

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



SHO #26-001

**RE: Implementation of Section
71109 “Alien Medicaid
Eligibility” of the
Working Families Tax Cut
Legislation (Public Law 119-21)**

April 8, 2026

Dear State Health Official:

This letter is one of a series that provides guidance on the implementation of Public Law (P.L.) 119-21, which the Centers for Medicare & Medicaid Services (CMS) refers to as the “Working Families Tax Cut” (WFTC) legislation. The purpose of this State Health Official (SHO) letter is to provide Medicaid and Children’s Health Insurance Program (CHIP) policy and operational guidance to states¹ related to implementation of section 71109 of the WFTC legislation, “Alien Medicaid Eligibility.” Beginning October 1, 2026, sections 1903(v)(5) and 2107(e)(1)(R) of the Social Security Act (the Act), as added and amended, respectively, by section 71109 of the WFTC legislation, generally limit federal financial participation (FFP) for medical assistance (Medicaid) and child or pregnancy-related health assistance (CHIP), with limited exceptions, to U.S. citizens and U.S. nationals, lawful permanent residents (LPRs), Cuban/Haitian entrants, and Compact of Free Association (COFA) migrants.

This letter discusses in more detail the limitations on FFP and potential impacts on eligibility and availability of coverage, the implications for current beneficiaries, and the changes states may need to make to their systems and processes prior to October 1, 2026, to comply with the statutory changes made by section 71109 of the WFTC legislation. States should make any such changes to state systems and operations to protect program integrity, make accurate eligibility determinations, and ensure proper claiming of FFP, in accordance with sections 1903(v)(5) and 2107(e)(1)(R) of the Act.

¹ For the purposes of this letter, “states” refers to the 50 states, the District of Columbia, and the United States (U.S.) territories of American Samoa, Commonwealth of the Northern Mariana Islands (CNMI), Guam, Puerto Rico, and the U.S. Virgin Islands, unless otherwise specified.

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Background

Under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) (P.L. 104-193), certain “qualified aliens,” defined under Medicaid and CHIP as “qualified noncitizens”² (e.g., LPRs, refugees, and asylees), are eligible for federal public benefits, including full Medicaid and CHIP coverage,³ if they meet all other eligibility requirements in the state (e.g., residency, income). Other federal statutes require other categories of individuals – including certain victims of human trafficking⁴ and certain Afghan⁵ and Ukrainian⁶ parolees – to be treated as “refugees,” and therefore they are eligible for full Medicaid or CHIP coverage if they meet all other eligibility requirements in the state. In accordance with PRWORA, many qualified noncitizens are subject to a five-year waiting period before becoming eligible for full Medicaid or CHIP coverage, but some noncitizens (e.g., refugees and asylees) are exempted from the five-year waiting period.⁷

The Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA) (P.L. 111-3) authorized an option for states to provide full Medicaid and CHIP coverage to children (up to age 21 for Medicaid and up to age 19 for CHIP) and pregnant women who are lawfully residing in the U.S., without having to meet the five-year waiting period, if otherwise applicable (often referred to as the “CHIPRA 214 option”).⁸

Overview of Section 71109 of the WFTC Legislation

Beginning October 1, 2026, section 1903(v)(5) of the Act (added by section 71109 of the WFTC legislation and made applicable to CHIP through section 2107(e)(1)(R) of the Act), restricts, with limited exceptions, FFP for non-emergency medical assistance under title XIX (i.e., medical assistance that is not necessary for treatment of an emergency medical condition, as defined in section 1903(v)(3) of the Act), and for child and pregnancy-related health assistance under title XXI to the following groups, provided that the individual is a resident⁹ of one of the 50 states, the District

² “Qualified noncitizen” is defined at 42 C.F.R. § 435.4 for Medicaid and cross-referenced at 42 C.F.R. § 457.320(c) for CHIP. “Qualified noncitizen” includes: (1) noncitizens who are considered “qualified aliens” under 8 U.S.C. § 1641(b) and (c); and (2) noncitizens who are treated as refugees under other federal statutes.

³ PRWORA was enacted in 1996, prior to the establishment of CHIP through the Balanced Budget Act of 1997 (P.L. 105-33). The U.S. Department of Health and Human Services (HHS) identified CHIP as a “federal public benefit,” as defined at 8 U.S.C. § 1611(c), for the purposes of applying eligibility limitations at 8 U.S.C. § 1611 (HHS, Notice with comment period, “Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA); Interpretation of ‘Federal Public Benefit’ (63 Fed. Reg. 41658), Aug. 4, 1998, available at: <https://www.govinfo.gov/content/pkg/FR-1998-08-04/pdf/98-20491.pdf>). The five-year waiting period applies to CHIP in accordance with 8 U.S.C. § 1613. See SHO letter, (issued Jan. 14, 1998), available at: <https://www.medicaid.gov/Federal-Policy-Guidance/downloads/sho011498.pdf>.

⁴ 8 U.S.C. § 1101(a)(15)(T)(i)-(ii); 22 U.S.C. § 7105(b)(1)(A) and (C); 8 U.S.C. § 1641(c)(4).

⁵ Section 2502 of the Extending Government Funding and Delivering Emergency Assistance Act (P.L. 117-43 as amended, enacted Sept. 30, 2021) and Section 1501 of the Consolidated Appropriations Act, 2023, (P.L. 117-328).

⁶ Section 401 of the Additional Ukraine Supplemental Appropriations Act (P.L. 117-128 as amended, enacted May 21, 2022), as amended by Section 301 of the Ukraine Security Supplemental Appropriations Act, 2024 (P.L. 118-50).

⁷ 8 U.S.C. § 1613. The five-year waiting period is commonly referred to as the “five-year bar.”

⁸ Sections 1903(v)(4)(A) and 2107(e)(1)(Q) of the Act.

⁹ 42 C.F.R. §§ 435.403 and 457.320(e).

of Columbia, or a U.S. territory, and meets all other applicable eligibility criteria in the respective jurisdiction:

- U.S. citizens and U.S. nationals,
- LPRs/“green card holders,”¹⁰
- Cuban/Haitian entrants,¹¹ and
- COFA migrants.¹²

In other words, generally, FFP is not available for full Medicaid benefits, for non-emergency Medicaid services provided to a limited-benefit eligibility group (such as the family planning eligibility group¹³), or for CHIP coverage for individuals unless they are in one of the groups in the bulleted list above or meet one of the discrete exceptions listed below. Throughout this letter, we refer to this Medicaid and CHIP coverage for which section 1903(v)(5) of the Act limits the availability of FFP as “full Medicaid and CHIP benefits,”¹⁴ and we refer to LPRs, Cuban/Haitian entrants, and COFA migrants, as described in section 1903(v)(5)(B)(ii)-(iv) of the Act, as “FFP-eligible noncitizens.”

Given these changes, beginning October 1, 2026, with limited exceptions, FFP will no longer be available for full Medicaid or CHIP benefits furnished to qualified noncitizens who are not also FFP-eligible noncitizens (e.g., asylees, refugees, parolees, or victims of trafficking) unless they have another immigration status or category¹⁵ that meets the definition of an FFP-eligible noncitizen.¹⁶ See *Appendix A* for more information on the availability of coverage, by immigration status or category, for qualified noncitizens prior to and following the applicability date of section 71109 of the WFTC legislation.

¹⁰ Section 1903(v)(5)(B)(ii) of the Act describes an individual who is lawfully admitted for permanent residence as an immigrant under the Immigration and Nationality Act (INA), as defined by sections 101(a)(15) and 101(a)(20) of the INA (8 U.S.C. § 1101(a) et seq.); 8 U.S.C. § 1641(b)(1).

¹¹ Section 1903(v)(5)(B)(iii) of the Act describes an individual who has been granted the status of Cuban/Haitian entrant as defined under section 501(e) of Refugee Education Assistance Act of 1980; 8 U.S.C. §§ 1612(b)(2)(A)(i)(IV), 1613(b)(1)(D), and 1641(b)(7).

¹² Section 1903(v)(5)(B)(iv) of the Act describes an individual who lawfully resides in the U.S. in accordance with a COFA referred to in section 402(b)(2)(G) of PRWORA. 8 U.S.C. §§ 1612(b)(2)(G), 1613(b)(3), and 1641(b)(8). Medicaid coverage of COFA migrants is optional for territories. As of April 2026, CNMI and Guam have elected this option in Medicaid.

¹³ Section 1902(a)(10)(A)(ii)(XXI) of the Act and 42 C.F.R. § 435.214.

¹⁴ The term “full Medicaid and CHIP benefits” refers to full Medicaid benefits, partial or limited Medicaid benefits (e.g., only family planning services, Medicare Savings Programs (MSPs)), and CHIP coverage; it excludes Medicaid payment for the limited coverage of an emergency medical condition (“emergency Medicaid”) authorized under section 1903(v)(2) of the Act. Emergency Medicaid coverage does not apply to separate CHIPs.

¹⁵ The term “category” is used for certain noncitizens (i.e., Cuban/Haitian entrants described at 8 U.S.C. § 1641(b)(7); see also <https://www.uscis.gov/save/resources/information-for-save-users-cuban-haitian-entrants>) and relates to eligibility for certain federal public benefits, including Medicaid, rather than to a specific immigration status.

¹⁶ 42 C.F.R. §§ 435.406(a)(2) and 457.320(b)(6) require coverage of qualified noncitizens who have provided verified, satisfactory documentary evidence of their declared qualified noncitizen status and meet all other eligibility requirements in the state. We acknowledge that these requirements will not be aligned with the FFP limitations at section 1903(v)(5) of the Act beginning October 1, 2026. We plan to update Medicaid and CHIP regulations in future notice and comment rulemaking for consistency with sections 1903(v)(5) and 2107(e)(1)(R) of the Act.

Section 1903(v)(5) of the Act describes only three exceptions to these FFP limitations: (1) care and services necessary for the treatment of an emergency medical condition as described in section 1903(v)(3) of the Act, (often referred to as “emergency Medicaid”), per section 1903(v)(2) of the Act; (2) coverage under the CHIPRA 214 option, per section 1903(v)(4) of the Act;¹⁷ and (3) Health Services Initiatives (HSIs), which are programs that are designed to improve the health of low-income children, authorized under section 2105(a)(1)(D)(ii) of the Act.¹⁸ The FFP limitations described in section 1903(v)(5) of the Act do not apply to Medicaid or CHIP expenditures provided under these three exceptions. We note that section 1903(v)(5) of the Act did not make any changes to coverage of emergency Medicaid authorized under section 1903(v)(2) of the Act nor to coverage under the CHIPRA 214 option (if a state elects such option) authorized under section 1903(v)(4) of the Act.

In the sections below, we describe implementation of section 71109 of the WFTC legislation, the interaction between the statutory changes made by section 71109 of the WFTC legislation and PRWORA, and the impact on noncitizens dually eligible for Medicare and Medicaid.

