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State/Territory Name: Nebraska

State Plan Amendment (SPA) #: 25-0002

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Medicaid and CHIP Operations Group

September 4, 2026

Jeremy Brunssen, Interim Director
Division of Medicaid and Long-Term Care
Nebraska Department of Health and Human Services
301 Centennial Mall South
Lincoln, NE 68509

Re: Nebraska State Plan Amendment (SPA) – 26-0002

Dear Director Brunssen:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) NE-26-0002. This amendment proposes implementing community engagement requirements.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations 42 U.S.C 1396a(xx). This letter informs you that Nebraska's Medicaid SPA TN 26-0002 was approved on September 4, 2026, effective May 1, 2026.

During review of the SPA, CMS identified several areas of discrepancy between policies and procedures implemented by the state and the requirements described in the interim final rule with comment period (IFC) entitled "Medicaid Program, Community Engagement Requirement for Certain Individuals" (91 Fed. Reg. 33343, June 3, 2026) and additional guidance. CMS will be sending a companion letter, dated September 4, 2026, along with the approval of this SPA that describes the areas of discrepancy and directs the state to submit a timeline for implementing policy changes to ensure consistency with federal regulations.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated into the Nebraska State Plan.

If you have any questions, please contact Tyson Christensen at (816) 426-6440 or via email at Tyson.Christensen@cms.hhs.gov.

Sincerely,

Megan K. Buck
Director, Division of Program Operations

Megan K. Buck
Director, Division of Program Operations

Enclosures

cc: Dawn Kastens

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September 4, 2026

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Division of Medicaid and Long-Term Care
Nebraska Department of Health and Human Services
301 Centennial Mall South
Lincoln, NE 68509

Re: Nebraska State Plan Amendment (SPA) – 26-0002

Dear Director Brunssen:

This letter is sent as a companion to the Centers for Medicare and Medicaid Services (CMS) approval of Nebraska State Plan Amendment (SPA) NE 26-0002, which was submitted to CMS on June 7, 2026, via OneMAC. This approval is effective as of May 1, 2026.

This SPA amends the Medicaid state plan to implement the community engagement requirement in accordance with section 1902(xx) of the Social Security Act (the Act) and implementing regulations at 42 C.F.R §§ 435.550 through 435.563. Section 1902(xx) of the Act requires, effective January 1, 2027, or, if elected by a state, an earlier date the state shall specify, that states to provide, as a condition of eligibility for Medicaid, that applicable individuals demonstrate community engagement.

Nebraska elected to implement the community engagement requirement on May 1, 2026, prior to the publication of the interim final rule with comment period (IFC) entitled "Medicaid Program, Community Engagement Requirement for Certain Individuals" (91 Fed. Reg. 33343, June 3, 2026) which implements section 1902(xx) of the Act. As such, the regulations were not yet published when the state implemented the community engagement requirement, resulting in areas of discrepancy between policies and procedures implemented by the state and the requirements described in the IFC and additional guidance. The state will revise its policies to ensure consistency with the regulations, as described below. The state will also provide CMS with a timeline for completing these changes, along with mitigations the state will take prior to full implementation and milestones to achieving compliance. This timeline that includes milestones and any mitigations must be submitted within 30 days of the SPA approval.

	Necessary Change	**Date by which the changes will be completed:**
1.	***Definitional and Operational Alignment with IFC:*** We understand that the state defined certain terms and/or applied different criteria than what is required by the IFC (*e.g.,* the state's definition and	Pending submission of timeline

	Necessary Change	Date by which the changes will be completed:
	implementation of medical frailty that does not account for the requirement that an individual's condition significantly impair their ability to comply with the community engagement requirement) during the state's initial implementation in May 2026. Moving forward, consistent with an agreed upon timeline, the state will ensure the definitions and criteria the state applies when implementing the community engagement requirement are consistent with terms as defined in the IFC, particularly with respect to (but not limited to) the manner in which the state defines and implements qualifying activities, mandatory exceptions, optional short-term hardship exceptions and specified excluded individuals, and all subcategories therein.	
2.	***Advance Notice – Loss of Exclusion:*** CMS understands that, when a beneficiary loses their status as a specified excluded individual during their eligibility period, the state notifies the individual of the loss of their exclusion, and its effect on their eligibility, at the individual's next renewal rather than at the time the change in the individual's specified excluded status occurs. As described in the IFC, CMS considers the loss of a beneficiary's status as a specified excluded individual to be an "action" under 42 C.F.R. § 431.201 because it introduces a new eligibility requirement the individual must meet to maintain their coverage. Therefore, the state must provide a beneficiary who is losing their specified excluded status with a minimum of 10 days advance notice and fair hearing rights consistent with 42 C.F.R. §§ 435.917 through 435.918 and part 431 subpart E. The advance notice must include the outreach material at 42 C.F.R. § 435.561(c), consistent with § 435.561(b)(3)(iv)(C). Until the state is able to make the necessary system, policy and process changes to send advance notice at the time an individual loses their specified excluded status, the state must notify the individual of the change in their status and the requirement to demonstrate community engagement during the renewal process, either in the renewal form or approval notice (if applicable). We note that having been a specified excluded individual is a mandatory exception under 42 C.F.R. § 435.553(a)(4); thus, the delayed notice should not affect individual's eligibility because the state requires applicable individuals enrolled in Medicaid to demonstrate one month of compliance during the review period when redetermining eligibility at an individual's regularly scheduled renewal, and individuals who lose a specified excluded status during the review will have already met that requirement.	Pending submission of timeline
3.	***Advance Notice – Transition to an Eligibility Group Subject to Community Engagement****:* CMS understands that Nebraska is transitioning individuals from eligibility groups that do not require community engagement as a condition of eligibility to the adult group	Pending submission of timeline

	Necessary Change	Date by which the changes will be completed:
	without providing advance notice and fair hearing rights. CMS considers transition to an eligibility group that includes applicable individuals (and is thus subject to the community engagement requirement) to be an "action" under 42 C.F.R. § 431.201 because it adds a new eligibility requirement the individual must meet to maintain their coverage. As such, the state must provide a minimum of 10 days advance notice and fair hearing rights when transitioning a beneficiary to an eligibility group for which community engagement is a condition of eligibility. Until the state is able to make the necessary system, policy and process changes to send advance notice prior to transitioning the individual to an eligibility group for which community engagement is a condition of eligibility, the state must notify the individual of the change in their eligibility and the requirement to demonstrate community engagement within a reasonable time after the transition occurs (such as including the information in the approval notice).	

