Medicaid Work Rule Leaves Homeless People in the Cold

The Trump administration decided being homeless isn't a medical condition and can't count as an automatic out from the new requirements.

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MISSOULA, Mont. — Tywon Pugh has seizures that make it hard to find and keep a job.

"They called me a 'liability to the job site,'" Pugh said, recalling the words of his manager when a seizure cost him his last job at a fast-food restaurant in this western Montana city.

When the 46-year-old lost work in the past, his wife of 10 years covered their rent and he tended to their home until he found another job. But his wife died last year. Soon after, Pugh became homeless. His problem with alcohol became worse, which made managing his seizures more difficult.

"When she died, my whole base was depleted," Pugh said.

Medicaid pays for the prescriptions that keep Pugh's seizures at bay. The government-subsidized health coverage would also pay for an addiction treatment program that Pugh said he has tried to get into, but he was told there's a waitlist.

Pugh's goal has been to get healthy enough to work again. But he's worried about being able to keep the Medicaid coverage he needs to get to that point.

Early Embrace of New Rules

In the spring, the federal government finalized regulations requiring millions of people who receive Medicaid benefits to prove they're working, volunteering, or going to school to keep their coverage. States have until January to begin those checks. Montana, Arkansas, and Nebraska have already started implementing them.

The Trump administration's federal work requirements exempt certain groups of people: those with disabilities, those older than 64, pregnant people and Native Americans, among others. To receive an exemption, anyone without a clear-cut qualification — such as through their age or disability status — will have to prove they're too sick to work.

But the administration decided that being homeless isn't a medical condition and can't count as an automatic out from having to meet the new requirements. Many conservative policymakers support work requirements, and some states have attempted to implement such rules for years. At least four states — Montana, Arizona, Kentucky, and Utah — previously proposed policies that included homelessness as an exemption.

But federal officials have said that's not allowed. In an email to KFF Health News, the Centers for Medicare & Medicaid Services declined to provide a comment on the record. But the agency confirmed that states must stick to the federal government's list of exemptions. Homelessness in the U.S. increased by 27% from 2013 to 2025, according to data from the Department of Housing and Urban Development. Last year, about 746,000 people were homeless.

Many, like Pugh, qualified for Medicaid, though the number of enrollees who are homeless is difficult to measure. In 2023, 55% of patients who received medical or behavioral health services through one of the nation's roughly 300 Health Care for the Homeless programs were enrolled in Medicaid.

Jennifer Tolbert, deputy director of KFF's Program on Medicaid and the Uninsured, said the federal regulations are a lot stricter than many states had expected, even those on board with work requirements. (KFF is a health information nonprofit that includes KFF Health News.)

"It took everyone by surprise," Tolbert said.

Mehmet Oz, who leads CMS, touted the regulations as a "path to prosperity" during a press conference in June.

"We need to get people to try to work," Oz said. In June, 25 mostly Democratic-led states sued the Trump administration over the regulations, arguing the medical frailty standard would be too hard for enrollees to meet — and for states to assess. The work requirements are projected to increase the number of uninsured people nationwide by more than 5 million by 2034, according to the Congressional Budget Office.

Most states will begin to implement the Medicaid work requirements in January.

Montana plans to begin booting Medicaid enrollees from coverage this October if they can't prove they're in compliance with the work requirement.

"My Medicaid is still active, but when are they gonna cut that off from me?" Pugh said. "I can't get employed. How am I supposed to survive?"

The differences between the states' and federal government's exemption lists don't end with people who are homeless. In Montana, lawmakers also planned to excuse people fleeing domestic violence and caregivers of hospitalized family members — two other groups left off the federal exemption list.

“These are simply parties that, due to a number of conditions, cannot meet those requirements,” Republican state Rep. Ed Buttrey said in 2019 when the Montana Legislature passed its first Medicaid work requirement bill. Buttrey did not comment for this article.

Federal officials have said many people who are homeless could fall under another exemption, such as being too sick to work. But, like many states, Montana’s system to automatically conduct those checks through existing medical records isn’t ready, though health department spokesperson Jon Ebelt said it should be in place by October. Anyone not automatically exempted by the state would have 30 days to prove their case.

A Possible Exemption for Health

Pugh might qualify for a pass due to his seizures. But getting to doctor appointments the past year has been hard for him.

The anniversary of his wife’s death just passed. Typically, Pugh has to find a new place to sleep outside each night. One night while camping, Pugh lost his wallet and important documents. And with the addiction treatment centers that accept Medicaid patients overbooked, Pugh has had to rely on willpower to avoid drinking.

“I’m taking it one day at a time,” he said.

A little over two hours north, in Kalispell, Dustin Goss, a case manager at a homeless shelter called Samaritan House, said Pugh’s experience reflects why he’s worried that people who qualify for an exemption will get tangled in bureaucratic tape.

“You can’t really worry about getting paperwork done when you don’t know where you’re eating today,” Goss said.

Cassidy Kipp, who heads Samaritan House, said once people find shelter and start to stabilize, they typically find work. But even then, meeting the new requirements can be challenging. Clients often start with temporary and informal jobs — such as cleaning out a storage unit — that don’t come with a pay stub, Kipp said.

Kaitlyn Bosshardt, a social worker at Partnership Health Center, a health clinic in Missoula, has seen more people priced out of longtime rentals as housing costs outpace people’s paychecks. Meanwhile, affordable housing and rental aid are limited.

Partnership Health is one of roughly 1,400 health centers nationwide that receive federal funding to serve patients based on what they can afford — meaning even those who lose Medicaid can receive care. But organizations representing health centers have said if too many patients lose the coverage, some clinics won’t be able to fill the financial hole.

The other problem is that these clinics generally don’t provide specialty care.

One day in June, as temperatures hovered around 90, Pugh visited Watershed Navigation Center,

a refuge run by Partnership for people without steady housing to have a meal or see a doctor. His doctor, Atarah Sidey, told Pugh that the neurology clinic that managed his seizures had dismissed him from their care after he missed three appointments.

She referred Pugh to the other neurologist in town and talked about trying to find treatment for his addiction.

“It’s just that if I don’t make the effort at changing, it ain’t gonna happen and I’m gonna end up found on the side of the road somewhere,” Pugh told Sidey.

“You got this, though, Tywon,” she responded as Pugh nodded his head. “You can do this.”

Pugh has connected with a social worker for help keeping his Medicaid. By late July, he was waiting for space to open at a Missoula addiction treatment center and waiting on responses from two job applications.

In the hard moments, Pugh imagines his wife telling him to stay calm, that things will get better.

“I just don’t wanna lose hope in the meantime,” he said.

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