Implementation Date for Section 71109 of the WFTC Legislation

For applicants determined eligible for Medicaid or CHIP on and after October 1, 2026, and for beneficiaries enrolled in Medicaid or CHIP on and after October 1, 2026, states must ensure they appropriately claim FFP in accordance with sections 1903(v)(5) and 2107(e)(1)(R) of the Act, including under an exception specified at sections 1903(v)(2), 1903(v)(4), or 2105(a)(1)(D)(ii) of the Act. Thus, states will need to implement any systems and operational changes necessary to ensure such proper FFP claiming by October 1, 2026.

Interaction between Section 71109 of the WFTC Legislation and PRWORA

PRWORA establishes a statutory framework limiting eligibility of noncitizens for federal public benefits, including for full Medicaid and CHIP benefits, to “qualified aliens,” as defined in 8 U.S.C. § 1641.¹⁹ Section 403 of PRWORA subjects many qualified noncitizens to a five-year waiting period before becoming eligible for full Medicaid or CHIP benefits²⁰ (e.g., LPRs) and provides for exceptions to this five-year waiting period for other specified qualified noncitizens²¹ (e.g., Cuban/Haitian entrants). Under section 402 of PRWORA, states are required to provide full Medicaid benefits to certain qualified noncitizens, if they otherwise meet all eligibility

¹⁷ Applicable to CHIP through a cross-reference to section 1903(v)(4) of the Act at section 2107(e)(1)(Q) of the Act.

¹⁸ Section 2107(e)(1)(R) of the Act. For general background on HSIs, see the Center for Medicaid and CHIP Services (CMCS) Frequently Asked Questions (FAQs), “Health Services Initiative,” (Jan. 12, 2017), available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/faq11217.pdf>.

¹⁹ 8 U.S.C. § 1611(a). For discussion on PRWORA’s applicability to CHIP, see footnote 3.

²⁰ 8 U.S.C. § 1613(a). See U.S. Department of Justice (DOJ), Notice of interim guidance with request for comments, “Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility Under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996,” 62 Fed. Reg 61344, 61349-50, 61414-16, Attachment 7 (Nov. 17, 1997), available at: <https://www.govinfo.gov/content/pkg/FR-1997-11-17/pdf/97-29851.pdf>.

²¹ 8 U.S.C. § 1613(b).

requirements.²² For example, states must provide full Medicaid benefits to Cuban/Haitian entrants for seven years after their grant date of Cuban/Haitian entrant status if they meet all other eligibility requirements in the state,²³ and states have the option to provide full Medicaid benefits to Cuban/Haitian entrants beyond the seven year period.²⁴

While section 1903(v)(5) of the Act places limits on the availability of FFP for full Medicaid and CHIP benefits for certain noncitizens beginning on October 1, 2026, the WFTC legislation did not amend: the definition of qualified alien in PRWORA;²⁵ the limitation in PRWORA that eligibility for federal public benefits, including full Medicaid and CHIP benefits, is restricted to qualified aliens;²⁶ or the applicability of the five-year waiting period (and exceptions thereto) to certain qualified aliens.²⁷ States must continue to apply relevant eligibility rules in 8 U.S.C. §§ 1613 (for Medicaid and CHIP) and 1612 (for Medicaid, only) to those qualified noncitizens who are also FFP-eligible noncitizens. Therefore, on and after October 1, 2026, states must continue to apply the five-year waiting period to LPRs in accordance with 8 U.S.C. § 1613(a), unless an exception provided in 8 U.S.C. §§ 1613(b) or (d)(1) applies (e.g., LPRs who are veterans or active-duty armed forces service members or certain family members of such an individual²⁸). States must continue to except Cuban/Haitian entrants and COFA migrants from the five-year waiting period.²⁹ Similarly, states must continue to provide full Medicaid benefits to FFP-eligible noncitizens in accordance with 8 U.S.C. § 1612(b) (e.g., states must provide full Medicaid benefits to LPRs who have worked, or can be credited with, 40 qualifying quarters, and may elect to provide full Medicaid benefits to all LPRs³⁰). Specifically, in accordance with 8 U.S.C. § 1612(b)(2), states must not apply additional eligibility limitations to certain FFP-eligible noncitizens (e.g., certain Indians who are LPRs³¹ and COFA migrants³²).

Section 71109 of the WFTC legislation did not amend the description in 8 U.S.C. § 1612(b)(2) of the populations to which states must provide full Medicaid benefits, nor did it amend the description or scope of the populations in section 1902 of the Act to which states are required to provide medical assistance³³ (e.g., individuals to whom supplemental security income (SSI) benefits are being paid).

²² 8 U.S.C. § 1612(b) specifies that it applies to Medicaid as a “designated federal program” defined at 8 U.S.C. § 1612(b)(3)(C). Since CHIP has never been identified as a “designated federal program,” we do not interpret the provisions of 8 U.S.C. § 1612(b) as applicable to separate CHIPs.

²³ 8 U.S.C. § 1612(b)(2)(A)(i)(IV).

²⁴ 8 U.S.C. § 1612(b)(1).

²⁵ 8 U.S.C. §§ 1641(b) and 1641(c).

²⁶ 8 U.S.C. § 1611(a).

²⁷ 8 U.S.C. § 1613.

²⁸ 8 U.S.C. § 1613(b)(2).

²⁹ 8 U.S.C. § 1613(b)(1)(D); 8 U.S.C. § 1613(b)(3).

³⁰ 8 U.S.C. § 1612(b)(2)(B). In accordance with 8 U.S.C. § 1613, LPRs must also meet the five-year waiting period, unless an exception applies.

³¹ 8 U.S.C. § 1612(b)(2)(E).

³² 8 U.S.C. § 1612(b)(2)(G).

³³ In particular, states are required to provide medical assistance that includes at least the care and services described in sections 1905(a)(1)-(5), (13)(B), (17), (21), (28), (29), and (30) of the Act to individuals listed at section 1902(a)(10)(A) of the Act. (Section 1902(a)(10)(A) of the Act.)

At the same time, neither the text of section 71109 of the WFTC legislation nor its legislative history demonstrates a clear Congressional intent to require that states provide full Medicaid benefits to qualified noncitizens without receiving federal matching funds for that coverage. Under these circumstances and consistent with relevant case law,³⁴ beginning October 1, 2026, CMS will not require states to provide state-only funded health coverage to qualified noncitizens for whom FFP is not available for full Medicaid benefits under 1903(v)(5) of the Act (e.g., asylees, refugees, parolees, or victims of trafficking who are not also FFP-eligible noncitizens), including populations listed at section 1902 of the Act. Moreover, because section 71109 of the WFTC legislation did not clearly and unambiguously alter the fundamental structure of the Medicaid program, whose “cornerstone” is “financial contribution by both the Federal Government and the participating State,”³⁵ we would not consider health coverage that a state opts to continue to provide with 100 percent state-only funds to be Medicaid, notwithstanding the fact that 8 U.S.C. § 1612(b)(2) still describes coverage that will no longer be eligible for federal matching funds beginning October 1, 2026 as “Medicaid,” and notwithstanding the fact that section 1902 of the Act still describes mandatory Medicaid coverage that (when provided to certain populations) will no longer be eligible for federal matching funds beginning October 1, 2026. Therefore, beginning October 1, 2026, a noncitizen must be an FFP-eligible noncitizen or meet one of the statutory exceptions listed in section 1903(v)(5) of the Act to have “satisfactory immigration status” for full Medicaid benefits (including for purposes of section 1137(d) of the Act). See *Appendix A* for more information on the availability of FFP for coverage by immigration status or category prior to and following the applicability date of the statutory changes made by section 71109 of the WFTC legislation.

While PRWORA does not describe any populations who must be eligible for CHIP, the same reasoning identified above for Medicaid applies to CHIP. Specifically, neither the text of section 71109 of the WFTC legislation nor its legislative history demonstrates a clear Congressional intent to require that states provide CHIP benefits to qualified noncitizens without receiving federal matching funds for that coverage, and we do not consider coverage that a state might opt to continue providing with 100 percent state-only funds to be “CHIP.”

Impact on Noncitizens Dually Eligible for Medicare and Medicaid

The term “dually eligible beneficiaries” generally describes beneficiaries who are eligible for both Medicare and Medicaid. The term includes beneficiaries enrolled in Medicare Part A, Part B, or both, who receive either full Medicaid benefits or assistance with Medicare premiums and often cost-sharing through a Medicare Savings Program (MSP) eligibility group.³⁶ Sections 1903(v)(5) and 1899C of the Act, as added by section 71109 and section 71201 of the WFTC legislation, respectively, both impact noncitizens who are dually eligible for Medicare and Medicaid. Section 1899C of the Act limits Medicare eligibility for noncitizens to the same groups for which section

³⁴ See, e.g., *Pennhurst State Sch. & Hosp. v. Halderman*, 451 U.S. 1, 17-18 (1981); *Harris v. McRae*, 448 U.S. 297, 308-09 (1980); see also *Detgen ex rel. Detgen v. Janek*, 945 F. Supp. 2d 746, 759 (N.D. Tex. 2013), *aff'd*, 752 F.3d 627 (5th Cir. 2014).

³⁵ *McRae*, 448 U.S. at 308.

³⁶ Federal Coordinated Health Care Office Fact Sheet, “Dual Eligibility Categories,” (Jan. 15, 2025), available at: <https://www.cms.gov/files/document/dual-eligible-categories-01152026.pdf>.

1903(v)(5) of the Act permits FFP for full-benefit Medicaid coverage (i.e., LPRs, Cuban/Haitian entrants, and COFA migrants). Section 1899C of the Act applies 18 months after the date of enactment of the WFTC legislation. Section 1899C of the Act otherwise applies immediately to limit entitlement to, or enrollment for, Medicare after July 4, 2025. We expect to provide more information on section 1899C of the Act in forthcoming guidance.

Implementation Requirements at Application and for Current Medicaid and CHIP Beneficiaries

States will need to implement changes by October 1, 2026, to comply with the FFP limitations outlined in section 1903(v)(5) of the Act with respect to individuals who apply for coverage on and after October 1, 2026, and to beneficiaries who are enrolled in Medicaid or CHIP on October 1, 2026. Beginning October 1, 2026, states must ensure proper FFP claiming by limiting determinations of eligibility for full Medicaid and CHIP benefits to only those individuals for whom FFP is available for that coverage under sections 1903(v)(5) and 2107(e)(1)(R) of the Act. States will need to implement these new requirements when verifying citizenship or satisfactory immigration status, as required under sections 1137 and 2105(c)(9) of the Act, and implementing regulations at 42 C.F.R. §§ 435.406, 435.956, and 457.380(b). See the section of this letter entitled *Verification of Immigration Status or Category* for more information. Potential changes to states' Medicaid and CHIP applications and to eligibility and enrollment and other systems necessitated by the implementation of sections 1903(v)(5) and 2107(e)(1)(R) of the Act are discussed in the sections of this letter entitled *Updates to Applications, Renewal Forms, and Other Materials for Medicaid and CHIP* and *Medicaid and CHIP Information Technology (IT) Systems Costs and Upgrades*.

