November 10, 2026

The Honorable J.B. Pritzker, Governor of Illinois
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Sent Via Electronic Mail Only

Re: Request to Extend Time to Implement Medicaid Work Requirements

Dear Governor Pritzker:

Protect Our Care Illinois (POCIL) applauds the unprecedented efforts of the Illinois Department of Healthcare and Family Services (HFS) and its sister agencies to transform state policies, practices, and systems in order to implement the historic changes required by H.R. 1. We also greatly appreciate how transparent the state agencies have been about the difficulties the state and our community partners are facing in implementing H.R. 1 in this condensed, unrealistic timeline. As we continue to monitor progress in implementation, we are responding daily to community providers and enrollees who have valid concerns about the capacity of the state to implement H.R. 1 successfully by January 1, 2027, and not suffer extensive unnecessary losses of coverage for otherwise eligible populations. We are optimistic that the results of the 2026 Midterm Election will enable Congress to reassess H.R. 1, and states appropriately requesting more time provides more justification for Congress to do so.

Therefore, we respectfully request that HFS seek to extend the start date of the work requirements and six-month redeterminations. We request that HFS pursue all reasonable options for an extension, whether it be a good faith exemption or a hold harmless request.

POCIL Urges Illinois To Request A Good Faith Exemption From The Work Requirements From CMS

We feel strongly that HFS has demonstrated a good faith effort to warrant an exemption from implementing Medicaid work and community engagement requirements (hereinafter "work requirements"). We recognize that although H.R. 1 permits good faith effort exemptions through December 31, 2028, 42 U.S.C. § 1396a(xx)(11)(C), the regulations promulgated by the Centers for

Medicare and Medicaid Services (CMS) state that CMS will grant only a six month exemption initially, but will consider additional requests through December 31, 2028. 42 C.F.R. § 435.560(c). We strongly request that Illinois request an initial six month exemption and request additional extensions beyond six months as circumstances warrant.

The IFR states:

> (b) *Criteria for good faith effort determination.* CMS will consider the following criteria when determining whether a State is demonstrating a good faith effort:
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> > (1) Any actions taken by the State toward implementing the community engagement requirement;
> > (2) Any significant barriers to or challenges in meeting such requirements, including those related to funding, design, development, procurement, or installation of necessary systems or resources;
> > (3) The State's detailed plan and timeline and milestones for fully implementing the community engagements requirement; and
> > (4) Any exigent circumstances, such as an administrative or other emergency beyond the agency's control, impacting the State's ability to implement the community engagement requirement consistent with § 435.559.

42 C.F.R. § 435.560(b).

Illinois has satisfied each criteria and an exemption to the work requirements is warranted.

Illinois's Actions To Date Satisfy § 435.560(b)(1)

First, HFS has met § 435.560(b)(1) through its extraordinary work to bring work requirements online despite the operational complexity. POCIL has seen firsthand that HFS has made myriad policy and system design changes and worked extensively with external and internal partners to implement the work requirements. HFS has begun developing procedures for ex parte confirmation of work requirement compliance and is committed to continuing its coordination with IDHS and advocates to incorporate lessons learned from the SNAP rollout. HFS has begun creating data-sharing agreements among state agencies, Medicaid health plans, providers, human services organizations, and other partners and is committed to continuing these efforts to ensure reliable information is available to maximize ex parte approvals. HFS has recently launched a screening tool for individuals who are medically frail or may qualify for other exemptions and sought initial user feedback but admittedly is not able to incorporate suggested changes into the tool now due to a tight timeline. HFS has begun assessing the use of diagnostic codes and utilization metrics to identify exemptions without placing unnecessary burdens on beneficiaries; however, the process has been stymied repeatedly as CMS changed course in the IFR and issued conflicting guidance.

HFS has been producing comprehensive training materials and partner toolkits explaining the new requirements and seeking feedback to continue to develop and refine these resources. HFS has designed

outreach and education campaigns that prioritize bringing in valued stakeholders and working to understand their concerns and needs. HFS has been coordinating with trusted community organizations, navigators, providers, and other stakeholders and is committed to maintaining these partnerships and using these feedback loops to improve and adapt work requirement implementation. HFS has taken substantial actions toward implementing the work requirements.

