

**WHAT'S CHANGING, WHAT IT MEANS,
AND HOW AI CAN SUPPORT OUR WORK.**

POLICY UPDATE

INTERIM FINAL RULE ON MEDICAID WORK REPORTING REQUIREMENTS

The Interim Final Rule (IFR) & H.R. 1 Requirements:

Issued by the Centers for Medicare & Medicaid Services (CMS) on June 1, 2026, this rule requires most adults enrolled in [Medicaid expansion](#) to officially document at least 80 hours per month of work, education, or community service starting January 1, 2027.

The rule redefines "medical frailty" to require strict proof that a condition directly prevents a person from working, creating a massive administrative burden for enrollees.

JUNE 2026

Under New CMS Guidance on Medicaid Work Requirements

A Diagnosis Alone Does Not Automatically Qualify



How the Medical Frailty Exemption Works (CMS-2454-IFC)

EXAMPLES OF MEDICAL FRAILTY

Blind or disabled

Has a substance use disorder (excluding someone in stable recovery for 5+ years)

Disabling mental disorder

Physical, intellectual, or developmental disability

Serious or complex medical condition

A condition is considered 'serious or complex' if it meets at least one of the 11 following criteria:

1. Life threatening

2. Seriously disabling even if not life threatening

3. Causes significant pain or discomfort interrupting daily life

4. Requires major time or effort from caregivers for a substantial period

5. Requires frequent monitoring

6. Associated with severe consequences or negative consequences for someone else

7. Affect multiple organ systems

8. Requires management to tight medical parameters

9. Requires coordination of multiple specialties

10. Treatment carrying risk of serious complications

11. Requires adjustments in non-medical environments

Does the person's physical, mental, or behavioral health condition significantly impair the person's ability to meet the 80-hour community engagement requirement?

NO

YES

Does this person fall into at least one of the categories outlined above that would identify them as medical frailty? (i.e. blind or disabled, disabling mental disorder, substance use disorder, physical, intellectual, or developmental disability, and/or serious or complex medical condition)

NO

YES

You **MAY NOT BE ELIGIBLE** for the medical frailty exemption and may be subject to work requirements.

You may have **POSSIBLE ELIGIBILITY** for the medical frailty exemption.

**State list requirement:** Each state must maintain a written list of qualifying conditions. The list must be auditable and updated regularly. **If a person's condition is not on the list, the state must have a process for that person to request consideration.**

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CHANGES & DEADLINES

Stricter Proof

Having a diagnosis is no longer enough. The IFR introduces a rule stating that the medical condition must "significantly impair" the person's ability to work, leaving it up to individual states to decide how strict that definition will be. Starting January 1, 2028, states can only accept "self-attestation" (the patient's word) exactly once. At the very next renewal, enrollees must submit official doctor records or data to prove they are too sick to report hours.

- You are exempt from reporting if you are under 19 or over 64, pregnant, receive SSI/SSDI/Medicare, already meet SNAP/TANF work rules, are a recently incarcerated individual, or are a caregiver for a child under 14.

Take Action

- The rule is currently final, but a public comment window is open until July 31, 2026. States must finalize their tracking systems and begin reaching out to directly notify enrollees about the new paperwork requirements by Fall 2026. Comments left on this regulation may inform future rulemaking processes.
- Tell Congress: Uphold your promise and protect Medicaid!

USING THE KFF MEDICAID TRACKER

State-Level Medicaid Expansion Policy

Instead of tracking down fifty different state websites or trying to read hundreds of pages of dense legal code, here is a [single national tracker managed by KFF \(the Kaiser Family Foundation\)](#). They track exactly how the new 2025 Reconciliation Law and its Medicaid work rules are being rolled out nationwide.

Early Implementation

The federal start date is January 1, 2027, but states can launch early. Montana, Nebraska, and Iowa are launching right now in 2026.

Look-Back Period

Second, check the Look-Back Period to see how much paperwork families need. Most states look back 1 month, but states like Indiana and North Carolina require 3 months of continuous proof.

Harship Exceptions

Third, check Table 2 for Optional Hardship Exceptions. This shows if your state will pause the work rules to protect a young adult during a crisis, like a hospitalization, medical travel, or local high unemployment.



MOVING SPECIAL EDUCATION OPERATIONS

Shifting Special Education

The federal government recently announced plans to move the operations of the Office of Special Education and Rehabilitative Services (OSERS) to the Department of Health and Human Services (HHS), and the Office for Civil Rights (OCR) to the Department of Justice (DOJ).