Because section 1903(v)(5) of the Act affects certain individuals' eligibility for federally funded coverage and because CMS does not consider health coverage to be Medicaid or CHIP coverage unless federal matching funds are available, CMS interprets section 1903(v)(5) of the Act as a statutory change that potentially may affect an individual's eligibility for Medicaid or CHIP coverage. Similarly, CMS interprets section 1903(v)(5) of the Act as affecting an individual's "satisfactory immigration status" for full Medicaid or CHIP benefits for purposes of section 1137(d) of the Act.

Thus, in accordance with 42 C.F.R. §§ 435.916(d) (2023) and 457.343,³⁷ states must promptly act on this statutory change and assess whether certain beneficiaries continue to be in a satisfactory

³⁷ Section 71102 of the WFTC legislation imposed a moratorium prohibiting CMS from implementing, administering, or enforcing certain amendments made by a CMS final rule entitled "Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes" (89 Fed. Reg. 22780 (Apr. 2, 2024)) (the "2024 Eligibility and Enrollment (E&E) Final Rule") available at: <https://www.govinfo.gov/content/pkg/FR-2024-04-02/pdf/2024-06566.pdf>. The moratorium applies to certain provisions of the 2024 E&E Final Rule that have a compliance date after July 4, 2025, the date the WFTC legislation was enacted, and ends on September 30, 2034. To comply with the moratorium, in this SHO letter, CMS refers to the renewal requirements and the requirements for acting on changes in circumstances at 42 C.F.R. § 435.916, including those cross-referenced at 42 C.F.R. § 457.343, in effect as of 2023, available at: <https://www.ecfr.gov/on/2024-06-02/title-42/chapter-IV/subchapter-C/part-435> and <https://www.ecfr.gov/on/2024-06-02/title-42/chapter-IV/subchapter-D/part-457>. For more information on the moratorium, see the CIB "Working Families Tax Cut" Legislation, Public Law 119-21: Summary of Medicaid and Children's Health Insurance Program (CHIP) Related Provisions," (Nov. 18, 2025), available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/cib11182025.pdf>.

immigration status that confers full Medicaid and CHIP benefits. States must attempt to redetermine satisfactory immigration status without the involvement of the beneficiary, if possible, and must contact the beneficiary if they are unable to reverify the satisfactory immigration status without additional information, consistent with 42 C.F.R. §§ 435.952(a)-(d) and 457.380(f).

When addressing this statutory change, states must first attempt to identify all potentially affected beneficiaries (i.e., beneficiaries enrolled in and receiving full Medicaid or CHIP benefits who are not U.S. citizens or U.S. nationals, and whose immigration status or category is not LPR, Cuban/Haitian entrant, or COFA migrant, or who are not lawfully residing children or pregnant women in states that have elected the CHIPRA 214 option).³⁸ Once the state identifies the potentially affected beneficiaries, the state must redetermine eligibility based on available information, if possible. States must first attempt to reverify a beneficiary's satisfactory immigration status through electronic data sources (i.e., Department of Homeland Security's (DHS's) Systematic Alien Verification for Entitlements (SAVE) program³⁹) before attempting to contact the beneficiary.

If the state is unable to verify a beneficiary's satisfactory immigration status electronically, the state must request information from the beneficiary in accordance with 42 C.F.R. §§ 435.952(c)-(d) and 457.380(f) and give the beneficiary a reasonable period of time to provide information prior to the state taking adverse action.⁴⁰ The state must consider all information and documentation submitted by the beneficiary as the state redetermines eligibility. If the beneficiary responds with additional information about their current immigration status, including a new declaration of satisfactory immigration status, and the state is unable to verify such status, the state must provide the beneficiary with a 90-day reasonable opportunity period (ROP), as required by sections 1137(d), 1902(a)(46), 1902(ee), 1903(x), and 2105(c)(9) of the Act.⁴¹

If the state verifies that the beneficiary continues to have a satisfactory immigration status for the coverage in which they are enrolled, the beneficiary will retain coverage, and the state should notify the beneficiary that they continue to be eligible for the coverage in which they are enrolled. If information or documentation provided by the beneficiary demonstrates the individual no longer has satisfactory immigration status for the coverage in which they are enrolled, or if the beneficiary does not respond to the state's request within the time specified by the state, the state must comply with requirements at 42 C.F.R. §§ 435.916(f) (2023), 457.343, and 457.350 to consider all bases of

³⁸ States that are unable to individually identify all potentially affected beneficiaries will need to reverify the satisfactory immigration status for a broader population of noncitizens enrolled in Medicaid or CHIP (the scope may depend on state systems). For example, a state that does not retain data on the specific, verified immigration status or category for a beneficiary but, instead, retains a general designation of verified qualified noncitizen, may need to redetermine eligibility for all qualified noncitizens. A state that retains only the immigration status for those who are LPRs would need to redetermine eligibility for any other noncitizens receiving full Medicaid or CHIP benefits, with the exception of those beneficiaries receiving full Medicaid or CHIP benefits under a state's election of the CHIPRA 214 option.

³⁹ See <https://www.uscis.gov/save>; also discussed in the *Verification of Immigration Status* section of this letter.

⁴⁰ Regardless of the source of information, 42 C.F.R. §§ 435.916(d)(1)(i) (2023) and 457.343 require that states limit requests for information from beneficiaries whose eligibility is based on modified adjusted gross income (MAGI) methodology to information related to the potential change in circumstances (which, here, is the statutory change that potentially affected their satisfactory immigration status).

⁴¹ 42 C.F.R. §§ 435.956(b) and 457.380(b)(1).

eligibility (e.g., under a state’s election under the CHIPRA 214 option and emergency Medicaid) and must provide advance notice of adverse action, including the right to a Medicaid fair hearing or CHIP review, before terminating coverage or reducing benefits.⁴²

Considerations for Applicants and Current Beneficiaries who are Not FFP-Eligible Noncitizens

When states determine eligibility for applicants and current beneficiaries who are not FFP-eligible noncitizens, states must evaluate whether an individual is eligible for full Medicaid or CHIP benefits on any basis under the state plan, including under the CHIPRA 214 option (if the state elects such option).⁴³ If an applicant, who is not an FFP-eligible noncitizen, is a lawfully residing child or pregnant woman (e.g., a refugee) and meets all other eligibility requirements in the state, the applicant can be determined eligible for full Medicaid or CHIP benefits under the state’s CHIPRA 214 option. If the state identifies that a current beneficiary is eligible for full Medicaid or CHIP benefits under the state’s CHIPRA 214 option, the state would maintain full Medicaid or CHIP benefits for such beneficiary.⁴⁴ States may need to update their systems to accurately evaluate eligibility for Medicaid or CHIP coverage under CHIPRA 214 for applicants and current beneficiaries who are currently eligible for full Medicaid or CHIP benefits but who will not be FFP-eligible noncitizens beginning October 1, 2026. For a list of specifically affected populations, see *Appendix A*.

For Medicaid applicants and current Medicaid beneficiaries who are not FFP-eligible noncitizens and are not eligible under a state’s election of the CHIPRA 214 option, FFP remains available for emergency Medicaid coverage for such individuals in accordance with section 1903(v)(5) of the Act on and after October 1, 2026.⁴⁵ For current Medicaid beneficiaries in a continuous eligibility period or continuous postpartum coverage,⁴⁶ the state must apply the FFP limitation under section

⁴² 42 C.F.R. §§ 435.917, 435.918, and 42 C.F.R. Part 431 Subpart E for Medicaid (which require at least ten days advance notice of the proposed termination and an opportunity for a fair hearing) and 42 C.F.R. §§ 457.340(e), 457.1130(a), and 457.1180 (2023) for CHIP (which require a timely and adequate written notice of the proposed termination and an opportunity for review). (See: <https://www.ecfr.gov/on/2024-06-02/title-42/chapter-IV/subchapter-D/part-457> and footnote 37.)

⁴³ As of publication of this letter, 39 states, the District of Columbia, and three territories have elected the CHIPRA 214 option, see: <https://www.medicaid.gov/medicaid/enrollment-strategies/medicaid-and-chip-coverage-lawfully-residing-children-pregnant-individuals>.

⁴⁴ Qualified noncitizens are considered “lawfully residing” for purposes of the CHIPRA 214 option. Section 1903(v)(4)(A) of the Act, (cross-referenced at section 2107(e)(1)(Q) of the Act for CHIP), specifies that coverage to lawfully residing children and/or pregnant women authorized under the CHIPRA 214 option is provided notwithstanding sections 401(a), 402(b), and 403 of PRWORA (8 U.S.C. §§ 1611(a), 1612(b), 1613). These limitations would not apply to the CHIPRA 214 population that the state has elected to cover in accordance with section 1903(v)(4) of the Act. CMCS SHO letter #10-006, “Medicaid and CHIP Coverage of “Lawfully Residing” Children and Pregnant Women,” (July 1, 2010), available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/SHO10006.pdf>.

⁴⁵ Section 1903(v)(2) of the Act; 8 U.S.C. § 1611(b)(1)(A).

⁴⁶ This includes children in a continuous eligibility period under the state plan or section 1115 demonstrations under section 1902(e)(12) of the Act; individuals covered during a period of continuous postpartum coverage under the state plan or section 1115 demonstrations under section 1902(e)(16) of the Act; and individuals receiving authority for an expanded continuous eligibility period under the terms of a section 1115 demonstration. CMS reminds states that we do not anticipate approving new state proposals or extending existing state section 1115 demonstration expenditure authority that allow for expanded continuous eligibility beyond what is required or available under the Medicaid and CHIP statutes. CMS letter “Section 1115 Demonstration Authority for Continuous Eligibility Initiatives,” (July 17, 2025), available at:

1903(v)(5) of the Act. We remind states that availability of FFP is limited to payment for emergency Medicaid coverage during the remainder of the continuous eligibility period under sections 1902(e)(12) or 1902(e)(16) of the Act for such Medicaid beneficiaries who are not FFP-eligible noncitizens or eligible under a state’s election of the CHIPRA 214 option.⁴⁷

For CHIP applicants and current CHIP beneficiaries who are not FFP-eligible noncitizens and are not eligible for CHIP coverage under a state’s election of the CHIPRA 214 option, no FFP is available on and after October 1, 2026, as there is no authorization for coverage of emergency services in a separate CHIP. Beginning October 1, 2026, FFP will no longer be available for current CHIP beneficiaries in a continuous eligibility period under sections 2107(e)(1)(L) or 2107(e)(1)(K) of the Act who are not FFP-eligible noncitizens,⁴⁸ unless the state has elected the CHIPRA 214 option for these populations. Thus, states would terminate separate CHIP eligibility for such beneficiaries after providing required sufficient notice and review rights.⁴⁹

Operational Considerations for States and Territories

The changes made to the availability of FFP for Medicaid and CHIP in sections 1903(v)(5) and 2107(e)(1)(R) of the Act could require states to update eligibility determination processes for new applicants and current beneficiaries. We expect these updates would include changes to eligibility systems and related operational processes. Below we address key operational considerations for states when implementing these changes, including updates to applications and other materials, verification of immigration status or category, and considerations for managed care plans.⁵⁰

As states make system and operational changes by October 1, 2026 to ensure proper FFP claiming and accurate Medicaid and CHIP eligibility determinations consistent with section 1903(v)(5) of the Act, states are also reminded that they should take appropriate measures to ensure erroneous payments are not made as a result of eligibility errors in accordance with section 1903(u)(1) of the Act, as amended by section 71106 of the WFTC legislation.⁵¹

<https://www.medicaid.gov/resources-for-states/downloads/contin-elig-ltr-to-states.pdf>. CMS expects to provide additional technical assistance to states about the potential impact of section 1903(v)(5) of the Act for currently approved section 1115 demonstrations.

