



Kimberly M. MacKay
Commandant

New Hampshire Veterans Home

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FIS 26 130
Late Item



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ARC

June 15, 2026

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 9:16-a, the New Hampshire Veterans Home (NHVH) respectfully requests the following:

1. Authorization to transfer funds within the Custodial Care account in the amount of \$20,200 to address projected budget shortages for Fiscal Year (SFY) 2026. This request shall be effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2026. Funding Source: **100% General Funds**

2. Authorization to transfer funds within the Professional Care account in the amount of \$188,670 to address projected budget shortages for Fiscal Year (SFY) 2026. This request shall be effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2026. Funding Source: **40% Federal Funds, 32% Agency Income, 28% General Funds**

The Honorable Ken Weyler, Chairman
 Fiscal Committee of the General Court

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05-043-043-430010-53580000 HEALTH AND SOCIAL SERVICES, NH VETERANS HOME, VETS HOME					
CUSTODIAL CARE: 100% General Funds					
Class	Account	Class Title	SFY2026 Current Adjusted Authorized	Requested Action SFY2026	Revised SFY2026 Adjusted Authorized
		GENERAL FUNDS	\$ 11,445,639	\$ -	\$ 11,445,639
		Total Revenue	\$ 11,445,639	\$ -	\$ 11,445,639
010	500100	PERSONAL SERVICES PERM CLAS	\$ 3,655,938		\$ 3,655,938
018	500106	OVERTIME	\$ 232,000	\$ 20,000	\$ 252,000
019	500105	HOLIDAY PAY	\$ 80,200	\$ 200	\$ 80,400
020	500200	CURRENT EXPENSES	\$ 384,769	\$ (20,200)	\$ 364,569
022	500255	RENTS-LEASES OTHER THAN STA	\$ 40,597		\$ 40,597
023	500263	HEAT ELECTRICITY WATER	\$ 697,100		\$ 697,100
024	500225	MAINT OTHER THAN BUILD-GRN	\$ 30,500		\$ 30,500
027	502799	TRANSFERS TO DOIT	\$ 1,076,980		\$ 1,076,980
030	500300	EQUIPMENT NEW REPLACEMENT	\$ 520,056		\$ 520,056
038	500175	TECHNOLOGY - SOFTWARE	\$ 4,000		\$ 4,000
039	500180	TELECOMMUNICATIONS	\$ 72,000		\$ 72,000
047	500240	OWN FORCES MAINT BUILD-GRN	\$ 177,748		\$ 177,748
048	500226	CONTRACTUAL MAINT BUILD-GRN	\$ 1,281,738		\$ 1,281,738
049	500294	TRANSFER TO OTHER STATE AGE	\$ 19,486		\$ 19,486
050	500109	PERSONAL SERVICE TEMP APPOI	\$ 248,000		\$ 248,000
060	500602	BENEFITS	\$ 2,908,192		\$ 2,908,192
070	500704	IN STATE TRAVEL REIMBURSEME	\$ 6,500		\$ 6,500
211	501530	CATASTROPHIC CASUALTY INS	\$ 9,835		\$ 9,835
		Total Expense	\$ 11,445,639	\$ -	\$ 11,445,639

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Fiscal Committee of the General Court

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05-043-043-430010-53590000 HEALTH AND SOCIAL SERVICES, NH VETERANS HOME, VETS HOME PROFESSIONAL CARE					
Class	Account	Class Title	SFY2026 Current Adjusted Authorized	Requested Action SFY2026	Revised SFY2026 Adjusted Authorized
000	404410	FEDERAL FUNDS	\$ (15,306,827)	\$ -	\$ (15,306,827)
009	407072	AGENCY INCOME	\$ (12,534,163)	\$ -	\$ (12,534,163)
		GENERAL FUNDS	\$ (10,784,482)	\$ -	\$ (10,784,482)
		Total Revenue	\$ (38,625,472)	\$ -	\$ (38,625,472)
010	500100	PERSONAL SERVICES PERM CLAS	\$ 18,607,650		\$ 18,607,650
011	500126	PERSONAL SERVICES UNCLASSIF	\$ 190,875		\$ 190,875
018	500106	OVERTIME	\$ 1,664,000		\$ 1,664,000
019	500105	HOLIDAY PAY	\$ 375,000	\$ 29,540	\$ 404,540
020	500200	CURRENT EXPENSES	\$ 611,666		\$ 611,666
021	500211	FOOD INSTITUTIONS	\$ 1,581,772	\$ (188,670)	\$ 1,393,102
026	500251	ORGANIZATIONAL DUES	\$ 2,500		\$ 2,500
038	500175	TECHNOLOGY - SOFTWARE	\$ 100		\$ 100
040	500800	INDIRECT COSTS	\$ 182,615	\$ 67,130	\$ 249,745
041	500801	AUDIT FUND SET ASIDE	\$ 15,567		\$ 15,567
042	500620	POST RETIREMENT	\$ 1,194,414		\$ 1,194,414
046	500462	CONSULTANTS	\$ 296,520		\$ 296,520
050	500109	PERSONAL SERVICE TEMP APPOI	\$ 1,020,000	\$ 92,000	\$ 1,112,000
060	500602	BENEFITS	\$ 11,460,067		\$ 11,460,067
066	500543	EMPLOYEE TRAINING	\$ 18,400		\$ 18,400
070	500704	IN STATE TRAVEL REIMBURSEME	\$ 2,550		\$ 2,550
080	500713	OUT OF STATE TRAVEL REIMB	\$ 7,400		\$ 7,400
101	500729	MEDICAL PAYMENTS TO PROVIDE	\$ 1,394,377		\$ 1,394,377
		Total Expense	\$ 38,625,472	\$ -	\$ 38,625,472

EXPLANATION

The New Hampshire Veterans Home requests to transfer within the New Hampshire Veterans Home accounts as identified in this request to address unanticipated staff shortages and to accommodate payment of an extra SWCAP quarterly invoice from SFY25.

