

•Implementing Medicaid Work Requirements: Preparation and Lessons for Hospitals and Health Systems

97TH ANNUAL MEETING

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Nebraska's Experience Implementing Medicaid Work Requirements

Meghan Chaffee, JD | Chief Advocacy & Legal Officer, NHA

October 2026

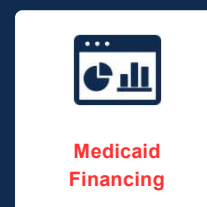
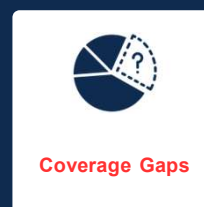
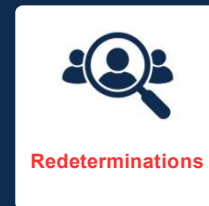
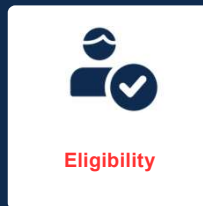
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H.R. 1 & A Major Shift in Medicaid

H.R. 1 makes significant change to Medicaid eligibility and administration.

The changes will affect:

- How and when enrollees maintain coverage
- Eligibility verification and renewals
- Work/community engagement requirements
- Retro eligibility
- Cost-sharing
- And more



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Medicaid Work Requirements

Certain Medicaid expansion adults will be subject to community engagement requirements.

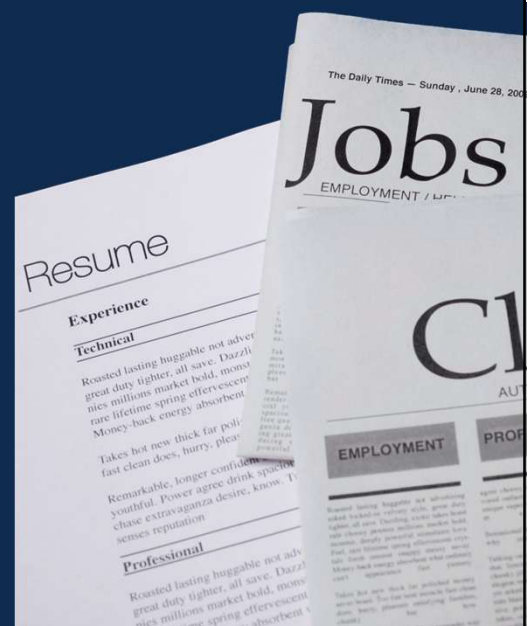
Generally applies to:

- Adults ages 19-64
- Individuals in the expansion population
- Subject to federal eligibility and exemption rules

Generally does NOT apply to:

- Children
- Individuals receiving Medicaid based on disability
- Pregnant individuals
- Members of Tribes and certain other specified populations

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The 80-Hour Requirement: What Counts?

Individuals generally must complete at least 80 hours per month of qualifying activities.

Qualifying activities may include:

- Employment
- Community service
- Work programs
- Education
- Job training
- Certain combinations of qualifying activities

