

Policy Update: Medicaid Community Engagement Requirements

On Dec. 8, 2025, the Center for Medicaid and CHIP Services (CMCS) issued guidance on new Medicaid community engagement (work) requirements. Planning must begin now as states move through their 2026 budget, legislative, and procurement cycles.

Why This Matters for Providers

Providers may play a critical role in:

- Identifying medically frail patients.
- Supporting documentation for exemptions.
- Helping patients maintain coverage and continuity of care during implementation.

Who Is Affected

Applies only to the Medicaid expansion population:

- Group VIII adults - which refers to adults aged 19 through 64 who have Medicaid because their income is at or below 138% of the Federal Poverty Level.
- Individuals covered through a Section 1115 waiver that substitutes for expansion.

Not applicable:

- Does not apply to non-expansion states without an 1115 waiver covering the expansion population.
- Does not affect individuals who have Medicaid for reasons other than income, or those who have certain health conditions or meet other exemptions.

Community Engagement Requirement (aka Work Requirement)

Individuals must meet 80 hours per month through one or more of the following:

- Employment.
- Community service.
- Participation in a qualifying work program.
- Enrollment at least half-time in higher education or career/technical education.
- Combination of the above totaling 80 hours.

Alternative eligibility pathways:

- Monthly income \geq federal minimum wage \times 80 hours.
- Seasonal workers meeting the same income standard averaged over six months.

Individuals Exempted from Community Engagement Requirement

- Former foster youth
- American Indian or Alaska Native individuals
- Caregivers of children \leq 13 or disabled individuals
- Veterans with total disability
- Pregnant or postpartum individuals
- Incarcerated individuals
- Individuals meeting TANF or SNAP work requirements
- Individuals in substance use treatment

- Medically frail or special medical needs, including:
 - Blindness or disability
 - Substance use disorder
 - Serious mental illness
 - Physical, intellectual, or developmental disabilities
 - Serious or complex medical conditions

Medicaid Verification & Renewals

Application:

- States may require 1–3 months of prior compliance.

Renewal:

- Compliance required for one or more months between renewals (months need not be consecutive).

Eligibility checks:

- Conducted every six months (instead of annually).

Data-first verification:

- States must rely on existing data (payroll, claims, encounter data, education/training records).
- Additional documentation may be requested only if compliance cannot be verified.

Non-Compliance Process

- Written notice required if compliance cannot be verified.
- 30-day period to demonstrate compliance or exemption.
- Coverage continues during the 30 days.
- If still non-compliant, state must assess other Medicaid eligibility pathways.
- Individuals deemed ineligible under expansion are not eligible for Affordable Care Act premium tax credits.

State Notification Requirements

- States must notify affected enrollees by mail plus one additional method (e.g., text, phone, website).
- Outreach must begin 3–6 months before implementation, depending on the state’s look-back period.

Implementation Timeline

- June 1, 2026: HHS interim final rule issued
- 2026: State rulemaking, system changes, outreach
- January 1, 2027: Required implementation (or earlier with federal approval)

Citations:

- [CMCS Informational Bulletin, Section 71119 of the “Working Families Tax Cut” Legislation, Public Law 119- 21: Requirements for States to Establish Medicaid Community Engagement Requirements for Certain Individuals, December 8, 2025](#)
- [Ohio Medicaid Group VIII Guidance](#)
- [Center for Community Solutions Summary Guidance, December 15, 2025](#)
- [Health Policy Institute of Ohio – Medicaid Work Requirements in Ohio](#)