The overage in overtime and temporary staffing is the result of several operational challenges affecting both the Nursing Department and the Dietary/Kitchen Department.

The facility is currently experiencing a significant reduction in available nursing staff, with 16 nurses out on approved FMLA leave. This level of simultaneous leave has created unavoidable staffing gaps across multiple shifts. Efforts have been made to utilize current licensed internal staff, however the organization has had to rely heavily on temporary staff to maintain adequate staffing levels and ensure continuity of care for residents.

The Honorable Ken Weyler, Chairman
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The kitchen is also experiencing substantial staffing shortages, with approximately 10 total vacancies. Four of these vacancies occurred unexpectedly at the beginning of June, including the departure of two senior kitchen managers, which intensified operational strain. These unexpected losses have required immediate redistribution of responsibilities and additional coverage to maintain essential dietary services. To ensure meals and nutritional services remain uninterrupted, employees from other departments have been temporarily reassigned to support kitchen and dietary operations. This has increased the need for overtime and temporary staffing to fill resulting gaps elsewhere in the organization.

In addition, a SWCAP invoice from SFY25 was paid in SFY26, resulting in reduced funds in that line to cover SFY26 SWCAP invoices. This transfer will allow the full payment of SWCAP invoices for SFY26.

05-043-043-430010-53580000 Custodial Care

- Class 018 – Overtime: \$20,000 needed due to kitchen staffing shortages
- Class 019 – Holiday Pay: \$200 needed due to budget shortage
- Class 020 – Current Expenses: \$20,200 available

05-043-043-430010-53590000 Professional Care

- Class 019 – Holiday Pay: \$29,540 needed due to budget shortage
- Class 021 – Food Institutions: \$188,670 available
- Class 040 – Indirect Cost: \$67,130 needed to pay last SFY26 invoice for SWCAP
- Class 050 – Personal Service Temp Appoint: \$92,000 needed to cover for nursing staff shortages

The following information is provided in accordance with the Budget Officer's memorandum dated April 17, 1985:

1. *Does the transfer involve continuing programs or one-time projects?* While the transfer supports continuing programs, there are no additional expenses expected beyond this transfer.
2. *Is this transfer required to maintain existing program level or will it increase the program level?* This transfer is only to maintain existing program levels.
3. *Cite any requirements which make this program mandatory.* 38 CFR 51.120, “Each resident must receive and the facility management must provide the necessary care and services to attain or maintain the highest practicable physical, mental and psychosocial well-being, in accordance with the comprehensive assessment and plan or care.”

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court

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4. *Identify the source of the funds on all accounts listed on this transfer.* The source of funds for this transfer include \$20,200 in General Funds for AU 5358. It also includes \$188,670 of funds for AU 5359 broken out as follows: \$74,784.08 in Federal Funds, \$61,236.49 in Agency Income and \$52,649.43 in General Funds.
5. *Will there be any effect on revenue if this transfer is approved or disapproved?* There is no effect on revenue if this transfer is approved or disapproved.
6. *Are funds expected to lapse if this transfer is not approved?* Yes, funds will lapse if the transfer is not approved.
7. *Are personnel services involved?* No

I respectfully recommend approval of this item.

Respectfully submitted,



Kimberly MacKay
Commandant



Lori A. Weaver
Commissioner

Henry D Lipman
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION MEDICAID SERVICES

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9422 1-800-852-3345 Ext. 9422
TDD Access: 1-800-735-2964 www.dhhs.nh.gov

June 18, 2026

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

INFORMATIONAL ITEM

The purpose of this informational item is to provide the Fiscal Committee of the General Court with the Department of Health and Human Services' drafted State Plan Amendment for the Medicaid community engagement requirements (also known as Medicaid work requirements.) This State Plan Amendment template was made available by the Centers for Medicare and Medicaid Services (CMS) on June 3, 2026 for States with Medicaid expansion populations to use in compliance with the Working Families Tax Cut Act (formerly known as the One Big Beautiful Bill Act of 2025 or House Resolution 1.) SB 134 of the 2026 Legislative Session amended Chapter 141, Section 412, Laws of 2025, to include the following requirement:

Prior to submitting the required documentation to CMS, the Department shall submit the proposed plan to implement community engagement and work requirements to the fiscal committee of the general court for review.

The Department is submitting this item as a Late Item because Senate Bill 134 of the 2026 legislative session amended law to require the Department to submit the "required documentation" (State Plan Amendment) to CMS within 30 calendar days after publication of the federal application template. In order to comply with the 30-calendar day requirement and the advance notice to the Fiscal Committee prior to submission, the Department needed the item to present at the June 19, 2026 Fiscal Committee meeting.