⁴⁷ CMCS SHO letter #25-001, “Section 5112 Requirement for all States to Provide Continuous Eligibility to Children in Medicaid and CHIP under the Consolidated Appropriations Act, 2023,” (Jan. 15, 2025), available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/sho25001.pdf>.

⁴⁸ This includes children in a continuous eligibility period under the state plan or section 1115 demonstrations under section 2107(e)(1)(L) of the Act; individuals covered during a period of continuous postpartum coverage under the state plan or section 1115 demonstrations under section 2107(e)(1)(K) of the Act, (but not for individuals covered through an HSI under section 2105(a)(1)(D)(ii) of the Act); and individuals receiving authority for an expanded continuous eligibility period under the terms of a section 1115 demonstration. For additional discussion of applicability to section 1115 demonstrations, see footnotes 46 and 47.

⁴⁹ 42 C.F.R. §§ 457.340(e), 457.1130(a), and 457.1180 (2023).

⁵⁰ The term “managed care plan” in this guidance refers to managed care organizations (MCOs), prepaid inpatient health plans (PIHPs) and prepaid ambulatory health plans (PAHPs) as defined in 42 C.F.R. § 438.2.

⁵¹ This provision is applicable beginning fiscal year 2030.

Updates to Applications, Renewal Forms, and Other Materials for Medicaid and CHIP

To be determined eligible for full Medicaid or CHIP benefits, an individual must declare to be a U.S. citizen or U.S. national or have satisfactory immigration status in accordance with sections 1137(d), 1902(a)(46)(B), 1902(ee), 1903(x), and 2105(c)(9) of the Act, and 42 C.F.R. §§ 435.406 and 457.320(d). Applicants who attest to having satisfactory immigration status may, but are not required to, provide additional information to support electronic verification, such as document type, and, at state option, noncitizen immigration status (e.g., attesting to LPR status).

To effectuate the FFP limitations in sections 1903(v)(5) and 2107(e)(1)(R) of the Act, states may need to update their Medicaid and CHIP applications. CMS anticipates that the application modifications needed to effectuate these statutory changes may vary among states. Some states may need to remove or modify existing questions or response options. For example, some states' applications request the type of satisfactory immigration status or document type by prompting applicants to identify the immigration status or document from a list (e.g., a list presented in a drop-down or via radio buttons in an online application). In such cases, states may need to modify the lists to account for the changes described in this letter. States may also need to revise state-specific instructions or help text included in applications (e.g., to provide the immigration statuses and categories for which FFP is available for full Medicaid and CHIP benefits beginning October 1, 2026). In states that have elected to cover lawfully residing children and/or pregnant women under the CHIPRA 214 option, the changes described herein may be more limited as the application must continue to collect the necessary information to determine eligibility for this population. As a reminder, per 42 C.F.R. §§ 435.907(e)(1) and 457.330, applications may only require an applicant to submit information needed to determine their Medicaid or CHIP eligibility.

Revising help text or instructions and modifying questions to remove information that is no longer applicable to eligibility determinations does not necessitate submission of a state plan amendment (SPA). As such, states are not required to submit a SPA to CMS to make these changes to their single streamlined applications. CMS staff are available to provide technical assistance as needed.

In addition to evaluating changes to Medicaid and CHIP applications, states may need to revise their renewal forms. For example, if a renewal form or instructions include a comprehensive list of immigration statuses and/or document types that qualified an individual for full Medicaid or CHIP benefits prior to October 1, 2026, that list might need to be revised. States may also need to update other Medicaid or CHIP materials, such as policy and procedure manuals, eligibility worker training materials, call center scripts, and website language, to reflect the changes described in this letter and for consistency with the statutory changes made by section 71109 of the WFTC legislation.

CMS continues to evaluate whether changes may be needed to the single, streamlined application developed by the Secretary, as described at 42 C.F.R. §§ 435.907(a) and (b)(1) and 457.330, to effectuate these statutory changes.

Verification of Immigration Status or Category

States must electronically verify an individual’s immigration status or category for all individuals who have declared to have a satisfactory immigration status, in accordance with section 1137(d)(3) of the Act and 42 C.F.R. §§ 435.956(a)(2) and 457.380(b).⁵² State electronic verification of immigration status or category occurs through DHS/USCIS’s SAVE program. In this section, we describe how states can access the DHS/USCIS’s SAVE program and use the SAVE response data to verify a noncitizen’s immigration status or category, as well as the upcoming changes to the Federal Data Services Hub (the “Hub”) to comply with the FFP limitations described in sections 1903(v)(5) and 2107(e)(1)(R) of the Act.

DHS/USCIS’s SAVE Program, the Federal Data Services Hub, and the Graphical User Interface (GUI)

CMS and DHS/USCIS make available three pathways to states to access SAVE:

1. the Hub Verify Lawful Presence (VLP) service;
2. a direct connection between the state’s eligibility system and SAVE; or
3. SAVE’s web-based GUI.

States can also use a combination of these three SAVE pathways.

DHS/USCIS’s SAVE program provides data to accurately reflect the current immigration status or category of a noncitizen for a new verification request based on the most up-to-date data available. The SAVE verification responses may include some combination of the following immigration information, depending on which of the three SAVE pathways the state uses (as described more below): Eligibility Statement Code (ESC)/Major codes, Class of Admission (COA) codes, Employment Authorization Document (EAD) Category codes, and grant date of verified immigration status or category.

When redetermining eligibility for potentially affected beneficiaries, states would submit a new SAVE verification request for these beneficiaries to receive a response based on the most up-to-date immigration data available for the beneficiary. SAVE provides “point in time” verification and does not update past SAVE verification responses when there is a change in immigration status or category. Potentially affected beneficiaries may have applied for and been granted adjustment of status to that of an LPR or may have another qualifying immigration status or category (for example, could be considered a Cuban/Haitian entrant) such that they may be considered an FFP-eligible noncitizen for full Medicaid or CHIP benefits. Alternatively, potentially affected beneficiaries may be lawfully residing for purposes of Medicaid or CHIP eligibility under a state’s election of the CHIPRA 214 option.

⁵² Section 1137(d)(3) of the Act directs states “to verify with the Immigration and Naturalization Service the individual’s immigration status through an automated or other system (designated by the Service for use with States).” See also 42 C.F.R. §§ 435.956(a) and 457.380(b)(1)(i). DHS’s U.S. Citizenship and Immigration Services (USCIS) now performs this function, see: <https://www.uscis.gov/save/about-save/save-governing-laws>.

Hub VLP Service v37.1, Version 2

The Hub interprets the immigration codes received from SAVE to help states determine Medicaid and CHIP eligibility based on qualified noncitizen status under PRWORA and lawful presence status for purposes of the CHIPRA 214 option. The Hub currently transmits indicators to states reflecting the following:

- citizenship (for individuals with naturalized or derived citizenship);
- lawful presence (used for Marketplace⁵³ and the CHIPRA 214 option);
- qualified noncitizen;
- if the five-year waiting period is applicable (only for qualified noncitizens);
- if the five-year waiting period is met (only for qualified noncitizens, when applicable);
- and
- the underlying immigration codes received from SAVE.

The Hub will continue to transmit to states all current indicators, listed above, as these indicators will not be impacted by implementation of section 1903(v)(5) of the Act.

In 2026, in addition to the current indicators, the Hub will transmit a new indicator to states reflecting FFP-eligible noncitizen status for full Medicaid and CHIP benefits in accordance with sections 1903(v)(5) and 2107(e)(1)(R) of the Act for each noncitizen verified by the Hub. See the following examples of Hub responses with the new indicator:

- *When a state submits a verification request for an asylee*, the Hub would return:
 - “Yes” for qualified noncitizen status indicator,
 - “No” for eligible noncitizen⁵⁴ status indicator,
 - “No” for whether the five-year waiting period is applicable, and
 - “Not Applicable” whether the five-year waiting period has been met.
- *When the state submits a verification request for an LPR*, the Hub would return:
 - “Yes” for qualified noncitizen status indicator,
 - “Yes” for eligible noncitizen status indicator,
 - “Yes”/“No” for whether the five-year waiting period is applicable (depending on whether the individual met an exception from the five-year waiting period),
 - and
 - “Yes”/“No”/“Not Applicable” for whether the five-year waiting period has been met.

See *Appendix B* for a summary of the Hub changes to verify FFP-eligible noncitizen status, including the applicable ESCs, COA codes, and EAD Category codes returned by SAVE.

⁵³ Similar to the FFP limitations added by section 71109, section 71301 of the WFTC legislation added limits on eligibility for premium tax credits to noncitizens who are “eligible aliens” (i.e., LPRs, Cuban/Haitian entrants, and COFA migrants), beginning January 1, 2027.

⁵⁴ The Hub will use a simplified term of “eligible noncitizen” for the new indicator, which has the same meaning as the “FFP-eligible noncitizen” term used in this letter (i.e., LPRs, Cuban/Haitian entrants, and COFA migrants).

Direct Connections with SAVE and the GUI

States that connect directly with SAVE through a direct web services connection or through the GUI would read and interpret the underlying immigration codes and other responses from SAVE to verify and determine FFP-eligible noncitizen status. SAVE returns a different set of codes (e.g., ESC/Major codes, COA codes, and EAD codes) depending on which of the pathways the state uses:

- *Direct Connection* – SAVE returns the same ESC/Major codes, COA codes, and EAD codes to states with a direct web services connection as it does to the Hub.
- *GUI* – SAVE returns the same COA and EAD codes to the GUI as it does to the Hub.

