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September 3, 2025

Medicaid Waivers During Trump 2.0: What Do We Know So Far?

Section 1115 Medicaid demonstration waivers allow states flexibility from federal Medicaid requirements to test out new ways to pay for and deliver services to advance the purpose of the Medicaid program. Some of these waivers reflect bipartisan initiatives that continue despite Administration changes. In general though, the types of 1115 waivers encouraged and approved by the Centers for Medicare and Medicaid Services (CMS)—the federal agency that oversees the Medicaid program—tend to vary depending on the politics of the Administration in charge. Under the first Trump Administration, for instance, guidance from CMS on waivers emphasized flexibility to implement measures that limited enrollment, including work requirements. The Biden Administration took a different approach, refusing to approve work requirement waivers and encouraging states to use waiver flexibilities for other purposes, such as improving continuity of care for people leaving incarceration and for children.

Nine months into President Trump's second term, we are seeing yet another pendulum swing on the Administration's approach to these waivers. Read on to learn more about waivers and early trends for the second Trump Administration and how it impacts access to health care.

Section 1115 Waiver Redux: What Are They and How Do They Work?

Section 1115 of the Social Security Act allows the Secretary of Health and Human Services (HHS) to waive many federal Medicaid requirements to enable states to conduct an "experimental, pilot, or demonstration project which… is likely to assist in promoting the objectives" of the Medicaid statute. To request authority for a waiver, a state Medicaid program must submit a request to CMS for review and approval. The chart below describes the main components of an 1115 waiver.

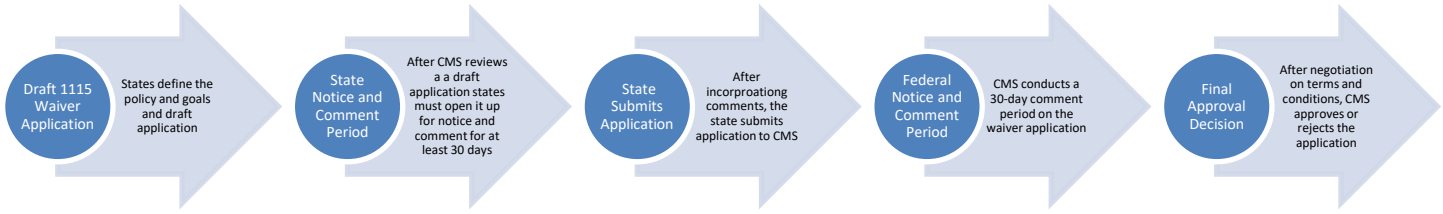
1115 waivers must meet the following requirements

Requirement	Detail
Budget neutrality	Waivers must be "budget neutral" to the federal government, meaning that federal costs under an 1115 waiver may not be more than what they would have been without the waiver.
Mission of the Medicaid program	Waivers must "promote the objectives of the Medicaid program."
Timeframe	1115 waivers are approved for an initial five-year period and can be renewed.
Transparency	The Affordable Care Act (ACA) added new requirements for public input and formal notice and comment periods before waivers can be approved at both the state and federal level. It also added requirements to post waiver-related information, applications, and approval documents.

Monitoring and Evaluation	States must have an evaluation strategy to measure the effects of the waiver on their Medicaid program. They are required to submit regular reports to CMS describing the impact the waiver has had on access, quality, and outcomes.

State Medicaid programs seeking federal approval for 1115 waiver demonstration projects must follow the steps below, which include two public notice and comment periods—one for state Medicaid programs to solicit feedback on their proposal, which can be an important opportunity for stakeholder input on program design, and one for CMS to request feedback, which often translates into advocacy as to whether the request should be approved, denied, or approved only with changes.

1115 Waiver Application and Approval Process



Adapted from NAMD, Medicaid innovation pathway: How 1115 waivers work

How Is the Trump Administration Changing the Priorities for 1115 Waivers?

The Trump Administration has already begun to chart a new course for 1115 waivers, starting by rescinding Biden-era guidance. While there are likely more formal policy announcements to come, these are the areas where CMS has already taken action:

- **Work requirements:** The First Trump Administration was in favor of work requirements, and CMS issued guidance strongly encouraging states to use 1115 waivers to implement work requirements. Many of the subsequent work requirement waivers were subject to litigation, which effectively halted implementation until the Supreme Court took up the issue 2022, ruling that structured work requirements could be implemented in ways that do not violate federal Medicaid protections. However, the clock ran out on the first Trump Administration and the Biden Administration took a very different tack, rescinding previous work requirement approvals.

  The second Trump Administration quickly moved to reinstate its Medicaid policy position squarely in favor of work requirements. For example, it worked closely with Congress to ensure that work requirements for all states were included in the final budget reconciliation law that passed in July.