EXPLANATION

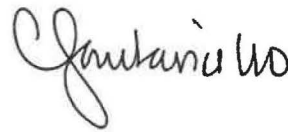
On June 1, 2026, CMS released an interim final rule (IFR) that requires certain adults enrolled in Medicaid to prove they are working, in school, or doing community service for at least 80 hours a month to maintain eligibility. This rule establishes requirements for state Medicaid programs set forth in the Working Families Tax Cut Act. In New Hampshire, the impacted adults are those individuals enrolled in the Granite Advantage Health Care Program, which is the Medicaid expansion population. The State Plan Amendment template released by CMS on June 3, 2026 solicits details from affected States on the implementation of the federal requirements and assurances of State compliance with federal obligations codified in the interim final rule and elsewhere in relevant statute.

The Department will present to the Fiscal Committee the drafted State Plan Amendment and a set of materials detailing the Department's plan to address the requirements set forth in CMS' interim final rule.

The Honorable Ken Weyler, Chairman
June 18, 2026
Page 2 of 2

The Department has analyzed these recent requirements, as well as preexisting federal requirements under which it must operate a compliant Medicaid program, to confirm applicability to SB 134. As a result of the contents of the federal rule and the requirements under SB 134 to not seek or implement any additional optional exemptions or other program waivers without express approval of the Oversight Committee on Health and Human Services, the Department will need to present to the Oversight Committee and seek express approval on certain items. The State Plan Amendment, once submitted to CMS and approved, will be a critical step in securing federal authorization to implement the Medicaid work requirements within the Granite Advantage Health Care Program by January 1, 2027.

Respectfully Submitted,



for:

Lori A. Weaver
Commissioner

Enclosures:

1. Briefing Slides for State Plan Amendment
2. State Plan Amendment Template



Medicaid Community Engagement & Work Requirements

Presentation to Fiscal Committee of the General Court



Requirements in SB 134

- Page 2, Line 17 of SB 134 directs the Department, prior to submitting the required documentation to CMS, to submit it to the fiscal committee of the general court for review.
- Page 2, Line 7 of SB 134 states that “In the event of a conflict between this section and the requirements of Public Law 119-21, Section 71119 (2025), the requirements of the federal statute or regulation shall control.” The CMS interim final rule largely aligns with SB134 and introduces some State obligations and choices that are detailed in following slides.

Background

- On June 1, CMS released the 135-page Interim Final Rule 91 FR 33348 “**Medicaid Program; Community Engagement Requirement for Certain Individuals**” to interpret and implement the community engagement requirement in Medicaid under Section 1902(xx) of the Social Security Act.
- In the following days, CMS released a template for the State Plan Amendment that will be made available to states for completion and submission.
- Pursuant to SB 134 as stated above, the Department submits the proposed State Plan Amendment in draft form to the Fiscal Committee of the General Court for review.



Policy Considerations from Recent Federal Rulemaking (IFR)

- **Short-term hardship exception:** IFR offers States four specified short-term hardship exceptions, including one for currently hospitalized applicants. States must choose to allow **all or none of the four**--Department's SPA elects to adopt all four, subject to approval from Health and Human Services Oversight Committee.
- **Assessing Compliance with Community Engagement:** States must elect how many months of compliance are demonstrated at application for an applicable individual and at renewal.
 - **At application:** As specified in SB 134, Department's SPA will reflect one month of compliance.
 - **At renewal: 1 or up to 3 months.** The Department elects to begin in 2027 with a one-month within each eligibility period of six months (system will be configured to allow additional months).
- **Frequency of verifications:** States may elect to do verifications more frequently than once every six months
 - Irrespective of work requirements, the renewal of eligibility must be completed within a six-month window. Therefore, the Department elects to align the frequency with the renewal process based on the reasons below:
 - Recognition of CMS direction that States must complete renewal process within six-month period
 - This approach would allow a verification to occur at the quarter mark of an eligibility period
 - This approach would maintain ex parte/passive verifications which manual intervention required on each case and associated verifications.

Please see slides 4-6 for a national perspective on the above.