States may need to update their eligibility logic to utilize the codes received from SAVE to correctly determine if an individual is an FFP-eligible noncitizen. For example, states that use the GUI or direct web services connection with SAVE would receive data confirming an individual's LPR status and grant date; these states would apply their own eligibility logic to determine whether the five-year waiting period applies and, if so, whether the five-year waiting period has been met. States that use the Hub would receive data confirming LPR status and grant date, along with the following Hub indicators: (1) confirm FFP-eligible noncitizen, (2) whether the five-year waiting period applies, and (3) if so, whether the five-year waiting period has been met. Since the ESC/Major codes, COA codes, and EAD codes returned to states using a direct web services connection or the GUI are the same as those returned to the Hub, states using a direct web services connection or the GUI can use the Hub verification logic to inform their system updates (see *Appendix B - Summary of Hub Changes in Accordance with Section 71109 of the WFTC Legislation*).

Reasonable Opportunity Period (ROP) when Unable to Verify U.S. Citizenship or Satisfactory Immigration Status

If, during initial verification of an applicant's attested U.S. citizenship or satisfactory immigration status or during a redetermination of a beneficiary's attested U.S. citizenship or satisfactory immigration status, the state is not able to verify an individual's citizenship or immigration status or category promptly through electronic data sources and the individual meets all other eligibility requirements for Medicaid or CHIP in the state, the state is required to furnish benefits during the 90-day ROP, for individuals declaring to be U.S. citizens or in a satisfactory immigration status to obtain documentation or where the agency itself needs more time to verify the individual's citizenship or immigration status or category.⁵⁵ Before discontinuing coverage provided during the ROP, states must provide such individuals with advance written notice of the proposed termination and an opportunity for a fair hearing or review, consistent with the applicable Medicaid or CHIP requirements.⁵⁶

⁵⁵ Sections 1137(d), 1902(a)(46), 1902(ee), 1903(x), and 2105(c)(9) of the Act and 42 C.F.R. §§ 435.956 and 457.380(b)(1). The 90-day ROP may be extended for individuals declaring to be in a satisfactory immigration status if the agency determines that the individual is making a good faith effort to obtain any necessary documentation or the agency needs more time to verify the individual's status, in accordance with 42 C.F.R. § 435.956(b)(2)(ii)(B).

⁵⁶ 42 C.F.R. §§ 435.917, 435.918, and 42 C.F.R Part 431 Subpart E for Medicaid (which require at least ten days advance notice of the proposed termination and an opportunity for a fair hearing) and 42 C.F.R. §§ 457.340(e), 457.1130(a), and

Considerations for Medicaid Managed Care Programs

States must ensure their Medicaid managed care programs comply with section 1903(v)(5) of the Act, as added by section 71109 of the WFTC legislation. States and their actuaries should evaluate whether implementation of section 1903(v)(5) of the Act necessitates adjustments to Medicaid capitation rate development or constitutes a material adjustment requiring an amended rate certification.⁵⁷ States must also ensure that all Medicaid managed care contracts comply with all applicable federal and state laws, including section 1903(v)(5) of the Act.⁵⁸ To ensure clarity, states should assess their Medicaid managed care contracts and consider revisions to make explicit that payment for medical assistance under the contract is limited to expenditures for which FFP is available under section 1903(v) of the Act and that the limitations on FFP in section 1903(v)(5) of the Act apply to Medicaid capitation rates.⁵⁹

CMS reminds states that CMS published the State Medicaid Director (SMD) letter #25-003 entitled “Medicaid Managed Care Payments and Emergency Medical Condition Coverage for Aliens Ineligible for Full Medicaid Benefits” on September 30, 2025.⁶⁰ This guidance announced a change in the agency’s interpretation of section 1903(v) of the Act and how it applies to Medicaid managed care payments to improve program and fiscal integrity in the Medicaid program. As outlined in SMD letter #25-003, for rating periods beginning on or after September 30, 2026, states can either provide coverage and claim FFP for emergency Medicaid in the FFS delivery system or by contracting with PIHPs and PAHPs on a non-risk basis. Additionally, if a state uses state-only funding to provide health coverage for noncitizens for whom FFP is not available for full Medicaid benefits under section 1903(v)(5) of the Act, the state must utilize a separate and distinct contract and payment with any managed care plan it contracts with to provide state-funded services. State-only funded services for noncitizens who are not FFP-eligible noncitizens may not be included in the state’s contracts and payments to Medicaid managed care plans.

Medicaid and CHIP Information Technology (IT) Systems Costs and Upgrades

To support the implementation of sections 1903(v)(5) and 2107(e)(1)(R) of the Act, as described above, states may need to modify their eligibility and enrollment system and/or their Medicaid Management Information System (MMIS) to accurately determine Medicaid and CHIP eligibility and provide the appropriate scope of coverage (i.e., full Medicaid or CHIP benefits or emergency Medicaid coverage), including to ingest the new Hub indicators or apply new eligibility logic to immigration codes and other responses from SAVE.

457.1180 (2023) for CHIP (which require a timely and adequate written notice of the proposed termination and an opportunity for review).

⁵⁷ 42 C.F.R. §§ 438.5(b)(4), 438.5(f), 438.7(b)(4), and 438.7(c)(2).

⁵⁸ 42 C.F.R. § 438.3(f).

⁵⁹ 42 C.F.R. § 438.812(a).

⁶⁰ CMCS SMD letter # 25-003, “Medicaid Managed Care Payments and Emergency Medical Condition Coverage for Aliens Ineligible for Full Medicaid Benefits” (Sept. 30, 2025), available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/smd25003.pdf>.

To expand on such system modifications, for example, states may need to update eligibility determination logic to reflect those immigration statuses and categories for which FFP remains available for full Medicaid and CHIP benefits and to revise logic for those immigration statuses and categories for which FFP is available for emergency Medicaid only. See *Appendix A* for a list of these impacted immigration statuses and categories. As discussed above, depending on how a state implements emergency Medicaid coverage, state systems may recognize such impacted beneficiaries as either eligible only for payment for emergency Medicaid services or as ineligible for full Medicaid benefits and, subsequently, determine their eligibility again if the individual needs treatment of an emergency medical condition for which Medicaid coverage is available pursuant to section 1903(v)(2) of the Act.

Additionally, depending on which of the three pathways a state uses to verify immigration status or category, states may need to either: (1) update schema to accept new Hub indicators for eligible noncitizen codes (in states that use the VLP service through the Hub); or (2) update verification logic to interpret SAVE codes to determine who is an FFP-eligible noncitizen (in states with a direct connection to SAVE or that use the GUI).

States should ensure that these interconnected policy and system requirements function seamlessly together. Equally important is ensuring the vendors supporting the implementation clearly understand their role and expectations. Without proper alignment between policy design and technological capabilities, states may create administrative burdens that undermine program effectiveness and cost-efficiency. When establishing state-specific policies, states should consult with their system implementation teams to ensure policies can be operationalized in their systems.

CMS recognizes the program changes could require significant IT system work to fulfill policy implementation. State Medicaid agency IT system costs necessary to support requirements may be eligible for enhanced FFP. Approval of enhanced FFP requires the submission of an Advanced Planning Document (APD). A state may submit an APD requesting approval for a 90/10 enhanced match for the design, development, and installation of its Medicaid Enterprise Systems (MES) initiatives contributing to the economic and efficient operation of the program.

States should refer to 45 C.F.R. Part 95 Subpart F entitled “Automatic Data Processing Equipment and Services-Conditions for FFP” for the specifics related to APD submission and to 42 C.F.R. § 433.112 entitled “FFP for design, development, installation or enhancement of mechanized processing and information retrieval systems” for specifics related to enhanced match.

States may also request a 75/25 enhanced match for ongoing operations of CMS approved systems. States should refer to 42 C.F.R. Part 433 Subpart C entitled “Mechanized Claims Processing and Information Retrieval Systems” for the specifics related to systems approval.

Receipt of these enhanced funds is conditioned upon states meeting a series of standards and conditions to ensure investments are efficient and effective. To the extent these system costs are attributable to a state’s CHIP (Medicaid expansion CHIP (MCHIP) or separate CHIP), cost-allocation methodologies set forth in 45 C.F.R. Part 75 apply. For the CHIP-funded portion of the cost, states

can claim at a state's CHIP enhanced FMAP (EFMAP), available under section 2105(b) of the Act. CHIP administrative funding is limited to 10 percent of either a state's total computable allotments for a fiscal year or its total expenditures reported for a fiscal year, whichever is lower.⁶¹ Other activities, such as state development of eligibility policy and outreach in response to the changes at section 1903(v)(5) of the Act, may be claimed under Medicaid at the 50 percent administrative match, in accordance with regular claiming policies for such administrative activities.⁶²

Financial Systems and Proper Claiming

States should continue to ensure proper claiming and expenditure reporting on the quarterly budget and expenditure reports in the Medicaid and CHIP Budget and Expenditure System (MBES/CBES). States that provide state-only funded coverage to noncitizens for whom, beginning October 1, 2026, FFP will not be available for full Medicaid and CHIP benefits under sections 1903(v)(5) and 2107(e)(1)(R) of the Act must implement controls to limit claims for FFP to expenditures for emergency Medicaid. For this reason, states may also need to make edits or add controls to their MMIS and/or other accounting systems to ensure accurate claiming of related expenditures. States must be able to identify and isolate costs directly related to the administration of the Medicaid program (and if applicable, to CHIP) from any state-only health program costs incurred to ensure accurate reporting of claims for FFP and to implement allocation methodologies in accordance with the authority to claim administrative costs, (e.g., approved Public Assistance Cost Allocation Plan (PACAPs), Medicaid Administrative Claiming Plans (MACs), and APDs). Upon certification of the Form CMS-64, states are required to have all documentation in a readily reviewable form. States should report all claims for FFP related to emergency Medicaid on the Form CMS-64 Line 27 to reduce the risk of overclaiming FFP.

CMS has conducted focused financial oversight of eight states with state-only funded programs that provide health coverage for noncitizens regardless of immigration status and has identified approximately \$1.8B in questionable expenditures reported by states relating to services provided to noncitizens for whom FFP is available only for emergency Medicaid and not for full Medicaid benefits. CMS intends to continue conducting oversight to ensure state claims for FFP related to emergency Medicaid comply with federal requirements.

Transformed-Medicaid Statistical Information System (T-MSIS)

For consistency with the statutory changes made by section 71109 of the WFTC legislation that are applicable beginning October 1, 2026, states will need to update Medicaid and CHIP data submitted to T-MSIS to accurately report information about who is an FFP-eligible noncitizen and, in Medicaid, who is eligible for emergency Medicaid coverage only. We plan to provide additional information on T-MSIS data reporting, including updates to the T-MSIS Data Guide,⁶³ in forthcoming guidance.

⁶¹ 42 C.F.R. § 457.618(e)(1).

⁶² Section 1903(a)(7) of the Act and 42 C.F.R. § 433.15(b)(7).