  Now that there is a federal law requiring all states to implement work requirements in Medicaid, the role of 1115 waivers in state Medicaid work requirements is murkier. One state—Georgia—currently has an

Budget Reconciliation Law and Work Requirements

When Congress passed its budget reconciliation law last month, it included a provision requiring states to condition Medicaid eligibility for adults in the ACA expansion group on meeting work requirements. The law requires every state to implement work requirements by January 1, 2027, but states have the option to implement earlier. Under the law, states are forbidden from using 1115 waivers to get rid of work requirements.

approved 1115 waiver in place that includes work requirements. Designed as an alternative to Medicaid expansion, the program provides coverage to low income, uninsured adults contingent upon compliance with work requirements and burdensome reporting obligations. A number of additional states have also applied to CMS for waiver approval to implement work requirements. However, the budget reconciliation law requires any states implementing a work requirement to follow the new federal work requirement rules and guardrails, including ensuring that certain populations are exempt. It is possible that states will attempt to use waivers to enact more onerous work requirements than federal law (for example, requiring more than 80 hours of work-related activities per month), but it is not yet clear if these waiver requests will be approved or will withstand legal challenges.

- **Health-related social needs (HRSN)**: Over the past several years, Medicaid programs have increasingly turned their attention to the structural and systemic factors that have an outsized impact on beneficiaries' health and wellbeing. For many states, this has meant using Medicaid 1115 waivers (also called demonstration projects) to test out reforms that are able to address HRSN and social determinants of health, as described in more detail in a previous Health Care in Motion.

  Since the beginning of the Trump Administration, CMS has taken steps that could indicate the potential for changes in its approach to HRSN waivers. Specifically, in March 2025, CMS issued an Informational Bulletin rescinding 2023 and 2024 guidance that provided a detailed framework for coverage of HRSN supports in the Medicaid program. This CMS action did not have any immediate impact on states' efforts to address HRSN for their Medicaid population: all existing CMS approvals remain unchanged; the four underlying coverage pathways for these programs (which are each established by law and/or regulation) still stand; and CMS has said it will continue to consider proposals to provide coverage of HRSN supports on a "case-by-case basis." However, the recission of this guidance has created some uncertainty regarding whether the details of CMS's approach to these proposals will shift moving forward. Currently, there are three HRSN waivers pending before CMS (from DC, ME, and NV). CMS's forthcoming decisions should provide additional clarity for states.

- **Reentry from incarceration:** The Administration has not taken any actions to roll back the guidance CMS published in 2023 to promote pre-release Medicaid coverage for people in carceral facilities. However, broader cuts to Medicaid and funding cuts across HHS and the Department of Justice have seemingly chilled some states' willingness to pursue these programs. For example, although the work requirements mentioned above include a meaningful carve out for people who have been incarcerated in the previous 90 days, that did not stop Rhode Island from withdrawing its request to CMS to implement pre-release Medicaid coverage. Bipartisan support for the waivers continues to appear strong, but like other resource-intensive initiatives, reentry waivers will likely be impacted by constrained Medicaid budgets and reduced state capacity for building new infrastructure and systems.

- **Continuous eligibility**: On July 17, 2025, CMS issued guidance indicating it will not approve or extend 1115 waivers that include continuous eligibility provisions. Continuous eligibility allows Medicaid enrollees to remain enrolled in coverage despite changes in income. Over the past several years (and spurred by COVID-19 era protections), there had been a push toward continuous eligibility in Medicaid to promote continuity in coverage and care. In 2023, Congress passed the Consolidated Appropriations Act (CAA), which required states to provide 12 months of continuous eligibility for children under the age of 19 in CHIP and Medicaid. States used 1115 waivers to extend 12-month

continuous eligibility to other populations, including low-income adults, or to extend continuous coverage for multiple years for kids.

- **Workforce investments:** On July 17, 2025 CMS also released guidance indicating it will not approve or renew **workforce initiatives** through 1115 demonstrations. These include waivers that implemented student loan repayment programs and workforce training programs to recruit and retain providers**.**

What's Next

While CMS has made early moves to rescind Biden-era guidance on 1115 waivers, it is still unclear what policy priorities and goals the Trump Administration has for waivers. The federal policies and public statements surrounding work requirements, eligibility limitations, and drastic reductions in federal funding point to a general intent to shrink the footprint of the Medicaid program. However, the future of more bipartisan initiatives, such as HRSN services, remains unclear. The waiver landscape will also change dramatically as the Medicaid cuts in the budget reconciliation law go into effect. States, providers, and beneficiaries should continue to monitor waiver activity in their states and weigh in on applications during state and federal notice and comment periods.

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