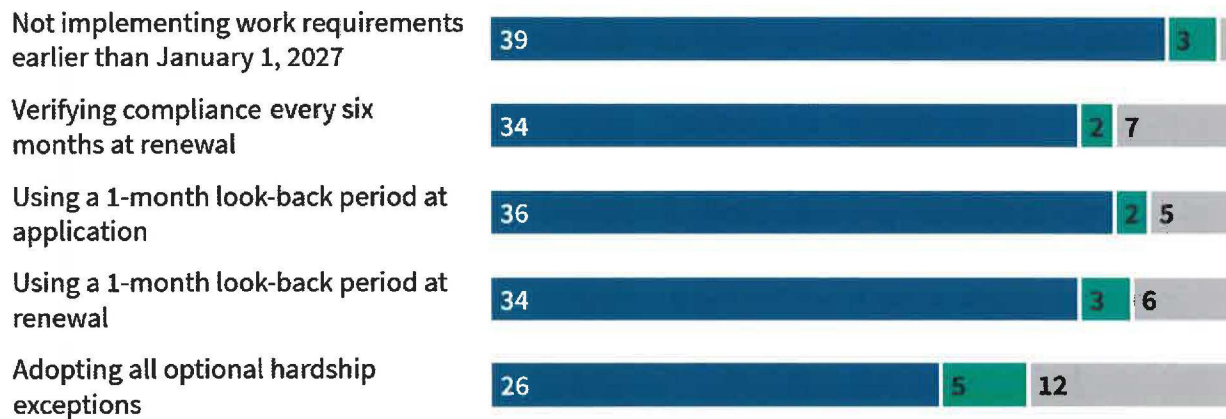


National Landscape

Figure 1

State Work Requirements Implementation Decisions, March 2026

■ Yes ■ No ■ TBD



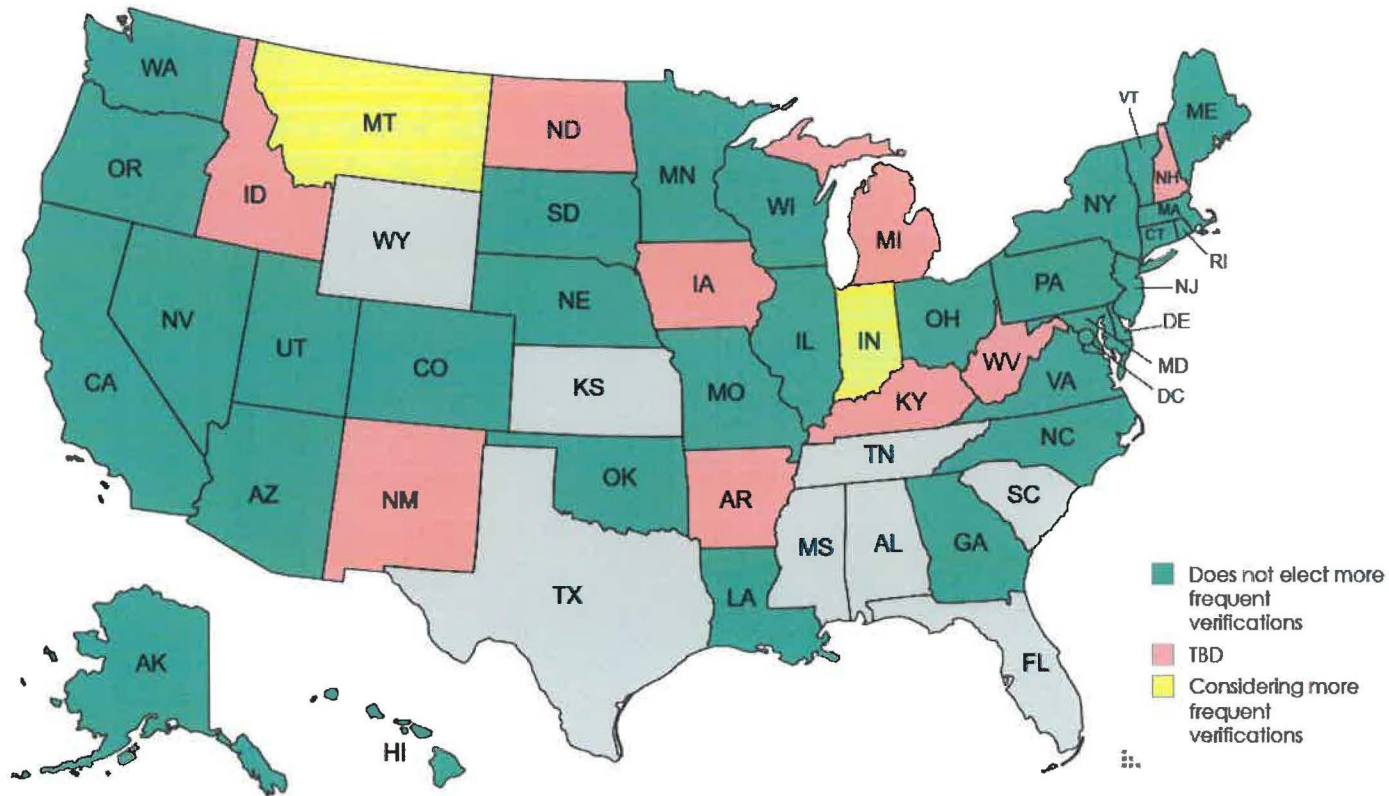
Source: KFF analysis prior to final rule

From Federal Interim Final Rule:

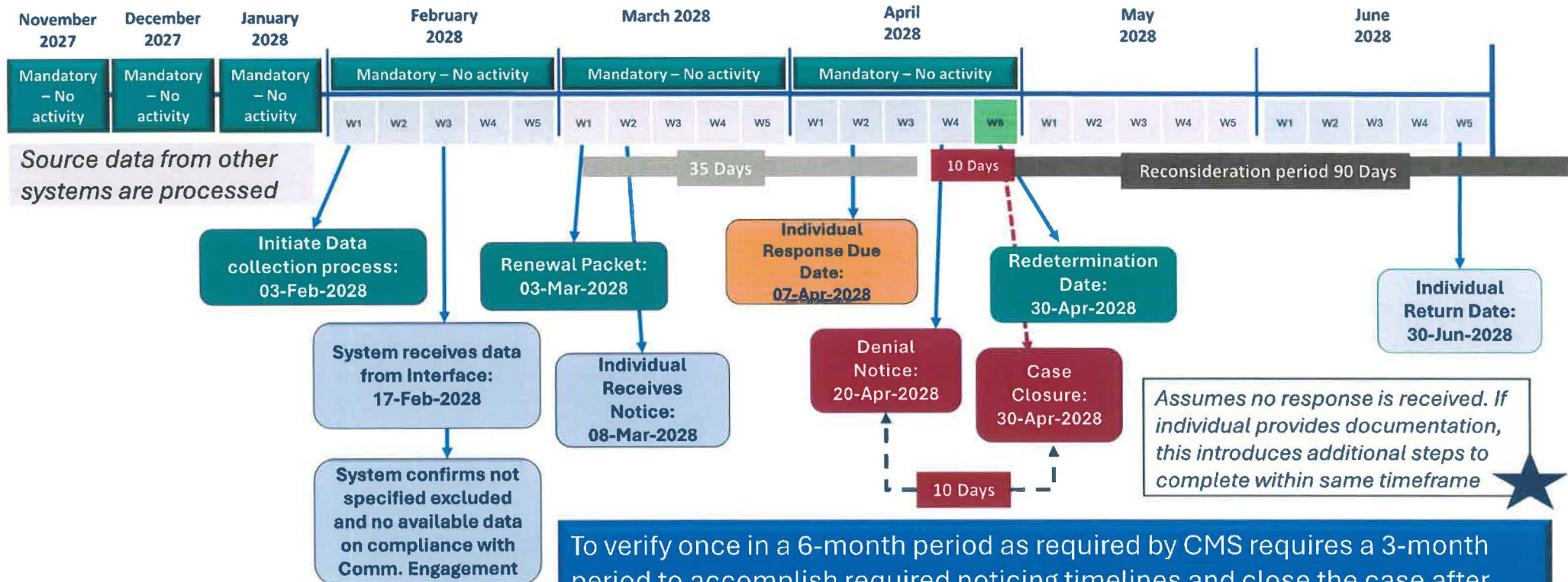
“For example, if a State conducts the more frequent verification of community engagement in month 3 of a 6-month eligibility period, it is possible the State is **still processing the verification**, including following applicable noncompliance procedures, into month 4 of an individual's eligibility period, **while at the same time** the State's system is initiating the individual's renewal that must be completed by the end of the 6-month eligibility period.”



State Approaches to Frequency of Verifications for Enrollees



Scenario: Applicable Individual with April 30 Redetermination Date



To verify once in a 6-month period as required by CMS requires a 3-month period to accomplish required noticing timelines and close the case after requisite 10 day period. More frequent verifications on additional months put into jeopardy our ability to use automation in passive renewals and maintaining compliance with noticing timelines. They would likely result in very modest "gains" in speed to closure at these significant costs described.

Policy Crosswalk – Medical Frailty

Topic	SB 134	Interim Final Rule
Medically Frail Definition	<p>“In no case may the department of health and human services expand the definition of an individual who is medically frail or otherwise an individual with special needs beyond the scope of the definition established under 42 C.F.R. section 440.315 unless as otherwise modified in Public Law 119-21, Section 71119 (2025).”</p>	<p>Department will follow CMS statutory definition which also does not permit expansion of the definition.</p> <p>CMS defines medical frailty “as an individual whose physical, mental, or other behavioral health condition significantly impairs the individual's ability to comply with the community engagement requirement in this subpart and who is blind or disabled (as defined at section 1614 of the Act); with an SUD; with a disabling mental disorder; with a physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more ADLs; or with a serious or complex medical condition.”</p>
Medically Frail Verification	<p>“The department of health and human services shall only approve an exemption for an individual based on the status of medically frailty or otherwise an individual with special needs if the individual has been medically certified per a statement from a physician, physician associate, nurse, nurse practitioner, designated representative of the physician’s office, a licensed or certified psychologist, or a social worker...”</p>	<p>Department will follow CMS rules of acceptable documentation.</p> <p>“Before January 1, 2028, when there is no reliable information available to the State or the reliable information is not reasonably compatible with the information provided by or on behalf of the individual, the agency may require documentation or accept a statement or other information under penalty of perjury that provides sufficient information, as determined by the State, to verify an applicant or beneficiary is medically frail or otherwise has special medical needs, each time the State verifies an individual's medical frailty.”</p>



Policy Crosswalk – Initial Application

Topic	SB 134	Interim Final Rule
Initial Application – Months counted	<p>“No applicable individual shall be enrolled in Medicaid unless, at the time of application, the individual demonstrates compliance with the work requirements for the one month immediately preceding the month during which the individual applies.”</p>	<p>Aligns with this requirement.</p>
Presumptive Eligibility	<p>No changes specified</p>	<p>The community engagement requirement applies when an individual completes a full Medicaid application and when an individual applies for PE and HPE and appears to be eligible in the adult group or an applicable 1115 demonstration population.</p> <p>If the applicant is an applicable individual (not excluded or excepted), the qualified entity must assess whether the applicant demonstrated community engagement prior to the month of application for the number of months elected by the state in the state plan.</p>



Policy Crosswalk – Non-compliance

Policy Topic	SB 134	Interim Final Rule
Non-compliance	After the 30-day notice period, the department of health and human services shall disenroll any applicable individual who does not demonstrate compliance with the work requirements or qualify for an exemption.	Cases will be closed for noncompliance and Department will follow noticing guidelines on content. Notice period will be in alignment.



