January 29, 2026

Considerations for Implementing Community Engagement Requirements

Principles and Policy Option

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Overview

- Overview of community engagement (CE) requirements
- Principles for implementing CE requirements
- Policy option for monitoring and evaluation
- Next steps

Overview of CE Requirements

- The requirements apply to non-pregnant, non-dually eligible individuals age 19–64 who are eligible for the adult expansion group or a Section 1115 waiver providing minimum essential coverage, with exceptions
- Individuals must work or volunteer for at least 80 hours in a given month, or go to school at least half-time, to enroll in Medicaid and maintain eligibility
- States must establish the requirements by January 2027 unless they receive a good faith effort exemption
- The Secretary of the U.S. Department of Health and Human Services must issue an interim final rule (IFR) by June 1, 2026

Principles for Implementing CE Requirements

Purpose

- The draft principles are intended to represent the Commission's priorities for implementing CE requirements
- They tie directly to the major considerations that emerged from stakeholder interviews
- They also reflect input gathered from Commissioners during recent public meetings
- We anticipate including the principles in the June report chapter on implementation considerations
  - The chapter will include a detailed discussion of related considerations, which were presented in December

Principle 1

CMS should provide timely federal guidance and technical assistance to states

- Stakeholders emphasized the importance of CMS engaging early and often with states to support implementation
- States need guidance from CMS before the IFR is due
- Understanding which topics CMS will address in guidance would help states plan and prioritize more effectively
- States would also benefit from scenario-based technical assistance from CMS and opportunities to learn from other states

Principle 2

CMS and states should ensure that eligible individuals can gain and maintain coverage

- Stakeholders emphasized how using ex parte processes can minimize beneficiary reporting and reduce coverage loss
- States can also reduce beneficiary reporting burden by modifying enrollment applications and deploying new tools to collect needed information
- Stakeholders highlighted how states can raise awareness and help individuals navigate the requirements by coordinating with community partners, including managed care organizations

Principle 3

CMS and states should prioritize efficiency when procuring, updating, and operating state information technology (IT) systems

- Medicaid IT system changes will likely be costly and time-intensive
- The short implementation timeline limits states' abilities to automate processes and competitively procure systems vendors
- Stakeholders suggested that CMS support states in the procurement process, including by:
  - Leveraging the advanced planning document (APD) process to establish expected costs; and
  - Streamlining the APD process to alleviate time and resource constraints

Principle 4

CMS and states should use timely monitoring and evaluation data to inform policy and operations

- Monitoring is important to identify effective practices and trends that suggest the need for adjustments
  - This was shown during the public health emergency (PHE) unwinding, when state reporting informed efforts to mitigate avoidable disenrollment
- Stakeholders highlighted the value of evaluating whether CE requirements are improving health and increasing employment

Policy Option for Monitoring and Evaluating CE Requirements

Background

Monitoring

- States already submit data on eligibility operations and enrollment through a variety of mechanisms, including:
  - Medicaid and CHIP Eligibility and Enrollment Performance Indicators (PI)
  - Medicaid and CHIP Eligibility Processing Data (EP)
  - Transformed Medicaid and Statistical Information System (T-MSIS)
- CMS uses these data to publish eligibility and enrollment snapshot
- CMS also monitors Section 1115 demonstrations through state reporting and other mechanisms (e.g., calls, quarterly reports)
  - In 2019, CMS provided states with a monitoring report template and required metrics for CE and other eligibility and coverage demonstrations

Background, cont.

Evaluation

- In Medicaid, evaluations are most often conducted for policies tested through Section 1115 demonstrations
  - States are required to conduct independent evaluations of their demonstrations
  - CMS has issued guidance and technical assistance resources to improve state-led evaluations, including guidance for CE demonstrations
- CMS also evaluates select Section 1115 demonstrations
  - CMS is sponsoring a federal evaluation of demonstrations for substance use disorder and serious mental illness/serious emotional disturbance
  - These efforts have included publication of rapid cycle evaluation reports
- Congress at times directs the U.S. Department of Health and Human Services (HHS) to evaluate new Medicaid policies
  - Health home state plan option, Certified Community Behavioral Health Clinics demonstration

Policy Option

- The Secretary of the U.S. Department of Health and Human Services should direct the Centers for Medicare & Medicaid Services (CMS) to develop a transparent plan for monitoring and evaluating community engagement requirements in Medicaid that provides insight into how such policies affect eligibility and enrollment, health status, employment, and the attainment of other identified policy goals. CMS should identify new metrics for state reporting, as needed, and build upon existing data collection activities to minimize administrative burden. Additionally, CMS should ensure the timely publication of monitoring and evaluation results to inform policy and operational decision making.