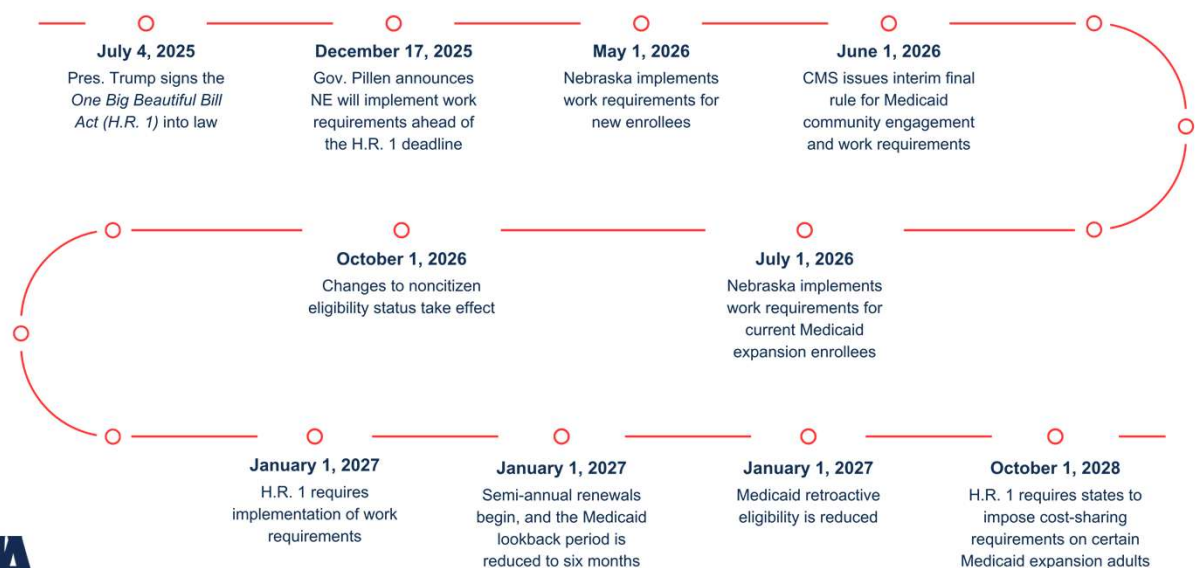
The policy also includes an earnings pathway:

- An individual may satisfy the requirement through 80 hours of qualifying activities per month, or
- Through earnings equal to at least 80 hours x the applicable federal minimum wage (\$7.25/hour)
 - 80 hours x \$7.25/hour = \$580/month
 - Nebraska's minimum wage is \$15/hour, so can satisfy requirement with ~39 hours



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Nebraska's Implementation Timeline



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Medical Frailty & Short-Term Hardships

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Medical Frailty: The Two-Part Test

CMS IFR created a new, second part test to medical frailty. States must determine their condition impairs their ability to comply with the community engagement requirements.

Step 1

Does the individual have a qualifying medical condition or circumstance?

- State-developed list of ICD-10, CPT, and HCPCS codes

Step 2

Does the individual meet the applicable standard for medical frailty under the state's process?

- Condition impairs individuals' ability to comply
- Individual Declaration Form

Outcome

Exempt or non-exempt from the community engagement requirement?

- If condition impairs ability to comply, exempt until renewal.
- If no, individual must meet requirements.

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Temporary Hardship Exemptions

Hospitalization or Stay in a Nursing Facility

- Inpatient care or residing in a nursing facility
- DHHS to verify ex parte

Traveling Outside the Community

- Individual or their dependent must travel outside their community for an extended period to receive medical services for serious or complex medical condition

Federal Emergency Declaration

- State must request CMS approval for the county-based hardship
- Example: Nebraska wildfire counties

High Unemployment Rate

- State must request CMS approval for the county-based hardship
- Dawson Co. is currently approved until county no longer has high unemployment rate

What We're Seeing So Far: New Applications (May – August 2026)

- **9,614 total applications processed**
 - **4,623 approved**
 - 3,532 approved, either meeting or exempt from MWR
 - 1,862 approved meeting Qualifying Activities
 - 1,578 approved with an exemption
 - 524: Parent / Caregiver - Child Age 13 or Younger (33.2%)
 - 393: Medically Frail (24.9%)
 - 182: Native American (11.5%)
 - All other Exemption reasons combined – 30.4%
 - 92: Approved with a Temporary Hardship
 - 1,091: Approved, not requiring a WR determination
 - **4,991 denied, any reason**
 - 557 denied due to work requirements
 - 466: Denied for MWR Not Responsive (83.7%)
 - 91: Denied for MWR Non-Compliance (16.3%)
 - 4,434 denied for any other reason (example, over eligible income limits)

What We're Seeing So Far: Renewals (July – August 2026)

- **7,280 total renewals processed needing a MWR determination**
 - **6,747 approved**
 - 2,449 approved meeting Qualifying Activities (36.9%)
 - 4,171 approved with an exemption (61.1%)
 - 1,612 Medically Frail (38.6%)
 - 1,307 Caregiver - Child Age 13 or Younger (31.3%)
 - All other Exemption reasons combined (30.1%)
 - 127: Approved with a Temporary Hardship (1.9%)
 - 109 Emergency Declaration (85.8%)
 - 15 High Unemployment (11.8%)
 - **533 denied**
 - 490: Denied for MWR Not Responsive (91.9%)
 - 43: Denied for MWR Non-Compliant (8.1%)



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H.R. 1 changes more than work requirements for Medicaid eligibility.