Policy Crosswalk – Applicable Individuals and Exemptions

Topic	SB 134	Interim Final Rule
Definition of applicable individual	<p>“Applicable individual” means an individual described in 42 U.S.C. section 1396a(xx)(9)(A) who is eligible for the granite advantage health care program, and who is subject to work requirements.</p>	<p>With certain exclusions specified in the statute, applicable individuals are those who are eligible for, or enrolled under, the State plan adult group described in section 1902(a)(10)(A)(i)(VIII) of the Act and § 435.119. Section 1902(xx)(9)(A)(i) of the Act expressly excludes “specified excluded individuals” from the definition of “applicable individuals.” The mandatory exceptions described at section 1902(xx)(3)(A) of the Act apply to “applicable individuals” who are otherwise subject to the community engagement requirement in a given month, but who meet criteria for a mandatory exception for part or all of that month, which results in the State deeming them compliant.</p>

The CMS regulation further specifies and details the required exceptions and exclusions from “applicable individuals” Detailed in slide 15 of this presentation.



Policy Crosswalk – Applicable Individuals and Exemptions

Topic	SB 134	Interim Final Rule
Use of ex parte	"The department of health and human services may rely on ex parte records and or documentary evidence provided by the applicable individual to verify exemption from work requirements."	In Alignment: CMS requires that States attempt an ex parte verification of an individual being "specified excluded" based on reliable available information. States are also required under 435.557(b) to conduct ex parte verification of compliance with the community engagement requirement for individuals who are not specified excluded.
Self-Attestation	"The department of health and human services shall verify all exemptions and shall not accept self-attestation from individuals seeking exemptions."	CMS requires that certain exclusions be based on self attestation—for example, the Interim Final Rule details that States must accept self-attestation for pregnancy and postpartum based on existing requirements § 435.956(e).



Policy Crosswalk – Optional short-term hardship exceptions

Topic	SB 134	Interim Final Rule
Short term hardship exceptions	<p>The department of health and human services shall not seek or implement any additional optional exemptions under 42 U.S.C. section 1396a(xx)(3)(B) or other program waivers without obtaining express approval of the oversight committee on health and human services established in RSA 126-A:13.</p>	<p>States must elect ALL or NONE of the following:</p> <p>As described in section 1902(xx)(3)(B)(ii)(I) of the Act, an applicable individual receives inpatient hospital services, nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities (ICF/IID), inpatient psychiatric hospital services, or such other services of similar acuity (including outpatient care relating to the preceding institutional services) as the Secretary determines appropriate;</p> <p>An applicable individual resides in a county (or equivalent unit of local government) in which, as described in section 1902(xx)(3)(B)(ii)(II)(aa) of the Act, there exists an emergency or disaster declared by the President under the National Emergencies Act (NEA) or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act); or, as described in section 1902(xx)(3)(B)(ii)(II)(bb) of the Act, the unemployment rate is at or above the lesser of 8 percent or 1.5 times the national unemployment rate; or</p> <p>As described in section 1902(xx)(3)(B)(ii)(III) of the Act, an applicable individual, or the dependent of the applicable individual, must travel outside of their community for an extended period of time to receive medical services necessary to treat a serious or complex medical condition (as described in section 1902(xx)(9)(A)(ii)(V)(ee) of the Act) that are not available within their community of residence.</p>



Policy Crosswalk – Verification for Existing Enrollees

Policy Topic	SB 134	Interim Final Rule
Existing Enrollee Verification	"Verification shall occur on an ongoing basis, at least quarterly between redetermination periods."	States have the option to verify more than once per 6-month period and use more than 1 month to assess, but CMS cautions the potential operational issues and resulting noncompliance with federal eligibility timeframes that may arise with this election.

“For example, if a State conducts the more frequent verification of community engagement in month 3 of a 6-month eligibility period, it is possible the State is **still processing the verification**, including following applicable noncompliance procedures, into month 4 of an individual's eligibility period, **while at the same time** the State's system is initiating the individual's renewal that must be completed by the end of the 6-month eligibility period.”



Key Terms

Specified Excluded Individuals <i>(not subject to work requirements; evaluated in month of application)</i>	Applicable Individuals <i>(subject to work requirements)</i>	
	Exceptions <i>[evaluated in lookback month(s)]</i>	Qualifying Activities <i>[evaluated in lookback month(s)]</i>
<ul style="list-style-type: none"> • Medically frail individuals • Participants in a drug addiction or alcohol treatment and rehabilitation program • Parents, guardians, caretaker relatives, or family caregivers of a dependent child under age 14, or of a disabled individual • Veterans with a disability rated as total under 38 U.S.C. § 1155 • Members of a household receiving Supplemental Nutrition Assistance Program (SNAP) and not exempt from SNAP work requirements • Individuals compliant with Temporary Assistance for Needy Families (TANF) work reporting requirements • American Indians and Alaska Natives • Former foster care youth under age 26 [i.e., individuals eligible under the former foster care youth (FFCY) eligibility group] • Inmates of a public institution • Pregnant individuals or those entitled to postpartum Medicaid coverage 	<p>Mandatory Exceptions:</p> <ul style="list-style-type: none"> • Under age 19 • Entitled to or enrolled in Medicare Part A or enrolled in Medicare Part B • Described in a mandatory eligibility group (e.g., parents/caretaker relatives within certain incomes, individuals receiving Supplemental Security Income) • Incarcerated at some point in the three-month period prior to the relevant month • Specified excluded individuals (if relevant during the lookback month) <p>Optional Short-Term Hardships Exceptions:</p> <ul style="list-style-type: none"> • Receiving inpatient or institutional care** • Travel outside one's community for medical care for themselves or a dependent** • Living in a county with a federal emergency or disaster declaration • Living in a county with high local unemployment 	<ul style="list-style-type: none"> • Work (at least 80 hours) • Community service (at least 80 hours) • Participation in a work program (at least 80 hours) • Educational enrollment (at least half time) • Any combination of the above listed activities (for a total of at least 80 hours) • Income of at least \$580/month (or for seasonal workers, an average \$580/month income over a six-month period) <p><i>*Terminology included in this presentation aligns with the statutory and regulatory language. **Individual must request exception.</i></p>



Drafted State Plan Amendment for Medicaid Community Engagement

This state plan amendment (SPA) will be submitted through CMS' online portal. This document reflects screenshots of the online form as shared by CMS.