Rationale

Monitoring

- Stakeholders stressed the need for monitoring to inform policy and operational adjustments and identify effective practices
- CMS's monitoring plans are in development and it is unclear if those plans or resulting state reporting will be public
- CMS's plan should include meaningful metrics for tracking changes in eligibility and enrollment
  - The plan should incorporate stakeholder input and allow for stratification (e.g., by eligibility group) and tracking of metrics over time
- CMS could consider using existing reporting mechanisms to minimize state burden
- Additionally, CMS should make state reporting publicly available on a monthly basis and provide context to aid interpretation

Stakeholder-Identified Metrics for Consideration

Metric Category	Proposed Metric	Data source	Publicly available?
Call centers	Average call center wait times	PI	Yes
	Average call center abandonment rate	PI	Yes
Applications	Number of applications received	PI, EP	Yes
	Processing time for determinations at application	PI	Yes
	Number of pending applications or redeterminations	PI, EP	Yes
	Total number of individuals determined eligible at application	PI	Yes
	Total number of individuals determined ineligible at application	PI	No
	Total number of individuals determined ineligible at renewal	EP	Yes
	Total number of individuals determined ineligible, by reason for termination (e.g., due to noncompliance with community engagement requirements)	Not collected[1]	–
Renewals	Number of renewals up for annual redetermination	PI, EP	Yes
	Total number of individuals determined eligible at annual renewal	PI, EP	Yes
	Number of renewals completed on an ex parte basis	EP	Yes
Enrollment	Total Medicaid enrollment	PI, T-MSIS	Yes
	Total Medicaid disenrollment[2]	PI, T-MSIS	Yes

Stakeholder-Identified Metrics for Consideration, cont.

Metric Category	Proposed Metric	Data source	Publicly available?
Community engagement	Number of Medicaid beneficiaries subject to community engagement requirements	Not collected	–
	• Number of Medicaid beneficiaries subject to community engagement requirements who qualify for an exception	Not collected	–
	• Number of Medicaid beneficiaries subject to community engagement requirements who qualify for an exception, identified on an ex parte basis	Not collected	–
	Number of Medicaid beneficiaries subject to community engagement requirements that lose coverage due to noncompliance	Not collected	–
	• Noncompliance due to not meeting community engagement requirements	Not collected	–
	• Noncompliance due to not submitting evidence of compliance	Not collected	–
	Number of Medicaid beneficiaries subject to community engagement requirements satisfying the requirements, total and by each type of qualifying activity (i.e., work or work program, education, community service, or a combination)	Not collected	–
	• Number of Medicaid beneficiaries satisfying the requirements, verified on an ex parte basis, total and by type of qualifying activity	Not collected	–
	• Number of Medicaid beneficiaries satisfying the requirements, verified manually, total and by type of qualifying activity	Not collected	–

Notes: PI is Medicaid and CHIP eligibility and enrollment performance indicator data. EP is Medicaid and CHIP eligibility processing data. T-MSIS is Transformed Medicaid Statistical Information System. – Dash is not applicable.

[1] PI and EP data include information about procedural denials that occur when the state does not have sufficient information, but more specific reasons for why individuals were determined ineligible are not provided.

[2] Medicaid disenrollment is not reported as a standalone metric but can be calculated by taking the difference between the enrollment in the month of interest and the prior month.

Sources: MACPAC, 2025, analysis of stakeholder interviews, 2025 PI data dictionary, and 2025 EP data report specifications.

Rationale

Evaluation

- Stakeholders underscored that evaluation is needed to understand whether CE requirements are meeting policy goals
  - These policies are relatively new and have not been widely evaluated
- CMS has not indicated plans to conducts its own evaluation or set expectations for state-led efforts
  - Evaluations require staff and financial resources, and state-led evaluations may be limited by competing priorities and fiscal pressures
- HHS can draw on its experience evaluating state policy changes
  - CMS could leverage timely access to federal data (e.g., T-MSIS, Internal Revenue Service data) and consider past evaluation approaches (e.g., meta-analysis)
  - CMS should prioritize rapid cycle evaluation reports to provide timely, actionable insights that can support continuous improvement

Next Steps

- We welcome your input on the draft principles and policy option
- Depending on Commissioner interest, the principles and policy option will be refined and included in the draft chapter for June
- Discussion questions:
  - Do the principles reflect the Commission's priorities for CE requirement implementation?
  - Are there outstanding questions about the policy option that staff can answer?
  - Are there other factors for staff to consider when refining the principles, policy option, and rationale?

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JANUARY MEETING

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