⁶³ The T-MSIS Data Guide is available at: <https://www.medicaid.gov/tmsis/dataguide/>.

Federal Medical Assistance Percentage (FMAP)

In this section, we describe the applicable FMAP for those individuals for whom, beginning October 1, 2026, FFP is available for full Medicaid and CHIP benefits under sections 1903(v)(5) and 2107(e)(1)(R) of the Act and under the CHIPRA 214 option, in accordance with sections 1903(v)(4) and 2107(e)(1)(Q) of the Act, as well as the applicable FMAP for emergency Medicaid, including the impact of section 71110 of the WFTC legislation on FMAP claiming.

FMAP for Full Medicaid and CHIP Benefits (including under the CHIPRA 214 Option)

Section 71109 of the WFTC legislation made no changes to the Act's FMAP provisions, but it did affect for whom FFP can be claimed for full Medicaid and CHIP coverage beginning October 1, 2026.⁶⁴

Beginning October 1, 2026, the FMAP for expenditures for full Medicaid and CHIP benefits and expenditure reporting for FFP-eligible noncitizens (i.e., for LPRs, Cuban/Haitian entrants, and COFA migrants) would generally remain the same as prior to October 1, 2026. Expenditures for FFP-eligible noncitizens enrolled in the state's:

- *Medicaid program* are claimed at the state's regular FMAP under section 1905(b) of the Act, or other applicable FMAPs as provided in statute, on the Form CMS-64 series of expenditure reports in the MBES/CBES and are funded by title XIX for Medicaid.
- *CHIP program:*
 - *MCHIP* are claimed under section 1905(u)(2) of the Act (including FFP-eligible noncitizens who are children up to age 19) at the state's EFMAP on the Form CMS 64.21U series of expenditure reports and are funded by title XXI CHIP Allotments. As applicable for all MCHIP expenditures, states continue to have the option under section 115 of CHIPRA to claim their MCHIP expenditures at the regular FMAP funded by title XIX for Medicaid.⁶⁵
 - *Separate CHIP* are claimed under title XXI at the state's EFMAP on the Form CMS-21 series of expenditure reports and are funded by title XXI CHIP Allotments.

FMAP for Emergency Medicaid

Because the availability of FFP for full Medicaid and CHIP benefits for certain noncitizens will be more limited beginning October 1, 2026, states may, in fact, experience an overall total increase in the number of expenditures for emergency Medicaid only coverage beginning October 1, 2026.

In general, emergency Medicaid is claimed at the applicable FMAP. We note that section 71110 of the WFTC legislation added a new subsection (kk) to section 1905 of the Act that limits, beginning

⁶⁴ CMCS SHO letter #10-006, "Medicaid and CHIP Coverage of "Lawfully Residing" Children and Pregnant Women" (July 1, 2010), available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/SHO10006.pdf>.

⁶⁵ CMCS SHO letter #10-005, "Applicability of Federal Matching Rates in CHIP and Medicaid" (Mar. 2, 2010), available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/SHO10005.pdf>.

October 1, 2026, the FMAP for emergency Medicaid services provided to noncitizens to no greater than the state’s regular FMAP determined under section 1905(b) of the Act. This impacts expenditure claims for services provided to individuals in the adult group at section 1902(a)(10)(A)(i)(VIII) of the Act and other applicable eligibility groups, such as the Optional Breast and Cervical Cancer Treatment group. Therefore, beginning October 1, 2026, the FMAP for expenditures related to services provided to individuals receiving emergency Medicaid coverage (including individuals in the adult group) will be matched at the state’s regular FMAP under section 1905(b) of the Act.

States should report expenditures for emergency Medicaid services only on Line 27 of the appropriate Form CMS-64 expenditure report. CMS is working to modify the MBES/CBES to reflect the appropriate FMAP under section 1905(kk) of the Act as applicable October 1, 2026. The FMAP applicable to expenditures for prior period adjustments should be the FMAP at which the original expenditure was claimed, for both private and governmental providers. States should ensure accurate claiming on Line 27 of the appropriate Form CMS-64 for noncitizens who are not FFP-eligible noncitizens, or they may be at risk of over-claiming.

With CMS approval, some states claim FFP for a portion of supplemental payments at the increased adult group FMAP rates specified in sections 1905(y) and (z) of the Act. States should update any supplemental payment allocation methodology for emergency Medicaid services to reflect the new FMAP limitation under section 1905(kk) of the Act. The result should be that a greater portion of a supplemental payment will be allocated to and claimed at the state’s regular FMAP under section 1905(b) of the Act, and a lesser portion of the supplemental payment will be claimed at the increased adult group FMAP rates. States should submit an updated allocation methodology to CMS prior to October 1, 2026, specifying the method used to identify the emergency Medicaid services portion of the supplemental payment(s) and ensuring that, on and after October 1, 2026, such amounts are claimed for the adult group at the match rate under section 1905(b) of the Act (and are not claimed at an increased FMAP under section 1905(y) or (z) of the Act). CMS plans to provide states with further details on specific updates needed to their supplemental payment allocation methodology document(s). Additionally, CMS is working to modify functionality in the Medicaid and CHIP Financial System (MACFin) to reflect the appropriate FMAP under section 1905(kk) of the Act for supplemental payments and intends to provide technical instructions to states regarding appropriate reporting of supplemental payments tied to emergency Medicaid services on the Form CMS-64.⁶⁶

State Plan Amendment (SPA) Submission

CMS expects all states, territories, and the District of Columbia to submit a Medicaid SPA to update their state plan to be consistent with section 1903(v)(5) of the Act. Medicaid SPAs must be submitted to CMS no later than December 31, 2026, for an effective date of October 1, 2026. Similarly, CMS expects all states with a separate CHIP to submit a CHIP SPA to update their state plan to be consistent with section 2107(e)(1)(R) of the Act. For states that have not elected the CHIPRA 214

⁶⁶ CMCS SMD letter # 21-006, “New Supplemental Payment Reporting and Medicaid Disproportionate Share Hospital Requirements under the Consolidated Appropriations Act, 2021” (Dec. 10, 2021), available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/smd21006.pdf>.

option for all covered populations in their separate CHIP, these SPAs will effectively restrict eligibility, thus the submission timeframe at 42 C.F.R. § 457.65(b), requiring states to submit SPAs by no later than 60 days after the effective date of the proposed SPA, applies. Therefore, these states are required to submit CHIP SPAs to CMS by no later than November 30, 2026, after sufficient public notice. For states with a separate CHIP that have elected the CHIPRA 214 option for all populations within their separate CHIP, the state will need to submit the SPA within the state fiscal year in which October 1, 2026, falls.

CMS is making revisions to the “Citizenship and Non-Citizen Eligibility” SPA Reviewable Unit, which each state and the District of Columbia must complete and submit through the Medicaid and CHIP Program MACPro portal for Medicaid, including MCHIP, and to the “CS 18: Non-Financial Eligibility-Citizenship” state plan template submitted in OneMAC for separate CHIPS. Territories must submit a SPA through MACPro or amend their paper state plan. We plan to provide additional information about the revised Medicaid and CHIP SPA templates in forthcoming guidance.

Territory Considerations

The FFP limitations described in section 1903(v)(5) of the Act apply to the U.S. territories. We note that section 402(b)(2)(G) of PRWORA, as added by section 208 of the Consolidated Appropriations Act, 2021 (CAA, 2021), provides an option for the U.S. territories to provide full Medicaid benefits to COFA migrants who are lawfully residing in the territory.⁶⁷ Section 71109 of the WFTC legislation did not make changes to section 402(b)(2)(G) of PRWORA; therefore Medicaid coverage of COFA migrants in the territories will remain optional after the October 1, 2026, applicability date.⁶⁸

⁶⁷ 8 U.S.C. § 1612(b)(2)(G).

⁶⁸ CMCS SHO letter #21-005, “Medicaid Eligibility for COFA Migrants” (Oct. 18, 2021), available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/sho21005.pdf>. As of April 2026, the territories of CNMI and Guam have approved SPAs to provide coverage to COFA migrants in Medicaid.

Closing

CMS is committed to working with states and territories as they implement the policy and operational changes in their Medicaid programs and CHIPs for compliance with the statutory changes made by section 71109 of the WFTC legislation. CMS staff are available to provide technical assistance regarding the changes discussed in this letter. Questions regarding the Medicaid and CHIP policies discussed in this letter may be directed to MedicaidReforms@cms.hhs.gov.

Sincerely,

/s/

Dan Brillman
Deputy Administrator, CMS
Director, Center for Medicaid and CHIP Services

APPENDIX A - Details Regarding Qualified Noncitizen Coverage in Medicaid and CHIP Before and After Implementation of Section 71109 of the WFTC Legislation

This table lists all immigration statuses and categories that are considered “qualified noncitizens,” as defined at 42 C.F.R. § 435.4 for Medicaid and cross-referenced at 42 C.F.R. § 457.320(c) for CHIP. For each immigration status or category, the table shows availability of FFP for full Medicaid and CHIP benefits before and after the October 1, 2026, applicability date for the statutory changes made by section 71109 of the WFTC legislation, as well as the availability of FFP for emergency Medicaid. This table applies to both full Medicaid and CHIP benefits, unless otherwise indicated.

In states that have elected to cover children (up to age 21 for Medicaid and up to age 19 for CHIP) and/or pregnant women who are lawfully residing in the U.S. under the CHIPRA 214 option, these individuals can receive full Medicaid or CHIP benefits, depending on the election by the state in their state plan. While we have not included detailed information regarding the CHIPRA 214 option in this table, we provide key information on how certain noncitizen pregnant women and/or children are covered under a state’s CHIPRA 214 option before and after October 1, 2026.

NOTE: This table is not intended to be comprehensive of all immigration statuses or categories for purposes of Medicaid and CHIP coverage and availability of FFP for certain noncitizens.