Submission - Medicaid State Plan

MEDICAID | Medicaid State Plan | TN2026MS0313D

[Spell Check Instructions](#) | [Request System Help](#)

CMS-10434 OMB 0938-1188

Not Started
In Progress
Complete

[View Implementation Guide](#)

The submission includes the following:

Administration

Eligibility

- Income/Resource Methodologies
- Income/Resource Standards
- Mandatory Eligibility Groups
- Optional Eligibility Groups
- Non-Financial Eligibility
- Eligibility and Enrollment Processes
- Community Engagement

Community Engagement for Certain Adults

Reviewable Unit Name	Included in Another Submission Package	Source Type
Community Engagement for Certain Adults	●	NEW

Medicaid State Plan Eligibility

Community Engagement

Community Engagement for Certain Adults

MEDICAID | Medicaid State Plan | Eligibility | TN2026MS0310D

[Spell Check Instructions](#) | [Request System Help](#)

CMS-10434 OMB 0938-1188

Not Started
In Progress
Complete

Package Header

Package ID TN2026MS0310D	SPA ID N/A
Submission Type Draft	Initial Submission Date N/A
Approval Date N/A	Effective Date N/A
Superseded SPA ID N/A	

[View Implementation Guide](#)

[VIEW ALL RESPONSES](#)

Requirement to demonstrate community engagement as a condition of Medicaid eligibility for certain individuals.
The state operates the community engagement requirement in accordance with the following provisions:

This section will have the SPA ID number and an effective date of 01/01/2027.

A. General Requirements for Community Engagement

Collapse

1. The state requires as a condition of eligibility that an applicable individual demonstrates (or the state deems the applicable individual to demonstrate) community engagement for the number of months specified by the state during the applicable review period. An applicable individual is an individual who is not a specified excluded individual under Section B. below who is eligible for or enrolled in:

- a. The state plan eligibility group described in 42 CFR § 435.119, or
- b. A demonstration expenditure authority under section 1115(a)(2) of the Act that provides coverage equivalent to minimum essential coverage and who: attained the age of 19 and is under 65 years of age, is not pregnant, is not entitled to, or enrolled for, benefits under Medicare Part A or Part B, and is not otherwise eligible to enroll under the state plan.

Name of 1115 demonstration population(s):

Character count: 0/255

2. An applicable individual demonstrates compliance with community engagement for a month if the individual meets one or more of the following:

- a. Works not less than 80 hours
- b. Completes not less than 80 hours of community service
- c. Participates in a work program for not less than 80 hours
- d. Enrolled in an educational program at least half-time
- e. Any combination of A.2.a. through A.2.d. for a total of not less than 80 hours (except educational program hours may only be combined with other activities if the individual is enrolled less than half-time)
- f. Has monthly income that is not less than the federal minimum wage multiplied by 80 hours
- g. For a seasonal worker, has average monthly income over the preceding six months that is not less than the federal minimum wage multiplied by 80 hours

3. When monthly income is considered under A.2.f or g., MAGI-based methodologies are used in calculating household income. Please refer as necessary to MAGI-Based Methodologies, completed by the state.

[View approved version of MAGI-Based Methodologies](#)

4. The state verifies an applicable individual meets an exception or demonstrates community engagement or that an individual is a specified excluded individual using reliable information available to the state without requiring information from the individual when possible.

5. The state conducts initial and periodic outreach consistent with § 435.561 to notify certain individuals described under § 435.561(a) of the requirement to demonstrate community engagement.

In Section A:

1a. will be checked, for the Granite Advantage eligibility group.

1b. will not be checked, as we do not have an affected 1115 demonstration population.

2-5 are not options.

B. Mandatory Exceptions and Exclusions

Collapse

Exceptions

1. The state deems an applicable individual to demonstrate community engagement for a month during the review period if:
 - a. For part or all of that month, the individual was: Under age 19; entitled to, or enrolled for, benefits under Medicare Part A or Part B; described in any mandatory eligibility group under section 1902(a)(10)(A)(i) through (vi) of the Act or a specified excluded individual described in § 435.554.
 - b. At any point during the 3-month period ending on the first day of that month, the individual was an inmate of a public institution.