The new law goes beyond community engagement requirements. It also changes how often certain beneficiaries must renew coverage, how far back Medicaid can cover services, who may qualify for federally funded Medicaid, and how states finance and administer the program.

Six-Month Redeterminations

Retroactive Eligibility

Noncitizen Eligibility

Cost Sharing Requirements

State Directed Payments



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What We're Still Watching

- Non-response vs. Noncompliance → Why are individuals not providing requested information?
- Medical frailty → Impact of the two-part test and IDF process // provider education and impact
- Member experience → Notices, call wait times, access to assistance
- Coverage churn → Who loses coverage? And who comes back on?
- Upcoming implementation points → Changes to noncitizen eligibility, more frequent redeterminations, shorter retro eligibility, new verification requirements
- Hospital impact → Coverage gaps, administrative burden, and uncompensated care
- Better data → More complete reporting as implementation continues



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Questions & Discussion



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Community Engagement Requirements + Key Medicaid Updates

October 6, 2026

Anna Casteel,

Medical Assistance Policy and Program Management Bureau Chief



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Community Engagement Requirements (CER) Overview

- ▶ New **federally required rules** under the One Big Beautiful Bill Act (H.R. 1) apply to **certain IHAWP members** ages 19–64 beginning Dec. 1, 2026
- ▶ These requirements are intended to encourage employment, education, job training, volunteer service, and other forms of community involvement.
- ▶ While some states refer to these as "work requirements," Iowa uses the term Community Engagement Requirements.



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Iowa's Lookback Period

Lookback Period = You will need to show you worked, went to school, volunteered, or took part in a job program during a certain time period to maintain coverage.

At Application (New Members)

The member lookback period is **one month before** the month of the application.

At Renewals (Existing Members)

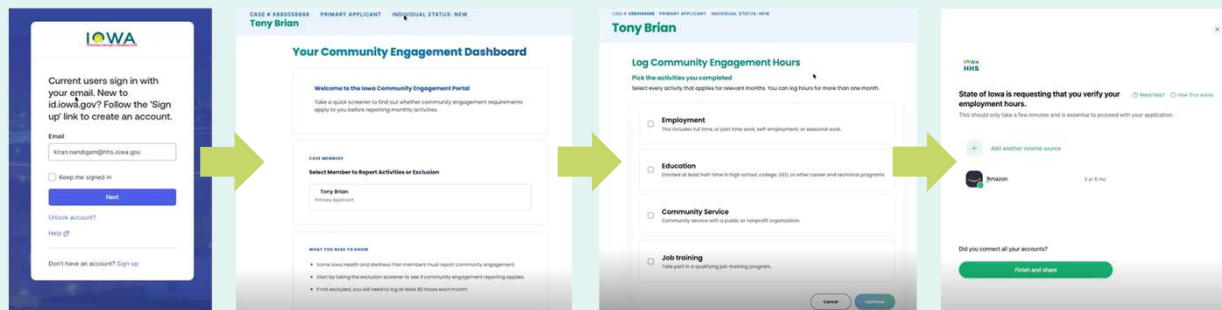
The member lookback period is **any two months** since the last renewal or application.



