBBBA Changes

- The One Big Beautiful Bill Act (OBBBA) creates community engagement or work requirements for certain adult Medicaid enrollees (ages 19 - 64)
 - Requires 80 hours/month of qualifying activity or an exemption
 - Specific to adults enrolled through the Medicaid expansion pathway.
- States must implement and verify:
 - Compliance
 - Exemptions

The Family Caregiver Exemption

- OBBBA broadly exempts family caregivers:
 - a dependent child age 13 and under, or
 - a “disabled individual”
- “Family caregiver” definition is tied to the RAISE Family Caregivers Act:
 - an adult family member or other individual who has a significant relationship with, and who provides a broad range of assistance to, an individual with a chronic or other health condition, disability, or functional limitation.



State Options to Ensure Continuity of Coverage for Family Caregivers

Snapshot: States Have Choices That Can Ensure Continuity of Care For Family Caregivers

Timing and Design	Verification & Data	Reporting Family Caregiver Status	Outreach & Communications
<ul style="list-style-type: none">▪ Implementation timing▪ Use of implementation grants	<ul style="list-style-type: none">▪ Compliance verification▪ Frequency of redeterminations▪ Ex parte verification use of data	<ul style="list-style-type: none">▪ Reporting pathways for caregiver status	<ul style="list-style-type: none">▪ Targeted outreach/education▪ Notices, response windows, and appeals protections

Targeted Outreach and Education

- States must conduct outreach to inform family caregivers of exemption status.
- **Recommendation:** States should consider targeted outreach such as the following to prevent confusion:
 - Outreach materials that clearly explain the new policy and family caregiver exemption
 - Education on how caregivers can report and verify caregiver status
 - Partnerships with community-based organizations, providers, and health plans for information dissemination

Implementation Timing

- OBBBA requires states to adopt policy by Jan 1, 2027 but can begin sooner.
 - One-time extension option of up to 2 years with “good faith effort” and additional requirements
- **Recommendation:** States should consider using the full implementation period and applying for an extension if systems aren’t ready to reliably identify and confirm caregiver exemptions so that they can:
 - Build administrative capacity
 - Design processes that protect family caregivers
 - Conduct outreach and partnerships
 - Set up data-sharing

Compliance Verification

- OBBBA requires states to determine when new/existing enrollees must verify engagement in qualifying activities:
 - New enrollees
 - States have option to choose whether to require 1 – 3 months of prior compliance/exemption verification
 - **Recommendation:** 1 month (lowest barrier consistent with the law)
 - Existing enrollees
 - States have option to choose 1 month or more for verifications
 - **Recommendation:** 1 month

Frequency of Redeterminations

- OBBBA requires compliance checks with community engagement requirements at:
 - Application
 - Renewal
- States may choose to check more frequently
- **Recommendation:** States should adopt less frequent rechecks to reduce churn and increase stability for family caregivers

Reporting Caregiver Status

- OBBBA allows states to “deem” certain groups as meeting requirements and may elect not to require extra verification
- **Recommendation:** States can implement practical processes to make reporting less burdensome for family caregivers.
 - Self-attestation/simple checkbox on forms and notices
 - Multiple reporting modes: Online, smartphone, phone, mail, in-person
 - Simple way to report information about the person receiving care (age, disability status)

Notices of Noncompliance

- OBBA requires states to provide notices if they are unable to verify that enrollees have met requirements/at risk for Medicaid disenrollment.
- **Recommendation:** Before disenrolling someone due to noncompliance, states should:
 - Check for Medicaid eligibility and exemption status
 - Check for family caregiver status in data systems

Implementation Grants

- OBBBA provides \$200 million in grants to help states with implementing community engagement requirements
- States can use the funds for hiring third-party contractors/consultants to support implementation
- **Recommendation:** States should prioritize vendors with proven experience supporting family caregivers, especially:
 - Building data systems that can identify caregiver exemptions
 - Delivering effective, targeted outreach to caregivers

Ex Parte Verification

- OBBBA requires the use of reliable information “without requiring, where possible,” the person to submit more paperwork to be considered compliant or exempt from the requirements.
- States have flexibility related to which data sources they use.
- Greater use of ex parte verification methods reduces the number of family caregivers who will need to receive the exemption themselves.
- Key method to prevent inappropriate, procedural disenrollments.

Ex Parte Verification Potential Data Sources for Family Caregivers

Within state/local government

- Medicaid HCBS applications and care plans
- Medicaid HCBS programs that pay family caregivers
- States Units on Aging and Area Agencies on Aging records (incl. NFCSP participants)
- SNAP caregiver data
- Guardianship records

From other sources

- MLTSS and/or MA records
- Hospital/health system EHR data
- VA caregiver program data
- SSA representative payee data
- Medicare claims

Guardrails for Data Privacy and Use of Tech/AI

- States must ensure enrollee privacy and data-sharing integrity across systems including, where applicable, in accordance with HIPAA.
- If using AI/automation, states should:
 - Ensure reliability and bias evaluation
 - Require a human in the loop
 - Never terminate coverage based on algorithmic outputs
 - **No Medicaid enrollee, including those who are family caregivers, should be disenrolled based solely on AI determinations.**

In Conclusion | Five Key Takeaways

- ✓ About 7.3 million family caregivers ages 18 to 64 receive Medicaid coverage for their own health insurance.
- ✓ The One Big Beautiful Bill Act (OBBBA) introduces new community engagement requirements (also referred to as work requirements) for certain Medicaid beneficiaries. The law broadly exempts family caregivers; however, as states implement OBBBA, they will need to ensure that family caregivers receive the exemption to which they are legally entitled
- ✓ Loss of Medicaid coverage can exacerbate the challenges family caregivers face and weaken the overall long-term care systems
- ✓ States have several tools to ensure continuity of coverage for caregivers under OBBBA
- ✓ States can maximize existing data sources to identify caregiver status

Next Steps

- States continue to plan for the community engagement requirements and are making implementation decisions in real time. Implementation begins January 1, 2027.
- Federal agencies will issue regulation on the requirement by June 2026.
 - November 2025 letter to CMS from AARP [here](#).
- States *may* receive extension on implementation through 2028. Case by case basis, some criteria in OBBBA, ultimately at the HHS Secretary's discretion.

THANK YOU

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