TABLE 1. Medicaid and CHIP Coverage by Immigration Status or Category, before and after Section 71109 Implementation

Immigration Status/Category	<u>Before 10/1/26</u>	<u>On and After 10/1/26</u>		<u>Before, On, and After 10/1/26</u>
	Eligible for Full Medicaid & CHIP Benefits	FFP for Full Medicaid & CHIP Benefits ¹	FFP for Emergency Medicaid Only ¹	FFP for Full Medicaid & CHIP Benefits under the CHIPRA 214 Option ²
Lawful Permanent Residents (LPRs)³ Section 101(a)(15) and 101(a)(20) of INA; An individual who is lawfully admitted for permanent residence under the INA. (8 U.S.C. § 1641(b)(1))				
• LPRs not subject to the 5-year waiting period 8 U.S.C. § 1613	YES	YES	n/a	YES
• LPRs subject to the 5-year waiting period				
○ Who have not met the 5-year waiting period	NO	NO	YES	YES
○ Who have met the 5-year waiting period	YES	YES	n/a	YES
Cuban/Haitian entrants^{4,5} Section 501(e) of Refugee Education Assistance Act of 1980. (8 U.S.C. § 1641(b)(7))	YES	YES	n/a	YES
COFA migrants^{5,6} 8 U.S.C. §§ 1613(b)(3) and 1641(b)(8)	YES	YES	n/a	YES
Refugees^{4,5} A refugee who is admitted to the U.S. under section 207 of INA. (8 U.S.C. § 1641(b)(3))	YES	NO	YES	YES
Asylees^{4,5} An individual who is granted asylum under section 208 of the INA. (8 U.S.C. § 1641(b)(2))	YES	NO	YES	YES

Immigration Status/Category	<u>Before 10/1/26</u>	<u>On and After 10/1/26</u>		<u>Before, On, and After 10/1/26</u>
	Eligible for Full Medicaid & CHIP Benefits	FFP for Full Medicaid & CHIP Benefits ¹	FFP for Emergency Medicaid Only ¹	FFP for Full Medicaid & CHIP Benefits under the CHIPRA 214 Option ²
Noncitizens paroled in the U.S. for at least one year An individual who is paroled into the U.S. under section 212(d)(5) of INA for a period of at least one year. (8 U.S.C. § 1641(b)(4))	YES	NO	YES	YES
Noncitizens granted withholding of deportation^{4,5} Section 241(b)(3) of the INA, as amended. (8 U.S.C. § 1641(b)(5))	YES	NO	YES	YES
Noncitizens granted conditional entry prior to April 1, 1980 An individual is granted conditional entry pursuant to section 203(a)(7) of INA as in effect prior to Apr. 1, 1980. (8 U.S.C. § 1641(b)(6))	YES	NO	YES	YES
Noncitizens subject to battery or extreme cruelty by their U.S. citizen or LPR relative, including their noncitizen spouse, child(ren), or parent(s) As qualified under the Violence Against Women Act (VAWA), an individual who has been battered or subjected to extreme cruelty in the U.S. by a spouse or a parent, or by a member of the spouse's or parent's family residing in the same household as the alien, but only if (in the opinion of the agency providing such benefits) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided (8 U.S.C. § 1641(c)). This also includes noncitizen parents of battered children (8 U.S.C. § 1641(c)(2)) and noncitizen children of a battered parent (8 U.S.C. § 1641(c)(3)).	YES	NO	YES	YES

Immigration Status/Category	<u>Before 10/1/26</u>	<u>On and After 10/1/26</u>		<u>Before, On, and After 10/1/26</u>
	Eligible for Full Medicaid & CHIP Benefits	FFP for Full Medicaid & CHIP Benefits ¹	FFP for Emergency Medicaid Only ¹	FFP for Full Medicaid & CHIP Benefits under the CHIPRA 214 Option ²
Noncitizens granted nonimmigrant status as a victim of trafficking (VoT) or who have a pending application that sets forth a prima facie case for eligibility for such immigration status 8 U.S.C. § 1101(a)(15)(T)(i), 22 U.S.C. § 7105(b)(1)(A). (8 U.S.C. § 1641(c)(4))	YES	NO	YES	YES
Noncitizens who are “victim[s] of a severe form of trafficking in persons” and certain family members 8 U.S.C. § 1101(a)(15)(T)(ii); 22 U.S.C. § 7105(b)(1)(A) and (C). (8 U.S.C. § 1641(c)(4))	YES	NO	YES	YES
Amerasian immigrants^{4,5} Section 204(f) of the INA; Section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988 (P.L. 100–202, as amended, enacted Dec. 22, 1987); as amended by the 9 th proviso under Migration and Refugee Assistance in title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (P.L. 100–461, as amended, enacted Oct. 1, 1988). (8 U.S.C. § 1612(b)(2)(A)(i)(V))	YES	NO ⁷	YES	YES
Lawfully residing veterans/active-duty servicemembers and certain family members⁵ (8 U.S.C. § 1612(b)(2)(C))	YES	NO	YES	YES

Immigration Status/Category	<u>Before 10/1/26</u>	<u>On and After 10/1/26</u>		<u>Before, On, and After 10/1/26</u>
	Eligible for Full Medicaid & CHIP Benefits	FFP for Full Medicaid & CHIP Benefits ¹	FFP for Emergency Medicaid Only ¹	FFP for Full Medicaid & CHIP Benefits under the CHIPRA 214 Option ²
American Indians born in Canada⁸ or American Indians who are members of a federally recognized tribe Section 289 of the INA. (8 U.S.C. § 1612(b)(2)(E)) NOTE: This FFP exclusion would only apply to American Indians born in Canada and who are members of a federally recognized tribe who are not U.S. citizens.	YES	NO	YES	YES
Certain Afghan parolees⁴ Section 2502 of the Extending Government Funding and Delivering Emergency Assistance Act (P.L. 117-43 as amended, enacted Sept. 30, 2021); as amended by Section 1501 of Title V of Division M of the Consolidated Appropriations Act (CAA), 2023, (P.L. 117-328).	YES	NO	YES	YES
Certain Ukrainian parolees⁴ Section 401 of the Additional Ukraine Supplemental Appropriations Act (P.L. 117-128 as amended, enacted May 21, 2022); as amended by Section 301 of the Ukraine Security Supplemental Appropriations Act, 2024, (P.L. 118-50).	YES	NO	YES	YES
Other lawfully residing noncitizens⁹	NO	NO	YES	YES

Table 1 Footnotes:

1. Excludes eligibility for the other lawfully present immigration statuses or categories under the CHIPRA 214 option not included in this table. See CMCS SHO #10-006, “Medicaid and CHIP Coverage of “Lawfully Residing” Children and Pregnant Women,” (July 1, 2010), available at <https://www.medicaid.gov/federal-policy-guidance/downloads/SHO10006.pdf>.
2. Under the CHIPRA 214 option, states can elect to provide full Medicaid and CHIP benefits to children (up to age 21 in Medicaid and up to age 19 in CHIP) and/or pregnant women who are lawfully residing in the U.S. A list of states that

have elected the option is available at: <https://www.medicaid.gov/medicaid/enrollment-strategies/medicaid-and-chip-coverage-lawfully-residing-children-pregnant-individuals>. See the sections of this letter entitled *Background* and *Interaction between Section 71109 of the WFTC Legislation and the CHIPRA 214 Option* for more information.

3. Some states elect under their Medicaid state plan to limit eligibility of LPRs for full Medicaid benefits to LPRs who have 40 qualifying work quarters (8 U.S.C. § 1612(b)(2)(B)). See the sections of this letter entitled *Background* and *Interaction between Section 71109 of the WFTC Legislation and PRWORA* for more information.
4. Some states elect under their Medicaid state plan to limit eligibility for full Medicaid benefits to seven years for certain noncitizens (8 U.S.C. § 1612(b)(2)(A)(i)). See the sections of this letter entitled *Background* and *Interaction between Section 71109 of the WFTC Legislation and PRWORA* for more information.
5. Under 8 U.S.C. § 1613(b), certain specified qualified noncitizens have an exception from the five-year waiting period (described at 8 U.S.C. § 1613(a)). See the sections of this letter entitled *Background* and *Interaction between Section 71109 of the WFTC Legislation and PRWORA* for more information.
6. Medicaid coverage of COFA migrants is optional for the U.S. territories.
7. This row displays information for Amerasian immigrants who have not adjusted to LPR status since the programs are open indefinitely (<https://www.uscis.gov/policy-manual/volume-7-part-p-chapter-9>). Amerasians are exempt from the five-year waiting period (8 U.S.C. § 1613(b)(1)(E)). Many Amerasian immigrants have been admitted or adjusted to LPR status and thus would be considered FFP-eligible noncitizens under section 1903(v)(5) of the Act, exempt from the five-year waiting period. (see applicable rows in Table 1 on LPRs).
8. CHIP coverage is not applicable for this status or category.
9. See CMCS SHO #10-006, “Medicaid and CHIP Coverage of “Lawfully Residing” Children and Pregnant Women,” (July 1, 2010), available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/SHO10006.pdf>. Individuals with deferred action under the Deferred Action for Childhood Arrivals (DACA) process are not eligible for full Medicaid and CHIP benefits under the CHIPRA 214 option; see CMCS SHO letter #12-002, “Individuals with Deferred Action for Childhood Arrivals,” (Aug. 28, 2012), available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/SHO-12-002.pdf>.

APPENDIX B - Summary of Hub Changes in Accordance with Section 71109 of the WFTC Legislation

As described previously in the section entitled *Verification of Immigration Status*, the Hub VLP v37.1 v2 service applies translation logic to the DHS SAVE program response data and provides the following response indicators to verify immigration and citizenship status:

- Naturalized or Derived Citizenship (U.S. Citizen Code)
- Lawful Presence Verified (LPV)
- Eligible Noncitizen (ENC) Status⁶⁹
- Qualified Noncitizen (QNC) Status*
- Five-Year Bar Applicable (5Yr Bar Apply)
- Five-Year Bar Met (5Yr Bar Met)

For each of these immigration and citizenship indicators, the Hub returns indicators set to either: Y (for Yes), N (for No), P (for Pending), or X (for Not Applicable).

The Hub will return two ENC indicators: (1) for APTC/CSR eligibility (APTC ENC) entitled “APTCEligibleNonCitizenCode,” and (2) for FFP availability in Medicaid/CHIP (MC ENC) entitled “MCEligibleNonCitizenCode.” The APTC ENC and MC ENC are new indicators added to the Hub VLP v37.1 v2 service. The values returned for the APTC ENC and MC ENC indicators will be identical and can be used to verify that an applicant or beneficiary is an LPR, Cuban/Haitian entrant, or COFA migrant. As described previously in this letter, all FFP-eligible noncitizens (i.e., MC ENCs) are QNCs and considered lawfully present.

***NOTE:** Due to the statutory changes made by the WFTC legislation, the QNC indicator will have limited usage beginning October 1, 2026, for Medicaid and CHIP.

TABLE 2. Overview of Hub Indicator Logic, by FFP-Eligible Noncitizen Status/Category

Description	LPV	ENC (APTC & MC)	QNC	5Yr Bar Apply	5Yr Bar Met
LPR	Y	Y	Y	Y/N/P	Y/N/P/X
Cuban/Haitian entrant	Y	Y	Y	N	X
COFA migrant	Y	Y	Y	N	X

⁶⁹ If the “Eligible Noncitizen (ENC) Status” is Yes (“Y”), then the noncitizen has been verified by DHS SAVE program to be either a Lawful Permanent Resident (LPR), a Cuban/Haitian entrant, or a COFA migrant and, therefore, in an immigration status or category for which the state can receive FFP for full Medicaid or CHIP benefits in accordance with section 1903(v)(5) of the Act.