According to [federal law](#), these programs are required to be part of the Department of Education, and only Congress has the authority to transfer them to another department.

Under this interagency agreement, the Department of Education retains [leadership on paper](#), but the actual day-to-day grant administration, school implementation, and civil rights enforcement are effectively outsourced.



FEDERAL RESTRUCTURING OF SPECIAL EDUCATION AND CIVIL RIGHTS

Take Action

Congress needs to hear from parents, educators, and advocates immediately. Every call and email makes a difference. Contact your local representatives today: [Support Children w/ Disabilities: Save the Department of Education](#)

Disability rights groups across the country are denouncing these transfers, warning they undermine the core foundation of our federal education and civil rights policies. Read the coalition's full statement here: [Broad Coalition of Disability, Civil Rights, and Education Organizations Denounces ED's Latest Transfers of Core Functions](#)



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AI UPDATE

HOW AI IS CHANGING



You no longer have to download a specific, separate app like ChatGPT to use AI. As of 2026, AI is built directly into the operating systems of the smartphones most youth already own (like Apple Intelligence on iOS and Gemini Nano on Android).

Youth and parents no longer need to type out complex questions. They can simply upload a photo of a confusing document (like a bus schedule, a blank job application, or a dense IEP page) and use their voice to ask the AI, "Read this to me," or "What do I need to do next?" It completely removes typing and reading barriers.



HOW WE CAN USE IT (PRIVACY & AI)



Never, under any circumstances, enter Personally Identifiable Information (PII) into an AI tool. This includes youth/parent names, exact medical diagnoses combined with other details, addresses, or specific school names.

If you need help brainstorming, generalize it completely. Instead of "Help me with John Smith who goes to Lincoln High," use "What are transition best practices for a 16-year-old with a reading disability?"



THE DANGER OF "HALLUCINATIONS"