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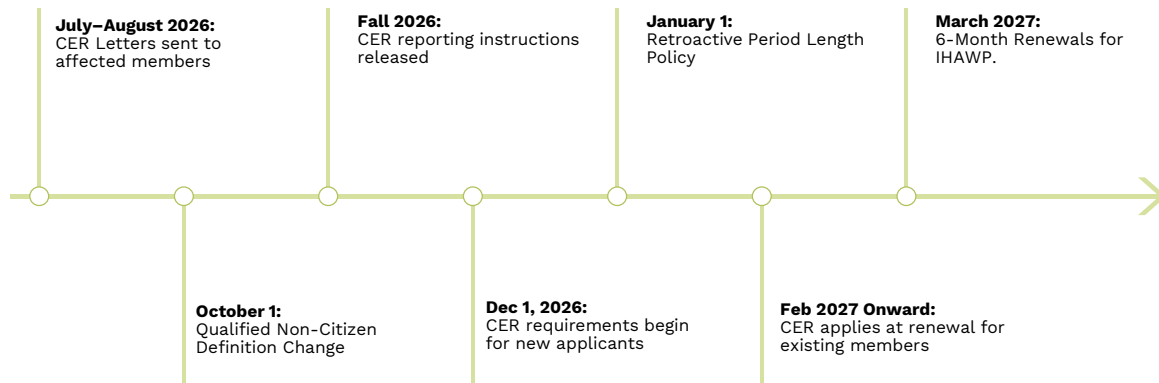
Community Engagement Portal (CEP)

- ▶ New customer-facing portal developed by Deloitte.
- ▶ Members and applicants provide verification through electronic consent, manual entry, and/or uploading supporting documentation.
- ▶ New applicants will use this beginning December 2nd; existing members will begin using it on January 5th.



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Implementation Timeline



CER Resources

- ▶ Website: <http://hhs.iowa.gov/ihawp-cer>
 - Frequently Asked Questions
 - One-Pagers
 - Volunteer Opportunities
 - Qualified Activities and Exclusions
- ▶ Iowa Self-Service Portal Chatbot, Ellie: <https://hhservices.iowa.gov/apspssp/ssp.portal>

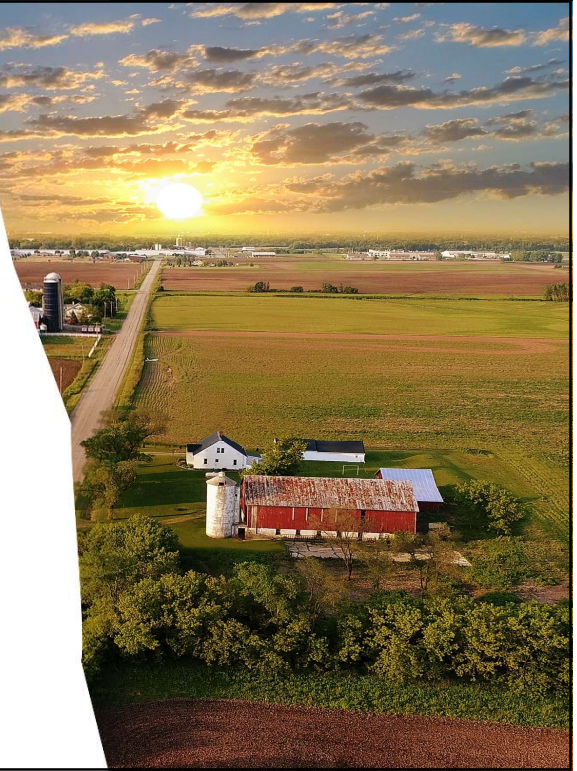
Medically Frail

- ▶ Iowa HHS is actively working to finalize the medically frail policy and process for the community engagement requirement
- ▶ CMS requiring states to base determination of medically frail for community engagement on billing codes
- ▶ Iowa HHS is committed to working collaboratively with providers, providing adequate notice of changes, and supporting a smooth implementation to minimize unnecessary administrative burden

Billing and Claims

- ▶ Claims follow standard rules: services during the last eligible month are paid; anything after the first of the next month is denied.
- ▶ Claims for covered services that occurred before termination but are billed after disenrollment are eligible for payment.
- ▶ Managed Care Organizations (MCOs) must honor claims for dates of service before disenrollment.

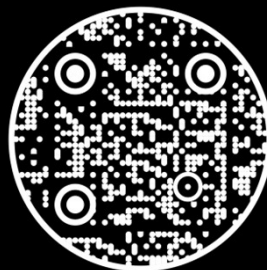
Questions?



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Tuesday Annual Meeting Evaluation

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