Illinois Has Met § 435.560(b)(2)

Despite these incredible efforts, HFS has still met the burden to request an exemption under § 435.560(b)(2) due to the significant barriers inherent in this large-scale historic change in eligibility under urgent deadlines. HFS has been transparent about the significant policy, operational, technological, and administrative work required to complete implementation within an exceptionally short period. No other eligibility change in history has been implemented this quickly; for example, in 2010 after the Affordable Care Act passed and added a new category to Medicaid, the states had 4 years and substantial new federal funding to design and implement the system designed to enroll in Illinois alone over 700,000 new enrollees. As a result of the timelines demanded under the work requirements, HFS is facing barriers related to funding, design, development, procurement, and installation of necessary systems and resources. HFS is also in the midst of a vendor transition. We appreciate that systems updates were difficult even under normal circumstances; the major systems redesign demanded by the work requirements , including developing the policies and coding complex decisionmaking structures like the verification hierarchy, plus validating the logic and testing, coordination among state systems and vendors, and myriad other modifications, are surely stretching our state systems.

We further understand that procurement has been a stumbling block as the processes are exceptionally slow and complex, especially compared to other states that have adopted the Model Procurement Code.[1] Illinois's procurement process can take longer because it involves multiple agencies, independent procurement oversight, compliance reviews, vendor disclosures and certifications, solicitation requirements, and approval steps. The state's creation of a Procurement Task Force to recommend ways to improve efficiency and reduce costs further reflects longstanding concerns about the timeliness and complexity of the process.[2] HFS is also standing up new data-sharing agreements to ensure access to relevant records, the creation of exemption and screening procedures, extensive notice and translation responsibilities, and meeting the need for comprehensive outreach and partner training.

HFS and its sister agencies have begun working to reduce delays in application processing and eligibility redeterminations by hiring more caseworkers. Hiring state agency staff is also a historically slow process in Illinois. As this workforce ramps up, the staff need time to be trained on policies, practices, and systems that may not be published yet, and which are likely to change given pending litigation, including the ruling last month from the U.S. District Court for the District of Massachusetts that vacated portions of the IFR that unlawfully narrowed the statutory medical frailty exclusion. Even in the best circumstances, it takes months to train new caseworkers to be able to accurately work a case.

[1] https://publicprocurementinternational.com/aba-mpc/.
[2] https://cei.illinois.gov/procurementtaskforce.html.

Moreover, six-month redeterminations and new exemption tasks will significantly increase workload for all caseworkers, potentially creating hundreds of thousands or even millions of additional tasks for these already burdened state workers. HFS must also continue to expand its dedicated resolution channels to allow advocates and community partners to help resolve administrative problems quickly once work requirement obligations come online. We also appreciate the barriers inherent in obtaining access to reliable sources of information for all aspects of the work requirements, including new areas that HFS did not previously need to check such as school attendance, community volunteer work, and job program enrollment. Significant barriers, including aspects that are unique to our state, make it more difficult for HFS to bring these work requirements online by January 1, and demonstrate that Illinois meets this subsection.

Illinois's Detailed Plan Meets § 435.560(b)(3)

We have no doubt that HFS will satisfy § 435.560(b)(3) by demonstrating to CMS a realistic plan and timeline that permits the Medicaid program to make more progress before work requirements come online in our state. We understand that HFS is working on the following, and we respectfully request that HFS seek from CMS more time to make headway, rather than proceeding with a product on January 1 which we believe will result in hundreds of thousands of eligible Medicaid enrollees at risk of losing critical health coverage:

- Working to make categories of assistance, including the ACA Adult category, visible in MEDI and other systems because the category now affects coverage.
- Establishing ways for HFS, MCOs, providers, health plans, and community organizations to exchange information that can support HFS and IDHS in processing ex parte renewals and making exemption determinations.
- Building the systems needed to screen for and apply for medical frailty exemptions and other eligibility rules. The compressed timeline limits opportunities for stakeholder review and testing.
- Extensive coding, and developing the exemption hierarchy.
- Drafting, legal review, and publication of eligibility and practice manual provisions to guide caseworkers.
- Training case workers on new policies, practices, and systems to a level of competency prior to implementation.
- Developing and updating provider and partner toolkits, outreach materials, language access resources, and explanations of the new requirements.
- Continuing meetings with advocates, MCOs, providers, community organizations, and state agencies, with time to incorporate feedback to improve the chances of a successful launch of work requirements.

Exigent Circumstances in Illinois Meet § 435.560(b)(4)

Finally, § 435.560(b)(4) seeks to understand how exigent circumstances warrant a good faith exemption. Unfortunately, a September 2025 analysis from Georgetown identified Illinois as one of the states most at risk of poorly implementing Medicaid work requirements because of existing administrative problems, including excessive call-center waits, long timelines for processing applications and pending renewals,

and low administrative capacity.[3] It warned that rushed implementation could create additional backlogs and cause eligible people to lose coverage erroneously. Twenty-nine states exhibited red flags for at least half of the eight metrics examined by researchers, but Illinois and two other states topped the list with seven red flags. These red flags are not uncommon for an extraordinarily complex eligibility system that serves a large number of people like Illinois's, but seven of eight red flags are nonetheless concerning.