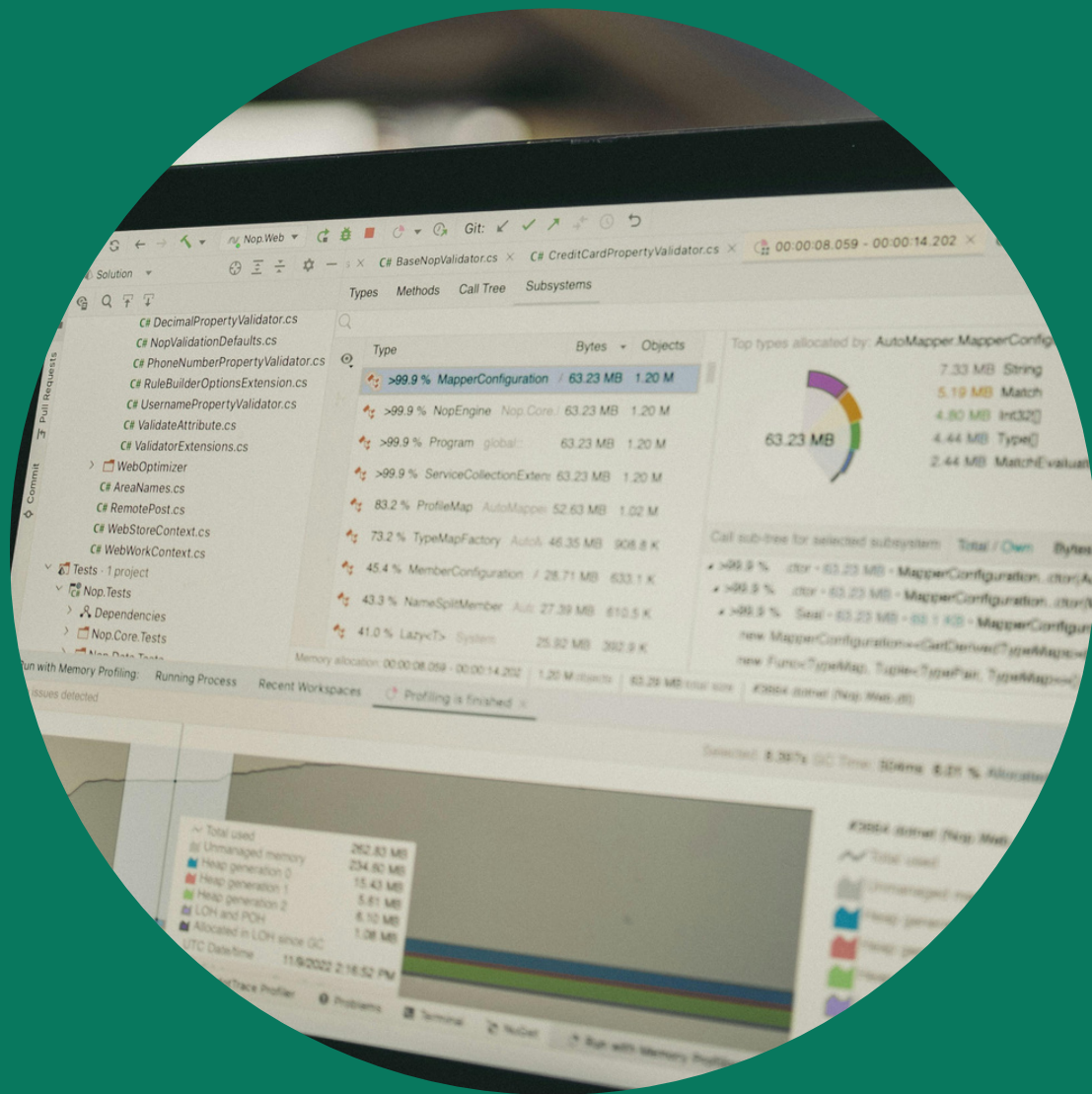


Because they are programmed to be helpful and confident, if they don't know the answer, they will completely fabricate a response that looks 100% real. This is called a hallucination.

AI hallucinations are currently causing a crisis in the legal profession. In recent years, over 1,300 court cases have been impacted by professionals and self-represented individuals using AI-generated legal briefs containing fake cases, resulting in massive court fines.



YES, YOU CAN TURN OFF THE DATA SHARING



- ChatGPT: Go to Settings > Data Controls > turn off "Improve the model for everyone."
- Claude: Go to Settings > Privacy > toggle off the model training setting.
- Google Gemini: Go to Settings & help > Activity > turn off "Keep activity."

Before your staff uses any AI tool for work, mandate that everyone flips this "opt-out" switch on their accounts to protect your organization's internal data.



HOW AI IS EMPOWERING PEOPLE WITH DISABILITIES

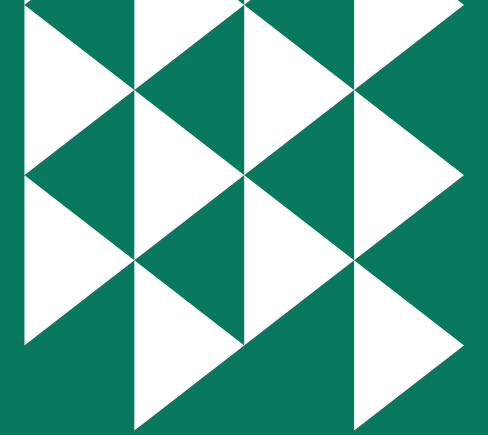


AI voice recognition can now understand non-standard speech patterns. This allows individuals with limited motor control to dictate emails, browse the web, and control smart home devices entirely on their own: AI-powered tech could help people with speech impairments to work remotely.

AI-powered assistive communication devices now predict sentences faster and more accurately, allowing non-verbal youth to have much smoother, real-time conversations: AI reduces 'communication gap' for nonverbal people by as much as half

Modern hearing aids automatically detect noisy environments (like crowded cafeterias) and isolate the speaker's voice while instantly drowning out background noise: A Voice in the Crowd: Experimental Brain-Controlled Hearing Aid Automatically Decodes, Identifies Who You Want to Hear

IS THERE LEGISLATION ON AI?



Protections from harmful content:

The Act specifically targets content that is deeply damaging and violates your privacy and safety. This includes:

- **Non-Consensual Intimate Imagery:** Images or videos of you that were shared online without your permission.
- **Content Intended to Harass or Defraud:** Material designed to bully, intimidate, or trick you.
- **Content That Puts You at Risk:** Any online material that could lead to serious harm or danger.



Federal and state laws (like the bipartisan TAKE IT DOWN Act) now heavily penalize the creation of deceptive, nonconsensual, or harmful AI media.

The TAKE IT DOWN Act criminalizes the publication of nonconsensual intimate visual depictions. It also requires covered platforms to:

- (1) create a process for consumers to notify covered platforms of a nonconsensual intimate visual depiction on the platform; and
- (2) remove such depictions within 48 hours of receiving notice. The FTC is charged with enforcing this notice and removal process.



THANK you

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