The following table provides a summary of the Hub indicators for each immigration status or category code that SAVE returns to the Hub. This table only reflects the Hub indicator logic for SAVE Step 1 (Initial Verification step). In addition to the Hub indicators and the SAVE response data, the Hub also returns an “Agency Action” field to states to identify any next steps, where necessary, to verify immigration status or category. In some cases, states will need to proceed to Step 2 (Additional Verification) and/or Step 3 (Third Verification) to verify an individual’s immigration status or category. For additional information, including Step 2 and Step 3 Hub logic, please refer to the Hub’s “Verify Lawful Presence (VLP) v37.1 v2 Business Service Definition” (BSD).⁷⁰

NOTE: For any instances where the Hub indicator is set to “P” (for pending) or instances where the table lists multiple Hub indicator responses, please consult the Hub VLP v37.1 v2 BSD. For example, these indicators may require additional information (e.g., documentation and confirmation of an individual’s Cuban/Haitian entrant status) or may be dependent on additional DHS SAVE response data (e.g., grant date).

TABLE 3. Hub Indicator Logic by ESC, Step 1

ESC	COA Code or Condition	LPV	ENC (APTC & MC)	QNC	5Yr Bar Apply	5Yr Bar Met
1	AS6, AS7, AS8, GA6, GA7, GA8, 2D, 4A, 4-A, 4B, 4C, 4D, 4F, 6, 6A3, C7P, HH6, IC6, IC7, K9, K10, P75, R86, RE6, RE7, RE8, RE9, REF, RRA, Y11, Y12, Y13, Y14, Y16, Y4, Y5, Y64, Y7, Y9, NC6, NC7, NC8, NC9, A16, A17, A31, A32, A33, A36, A37, A38, AM1, AM2, AM3, AM6, AM7, SQ1, SQ2, SQ3, SQ6, SQ7, SQ8, SI1, SI2, SI3, SI6, SI7, SI8, ST0, ST1, ST7, ST8, ST9, SW1, SW2, SW3, S13, HF, LR6, LR7, LR8, LR9, YY, ZZ, NAI, SI9, A19	Y	Y	Y	N	X
1	CNP, CU0, CU6, CU7, CU8, CU9, CUP, HA6, HA7, HA8, HA9, HB6, HB7, HB8, HB9, HC6, HC7, HC8, HC9, HD6, HD7, HD8, HD9, HE6, HE7, HE8, HE9	Y	Y	Y	N	X

⁷⁰ The Hub “Verify Lawful Presence (VLP) v37.1v2 Business Service Definition” (BSD) is available in zONE. Please contact cmsvlpssupport@hcgov.us for questions related to the Hub VLP v37.1v2 BSD and for assistance accessing zONE.

ESC	COA Code or Condition	LPV	ENC (APTC & MC)	QNC	5Yr Bar Apply	5Yr Bar Met
1	CB1, CB2, CB6, CH6	Y	Y	Y	P	P
1	ST6	Y	Y	Y	N/P	X/P
1	COA <i>other than</i> : AS6, AS7, AS8, GA6, GA7, GA8, 2D, 4A, 4-A, 4B, 4C, 4D, 4F, 6, 6A3, C7P, HH6, IC6, IC7, K9, K10, P75, R86, RE6, RE7, RE8, RE9, REF, RRA, Y11, Y12, Y13, Y14, Y16, Y4, Y5, Y64, Y7, Y9, NC6, NC7, NC8, NC9, A16, A17, A31, A32, A33, A36, A37, A38, AM1, AM2, AM3, AM6, AM7, SQ1, SQ2, SQ3, SQ6, SQ7, SQ8, SI1, SI2, SI3, SI6, SI7, SI8, ST0, ST1, ST7, ST8, ST9, SW1, SW2, SW3, S13, HF, LR6, LR7, LR8, LR9, YY, ZZ, NAI, SI9, A19, CNP, CU0, CU6, CU7, CU8, CU9, CUP, HA6, HA7, HA8, HA9, HB6, HB7, HB8, HB9, HC6, HC7, HC8, HC9, HD6, HD7, HD8, HD9, HE6, HE7, HE8, HE9, CB1, CB2, CB6, CH6, ST6	Y	Y	Y	Y	Y/N/P
1	No COA	Y	Y	Y	P	P
10	(dependent on EAD Category Code)	Y/N/P	Y/N/P	Y/N/P	Y/N/P/X	Y/N/P/X
128	COA <i>other than</i> FSM, MIS, PAL, T1, PI	Y	N	N	X	X
128	FSM, MIS, PAL	Y	Y	Y	N	X
128	T1	Y	N	Y	N/P	X/P
128	COA = PI or No COA and no EAD Category Code	Y	P	P	P	P
128	No COA but EAD category code exists	Y/N/P	Y/N/P	Y/N/P	Y/P/X	Y/N/P/X
13, 328, 386	DE, EXC	N	N	N	X	X
13, 328, 386	T2, T3, T4, T5, T6	Y	N	Y	N	X
13, 328, 386	FSM, MIS, PAL	Y	Y	Y	N	X
13, 328, 386	PI, CC, CH, DT, ML, OP, or No COA Code	Y	P	P	P	P

ESC	COA Code or Condition	LPV	ENC (APTC & MC)	QNC	5Yr Bar Apply	5Yr Bar Met
13, 328, 386	CP	Y	N/P	P	P	P
13, 328, 386	IN, PR	Y	P	Y	P	P
13, 328, 386	CM	Y	N	Y	Y	Y/N/P
13, 328, 386	Any COA <i>other than</i> : DE, EXC, T2, T3, T4, T5, T6, FSM, MIS, PAL, CP, IN, PR, CM, PI, CC, CH, DT, ML, OP	Y	N	N	X	X
15, 368, 369, 374, 385	Country code = CUB or HTI	Y/P	P	P	P	P
189	Country code = CUB or HTI	Y	P	P	P	P
15, 189, 369, 374	Country code <i>other than</i> CUB or HTI (or empty)	Y	N	N	X	X
368	Country code <i>other than</i> CUB or HTI (or empty)	N/P	N	N/P	X/P	X/P
385	Country code <i>other than</i> CUB or HTI (or empty)	P	N	N	X	X
18, 20	Country code = CUB or HTI	Y	P	Y	N	X
18, 20	Country code <i>other than</i> CUB or HTI (or empty)	Y	N	Y	N	X
188, 376, 387	N/A	N	N	N	X	X
22, 122, 168, 372, 373, 375, 380, 382, 384	N/A	Y	N	N	X	X
228	N/A	P	N	N	X	X
248, 249	CQ1, CQ2, CQ3	Y	Y	Y	N	X
248, 249	COA <i>other than</i> CQ1, CQ2, CQ3, or No COA	Y	Y	Y	Y	Y/N/P
250	COA = WHP; Country code = CUB or HTI	Y	Y	Y	N	X
250	COA = WHP; Country code is empty	Y	P	P	P	P
250	COA = WHP; Country code <i>other than</i> CUB or HTI	Y	N	Y/N/P	Y/P/X	Y/N/P/X
250, 288, 381, 401, 402	HHP, CHP, RCU, RHT	Y	Y	Y	N	X
250, 288, 381, 401, 402	SQ4, SQ5, OAR	Y	N	Y/P	N/P	X/P
250, 288, 381, 401, 402	UHP; Country code = UKRAI, UKR, or UP	Y	N	Y/P	N/P	X/P

ESC	COA Code or Condition	LPV	ENC (APTC & MC)	QNC	5Yr Bar Apply	5Yr Bar Met
250, 288, 381, 401, 402	PAR, DT; Country code = AFGHA, AFG, AF, UKRAI, UKR, or UP	Y	N	Y/P	N/P	X/P
250, 288, 381, 401, 402	PAR, DT; Country code = CUB or HTI	Y	P	Y/P	P	P
250, 288, 381, 401, 402	PAR, DT; Country code <i>other than</i> AFGHA, AFG, AF, UKRAI, UKR, UP, CUB, or HTI	Y	N	Y/N/P	Y/P/X	Y/N/P/X
250, 288, 381, 401, 402	COA <i>other than</i> HHP, CHP, RCU, RHT with Cuban/Haitian Entrant attestation	P	P	P	P	P
250, 288, 381, 401, 402	COA <i>other than</i> HHP, CHP, RCU, RHT, SQ4, SQ5, OAR, UHP, PAR, DT without Cuban/Haitian Entrant attestation; Country code = CUB or HTI	Y	P	Y/P	P	P
250, 288, 381, 401, 402	COA <i>other than</i> HHP, CHP, RCU, RHT, SQ4, SQ5, OAR, UHP, PAR, DT without Cuban/Haitian Entrant attestation; Country code <i>other than</i> CUB or HTI (or empty)	Y	N	Y/N/P	Y/P/X	Y/N/P/X
250, 288, 381, 401, 402	COA code is missing	Y	P	P	P	P
251, 371, 383	N/A	Y	N	Y	N	X
377, 378, 379	N/A	Y/P	N	Y	Y	P
4	N/A	Y	Y	Y	N	X
5, 39, 44, 370	N/A	P	P	P	P	P

For ESC 10 or 128, the Hub uses the EAD Category Code when determining the Hub indicators. This logic will not apply to any other ESCs returned on Step 1. See the following table for Hub indicator logic as related to EAD Category Codes for ESC 10 and 128.

TABLE 4. Hub Indicator Logic using EAD Category Codes for ESC 10 and 128, Step 1

EAD Category Code	Condition	LPV	ENC (APTC & MC)	QNC	5Yr Bar Apply	5Yr Bar Met
A02, A04, C08, C09, C09P, C091, C11, C19	Country code CUB or HTI	Y	P	P	P	P
A02, C08, C09, C09P, C091, C19	Country code <i>not</i> CUB or HTI (or empty)	Y	N	N	X	X
A03, A05, A10	Country code CUB or HTI	Y	P	Y	N	X
A03, A05, A10	Country code <i>not</i> CUB or HTI (or empty)	Y	N	Y	N	X
A04, C11	Country code <i>not</i> CUB or HTI (or empty)	Y	N	P	P	P
A06, A07, A09, A11, A12, A13, A15, A17, A18, A19, A20, C01, C011, C012, C02, C03A, C03B, C03C, C031, C032, C033, C034, C04, C041, C042, C05, C06, C07, C10, C12, C14, C16, C16P, C171, C172, C173, C18, C20, C21, C22, C24, C26	N/A	Y	N	N	X	X
A08	N/A	Y	Y	Y	N	X
A14, C33	N/A	N	N	N	X	X
A16	(dependent on grant date)	Y	N	Y	P	P
C13, C151, C152	N/A	P	P	P	P	P
C25	N/A	Y	N	Y	N	X
C27, C28, C29, C30	N/A	Y	N	P	P	P
C31	N/A	Y	N	Y	Y	P
C35, C36	N/A	P	N	N	X	X
C40	(If C40 is received, Hub will set these indicators regardless of the ESC or COA code.)	Y	N	Y	P	P