A different article from KFF documented that many states still have limited automation for application decisions and that manual processing remains a significant administrative burden, which we believe to be true for Illinois.[4] Illinois has previously encountered significant challenges with its eligibility and enrollment systems and has been transparent about the considerable time and possible unintended consequences that must be monitored and corrected with any system change. Moreover, the vendor transition-related activities must occur alongside the redesign and implementation of these major eligibility processes changes. This overlap constitutes an extraordinary circumstance that should be considered when evaluating Illinois's request. Unfortunately, compared to other states, we believe Illinois is particularly disadvantaged when implementing these work requirement changes.

Taken together, these conditions provide a compelling basis for an exemption under the standard CMS has outlined. Illinois is making a good-faith effort to comply with H.R. 1. The exemption authority granted by Congress exists for precisely this situation: to ensure that states undertaking complex and consequential system changes are not forced to proceed before they are prepared to do so.

POCIL will support Illinois's exemption request publicly, in coalition with national partners, and through every appropriate forum. We are also prepared to work with HFS and other state agencies to document the good-faith efforts already in progress and to explain why additional time is essential to protect Illinois residents. POCIL sits as a number of national tables, where we are urging advocates from other states to submit an extension request given the significant changes to state Medicaid policy, systems, and operations that cannot be completed by January 1, 2027 without risking coverage loss.

These are not ordinary administrative obstacles. They are extraordinary circumstances that threaten Illinois's ability to implement H.R. 1 accurately, effectively, and equitably by the current deadline. We therefore urge HFS to request an exemption under the exemption authority provided by federal law and seek additional time based on the state's demonstrated good-faith efforts.

Should a good faith extension be denied, we urge Illinois to investigate whether the denial meets the requirements of the Administrative Procedures Act (APA). We recognize that the requests have become politicized and that CMS has made public statements indicating intransigence on extension requests. A

[3]https://ccf.georgetown.edu/2025/09/04/are-states-ready-to-implement-hr-1-and-medicaid-work-reporting-requirements/; updated data is available at https://ccf.georgetown.edu/feature/tracking-illinois-implementation-of-hr-1-medicaid-work-reporting-requirements/.

[4]https://www.kff.org/medicaid/medicaid-and-chip-eligibility-enrollment-and-renewal-policies-as-states-resume-routine-operations-following-the-unwinding-of-the-pandemic-era-continuous-enrollment-provision/.

denial that does not grapple with the merits of Illinois's request would violate the APA. We would also request that Illinois explore all other available options to extend time, including a hold harmless waiver to provide a grace period against disenrollments. We are grateful that Illinois joined the coalition of states in challenging the work requirements in *Massachusetts et al v. Oz*, and obtained a hold harmless period for medical frailty decisions, but six months does not go far enough. Illinois cannot reasonably achieve full compliance with the IFR by January 1, 2027 and full compliance on medical frailty decisions by April 29, 2027, without creating systemic risks, jeopardizing member protections, and possibly interrupting operational continuity.

POCIL looks forward to continued collaboration with the state to protect access to care and to support Illinois's request for the additional time necessary to implement H.R. 1 responsibly. Thank you for your leadership during these exceptionally difficult circumstances.

Sincerely,

Protect Our Care Illinois

CC: The Honorable Richard J. Durbin, The Honorable Tammy Duckworth, The Honorable Jonathan L. Jackson, The Honorable Robin Kelly, The Honorable Delia C. Ramirez, The Honorable Jesús G. "Chuy" García, The Honorable Mike Quigley, The Honorable Sean Casten, The Honorable Danny K. Davis, The Honorable Raja Krishnamoorthi, The Honorable Jan Schakowsky, The Honorable Bradley "Brad" Schneider, The Honorable Bill Foster, The Honorable Mike Bost, The Honorable Nikki Budzinski, The Honorable Lauren Underwood, The Honorable Mary Miller, The Honorable Darin LaHood, and The Honorable Eric Sorensen

Protect Our Care Illinois (POCIL) is a coalition of nearly 100 organizations across the state committed to defending Medicaid and the Affordable Care Act (ACA) against federal threats. Established in 2016, we successfully partnered with national groups to oppose efforts to repeal the ACA and cut Medicaid. Today, we work together to address the ongoing challenges presented by the current federal Administration and Congress. Our coalition includes provider and payer associations, advocates, community organizations, consumer groups, healthcare providers, and researchers. We use community engagement, policy analysis, lobbying, and storytelling to engage communities and inform the healthcare debate.