



Supporting Vermonters with Serious Health Conditions to Maintain Medicaid Coverage

Deborah Lefkowitz, University of California-Riverside

Many people with serious health conditions, chronic illnesses, and disabilities rely on Medicaid to access care. Without ongoing treatment and support, these individuals experience worsening health complications, increased disability, higher use of emergency care and hospitalization, and premature death. The new Medicaid work requirements threaten the ability of people with chronic, complex conditions to maintain their access to care.

Close to [40% of Vermont's Medicaid beneficiaries](#) fall into the adult Expansion population, comprising adults ages 19-64 who became eligible for Medicaid under the Affordable Care Act. As of January 2027, this population will be required to demonstrate 80 hours per month of work (or equivalent community engagement, education, or job training) as a condition of Medicaid eligibility – unless individuals qualify for an exemption.

One possible exemption from these work requirements is for medical frailty. This exemption is defined in terms of both the severity of the medical condition and how the condition affects an individual's ability to work. As stated in the [CMS Interim Final Rule](#) released June 1, 2026, an "individual with a serious or complex condition must have their ability to comply with the community engagement requirement significantly impaired by their condition to be determined medically frail."

As a first step in the medical frailty determination, an individual's medical condition and related functional impairment must be documented by medical practitioners. However, this step can present numerous challenges. Not everyone who is too sick to work has medical documentation to support a claim of medical frailty. This is especially likely to be the case for conditions such as long COVID, tick-borne illnesses, and related [infection-associated chronic conditions and illnesses \(IACCI\)](#) that affect a growing number of Vermonters.

Vermont can protect its Medicaid population by strengthening the viability of medical frailty exemptions for individuals with infection-associated chronic conditions and illnesses. This can be accomplished by including these conditions in the state's list of ICD-10 codes for medical frailty, incorporating documentation from rehabilitation specialists and functional medicine practitioners, improving transportation for rural Vermonters, and expanding telehealth options across Vermont state borders.

Long COVID and Tick-Borne Illnesses Are Difficult to Diagnose

Infection-associated chronic conditions related to long COVID, Lyme disease, and other tick-borne illnesses can be difficult to diagnose. These conditions begin with a SARS-CoV-2 infection or a tick bite. But formal

diagnoses and documentation of functional limitations can take months or years. They are frequently diagnoses of exclusion, requiring repeated medical visits, testing, and specialist follow-up care.

Approximately [5% of Vermont adults](#) have, or previously had, long COVID, although this is likely an underestimate due to missed diagnoses and limited testing during the initial infection. The [US Department of Health and Human Services \(HHS\)](#) acknowledges that many long COVID patients experience long-term limitations in daily functioning and work capacity.

Vermont has the [second highest Lyme disease rate](#) in the country. Even with appropriate early diagnosis and treatment, up to [20% of patients](#) continue to experience long-term symptoms of Lyme infection-associated chronic conditions and illnesses. According to the CDC, the prolonged symptoms of Lyme disease “[can have devastating effects on a person's life.](#)”

Initially, when people experience symptoms, they may try to keep working or attending school by reducing their work hours, changing tasks, and relying on flexible accommodations. Long COVID and tick-borne illnesses often involve multisystem symptoms, including pain, extreme fatigue, cognitive difficulties (“brain fog”), shortness of breath, and post-exertional malaise; these conditions may also affect the nervous system, immune function, heart, lungs, and other organs. Symptoms can vary widely, and often fluctuate, worsen, or return unexpectedly. Over time, many individuals with these illnesses lose the ability to sustain work.

In addition, many people with long COVID or tick-borne illnesses are never formally diagnosed at all, especially if their initial infection was not documented in medical records. Providers may not ask about prior infections or tick exposure, may not recognize these conditions, or may not view documenting functional limitations as part of their role. These are all common experiences across infection-associated chronic conditions and illnesses (IACCIs).

Rurality Complicates Health Care Access

Difficulties in obtaining diagnoses for long COVID and tick-borne illnesses are compounded by healthcare access challenges. Vermont is the most rural state in the US. About [two-thirds of Vermont's population lives in rural areas](#). Compared with urban centers, Vermont's rural areas experience greater shortages of healthcare providers, and rural residents must travel greater distances for medical appointments.

Access to health care for rural Vermonters is dependent on [reliable transportation](#). But [Vermont](#) has growing challenges, including funding gaps for Medicaid-supported ride programs, ongoing cuts to rural transit routes, persistent driver shortages, and limited coverage in remote towns. Patients may not be well enough to drive themselves to medical appointments, or they may need assistance to travel safely. Especially in winter, medical appointments can entail long, physically demanding travel.

The Medical Frailty Documentation Gap

Due to travel distances and limited access to local providers, many Vermonters seek medical care over the state border in New York, Massachusetts, or New Hampshire. Vermont participates in interstate medical licensure compacts. These compacts effectively expand Vermont's healthcare workforce and facilitate the practice of telemedicine across state lines.

However, not all providers in surrounding states hold interstate medical licenses to practice in Vermont. Documentation received from out-of-state providers without interstate licensure may not be valid for establishing medical frailty for Vermont's Medicaid. This would then require individuals to obtain duplicate and additional documentation from Vermont providers, adding administrative burden as well as delay.

Work requirements are not paused while someone seeks medical care or waits for documentation. For people with unstable or fluctuating conditions, these procedural demands can pose as significant a barrier as the work requirement itself.

How Vermont Can Effectively Implement Medicaid Work Requirements

The new Medicaid work requirements do not affect all beneficiaries and applicants in the same way. In particular, rural Vermonters with poorly understood, emergent, or hard-to-diagnose medical conditions will encounter greater difficulties meeting the definition of medical frailty, and will therefore be at increased risk of losing their Medicaid coverage.

Vermont can protect access to Medicaid for medically frail adults by implementing the following recommendations:

- Include long COVID, Lyme disease and other tick-borne illnesses on Vermont's list of ICD-10 codes to help identify potentially medically frail individuals.
- Allow documentation from rehabilitation specialists and functional medicine practitioners to be considered in medical frailty determinations, recognizing that these providers are experts in assessing functional limitations to support work accommodations.
- Improve transportation options to enable rural Vermonters to access medical care more reliably.
- Expand telehealth for rural Vermonters, including telehealth options across Vermont state borders.

[Medicaid disproportionately covers working-age adults with one or more chronic conditions](#) that limit activities of daily life. Preserving Medicaid coverage for these Vermonters requires enabling access to medical frailty exemption from the new work requirements.