Specified Excluded Individuals

2. A specified excluded individual is not an applicable individual and is not subject to the community engagement requirement.
3. The state provides that the following categories of individuals meet the definition of specified excluded individual:
 - a. Former foster care child described in section 1902(a)(10)(A)(i)(X) of the Act (as amended by Pub. L. 115-271)
 - b. American Indian as defined at § 447.51
 - c. Parent, guardian, caretaker relative, or family caregiver of a dependent child age 13 or under or of a disabled individual, as each of the terms is defined at § 435.550 and implemented at § 435.554.
 - i. Elections on the relationships for a caretaker relative that the state makes on the Parents and Other Caretaker Relatives state plan page apply for the purpose of this category of specified excluded individuals.
 - d. Veteran with a total disability rating
 - e. Medically frail or otherwise has special medical needs, as defined at § 435.554(b)(5)
 - f. Compliant with a TANF work requirement or a member of a household that receives SNAP benefits and is subject to a SNAP work requirement
 - g. Participant in a drug addiction or alcoholic treatment and rehabilitation program
 - h. Inmate of a public institution, as defined at § 435.1010
 - i. Pregnant woman or entitled to Medicaid during a postpartum period

[View Approved Version of Parents and Other Caretaker Relatives](#)

In Section B, there are no options.

C. Short-Term Hardship Exception

Collapse

1. The state deems an applicable individual to demonstrate community engagement for a month during the review period during a short-term hardship event.
 Yes No
2. A short-term hardship event exists when:
 - a. An individual receives inpatient hospital services, nursing facility services, services in an intermediate care facility, inpatient psychiatric services, or other services with similar acuity (including services received in an outpatient setting), as determined appropriate by the Secretary.
 - b. An individual resides in a county (or equivalent unit of local government) in which there exists an emergency or disaster declared by the President under the National Emergencies Act (NEA) or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act).
 - c. An individual resides in a county (or equivalent unit of local government) which has an unemployment rate that is at or above the lesser of 8 percent or 1.5 times the national unemployment rate.
 - d. An individual or their dependent must travel outside of their community for an extended period to receive medical services for a serious or complex medical condition (described in § 435.554(b)(5)) that are not available in their community.
3. An individual must request a short-term hardship event from the state for the events described in C.2.a and C.2.d. The state must request from CMS a short-term hardship event for the event described in C.2.c.

In Section C, the Department elects Yes for the short-term hardship exception. If selecting Yes, the State must allow an exception for all hardship events.

D. Assessing Compliance with Community Engagement

Collapse

For Individuals Who File an Application for Medical Assistance

1. The state determines applicants meet an exclusion or are an applicable individual and demonstrate or are deemed to demonstrate community engagement at application.
2. For an applicable individual to be considered compliant with the community engagement requirement at application consistent with § 435.556(a)(1), the state requires demonstration or deemed demonstration of community engagement for:
 - a. 1 month prior to the month of application.
 - b. 2 consecutive months prior to the month of application.
 - c. 3 consecutive months prior to the month of application.

For Individuals Who Are Enrolled and Receiving Medical Assistance

3. The state determines enrolled beneficiaries meet an exclusion or are an applicable individual and demonstrate or are deemed to demonstrate community engagement during the individual's periodic renewal of eligibility.
4. For an applicable individual to be considered compliant with the community engagement requirement at renewal, the state requires demonstration or deemed demonstration of community engagement for:
 - a. 1 month during the individual's eligibility period
 - b. More than 1 month, whether or not consecutive, during the individual's eligibility period
 - i. Enter the number of months:

In Section D, the Department elects:

2a. to verify compliance 1 month prior to the month of application

3 is not an option

4a. to verify compliance at renewal for 1 month during the individual's eligibility period

E. More Frequent Verifications of Community Engagement for Applicable Individuals Collapse

1. The state conducts more frequent verifications of the community engagement requirement in between renewals of eligibility for enrolled applicable individuals.
 Yes No

2. The state elects the following more frequent verifications of community engagement in between renewals of eligibility for enrolled applicable individuals:
 a. Once every 3 months
 b. Another frequency. Enter frequency by once every number of months:

3. For an applicable individual to demonstrate or be deemed to demonstrate community engagement during a more frequent verification, the state requires demonstration or deemed demonstration of community engagement for:
 a. 1 month during the relevant review period
 b. More than 1 month during the relevant review period
 I. Enter the number of months:

In Section E, the Department elects “No” to 1., so 2 and 3 depicted above will not appear. Section E will appear as below:

E. More Frequent Verifications of Community Engagement for Applicable Individuals Collapse

1. The state conducts more frequent verifications of the community engagement requirement in between renewals of eligibility for enrolled applicable individuals.
 Yes No

F. Notice of Noncompliance and Defining When a State is “Unable to Verify” Compliance with the Community Engagement Requirement Collapse

1. The state sends a notice of noncompliance to request information from the individual when it is unable to verify an applicable individual demonstrates or is deemed to demonstrate community engagement at application, renewal, and if elected by the state, during a more frequent verification of community engagement.

2. The state provides an applicable individual 30 days from the date of the notice of noncompliance to make a satisfactory showing of community engagement or that the requirement does not apply.

3. The state elects to consider that it is unable to verify community engagement at renewal:
 a. After the state checks reliable information and cannot verify compliance with community engagement without requesting information from the individual.
 b. After the state provides the individual with a renewal form and the form is not returned or the returned form does not include sufficient information needed to demonstrate compliance with community engagement.

In Section F, the Department elects 3a. to send the non-compliance notice at the same time as the renewal form in alignment with SB 134 and the eligibility completion requirements in the rule.

G. Additional Information (optional) Collapse

Character count: 0/4000

Validation & Navigation

Would you like to validate the reviewable unit data?
 Yes No

Warning: Any field containing more than 4000 characters will be truncated when saved.

Navigate to Reviewable Unit
 -- Select Reviewable Unit --

Not Started	In Progress	Complete
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