Please submit documentation of the state's revised policy and process to CMS for review upon completion of each change identified above. We continue to be available to provide technical assistance. Should you have any questions about this letter, please contact Tyson Christensen at Tyson.Christensen@cms.hhs.gov.

Sincerely

Megan K. Buck
Director, Division of Program Operations

cc: Dawn Kastens

DEPARTMENT OF HEALTH ANDHUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 26 — 0002

2. STATE: NE

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT ☒ XIX ☐ XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
May 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION
42 U.S.C 1396a(xx)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 $ -4,088,860
b. FFY 2027 $ -24,533,161

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Supplement 19 to Att. 2.6-A, Pgs 1-4 (new)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Click or tap here to enter text.

9. SUBJECT OF AMENDMENT
Community Engagement Requirements

10. GOVERNOR'S REVIEW *(Check One)*
- ○ GOVERNOR'S OFFICE REPORTED NO COMMENT
- ○ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- ○ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
- ◉ OTHER, AS SPECIFIED: Governor has waived review

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Drew Gonshorowski

13. TITLE
Director, Division of Medicaid & Long-Term Care

14. DATE SUBMITTED
June 7, 2026

15. RETURN TO
Dawn Kastens
Division of Medicaid & Long-Term Care
Nebraska Department of Health and Human Services
301 Centennial Mall South
Lincoln, NE 68509

FOR CMS USE ONLY

16. DATE RECEIVED
June 7, 2026

17. DATE APPROVED
September 4, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
May 1, 2026

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Megan K. Buck

21. TITLE OF APPROVING OFFICIAL
Director, Division of Program Operations

22. REMARKS

Community Engagement for Certain Adults

The state operates the community engagement requirement described under section 1902(xx) of the Social Security Act (the Act) in accordance with the following provisions:

A. General Requirements for Community Engagement

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

   X_ The state plan eligibility group described in 42 CFR § 435.119.

   ____ A demonstration expenditure authority under section 1115(a)(2) of the Act that provides coverage equivalent to minimum essential coverage and who: attained the age of 19 and is under 65 years of age, is not pregnant, is not entitled to, or enrolled for, benefits under Medicare Part A or Part B, and is not otherwise eligible to enroll under the state plan.

2. An applicable individual demonstrates compliance with community engagement for a month if the individual meets one or more of the following:
   a. Works not less than 80 hours
   b. Completes not less than 80 hours of community service
   c. Participates in a work program for not less than 80 hours
   d. Enrolled in an educational program at least half-time
   e. Any combination of A.2.a. through A.2.d. for a total of not less than 80 hours (except educational program hours may only be combined with other activities if the individual is enrolled less than half-time)
   f. Has monthly income that is not less than the federal minimum wage multiplied by 80 hours
   g. For a seasonal worker, has average monthly income over the preceding six months that is not less than the federal minimum wage multiplied by 80 hours
3. The state verifies an applicable individual meets an exception or demonstrates community engagement or that an individual is a specified excluded individual using reliable information available to the state without requiring information from the individual when possible.

4. The state conducts initial and periodic outreach to notify specified excluded individuals and applicable individuals described of the requirement to demonstrate community engagement.

B. Mandatory Exceptions and Exclusions

Exceptions

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

Specified Excluded Individuals

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

C. Short-Term Hardship Exception

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

D. Assessing Compliance with Community Engagement

For Individuals Who File an Application for Medical Assistance

1. The state determines applicants meet an exclusion or are an applicable individual and demonstrate or are deemed to demonstrate community engagement at application.
2. For an applicable individual to be considered compliant with the community engagement requirement at application, the state requires demonstration or deemed demonstration of community engagement for (select one):
   _X_ 1 month prior to the month of application.
   ____ 2 consecutive months prior to the month of application.
   ____ 3 consecutive months prior to the month of application.

For Individuals Who Are Enrolled and Receiving Medical Assistance

3. The state determines enrolled beneficiaries meet an exclusion or are an applicable individual and demonstrate or are deemed to demonstrate community engagement during the individual's periodic renewal of eligibility.
4. For an applicable individual to be considered compliant with the community engagement requirement at renewal, the state requires demonstration or deemed demonstration of community engagement for (select one):

_X_ 1 month during the individual's eligibility period
____ More than 1 month, whether or not consecutive, during the individual's eligibility period
i. Enter the number of months: ____

E. More Frequent Verifications of Community Engagement for Applicable Individuals

1. The state conducts more frequent verifications of the community engagement requirement in between renewals of eligibility for enrolled applicable individuals.
____ Yes _X_ No (skip to section F)
2. The state elects the following more frequent verifications of community engagement in between renewals of eligibility for enrolled applicable individuals (select one):
____ Once every 3 months
____ Another frequency. Enter frequency by once every number of months:
____
3. For an applicable individual to demonstrate or be deemed to demonstrate community engagement during a periodic verification, the state requires demonstration or deemed demonstration of community engagement for (select one):
____ 1 month during the relevant review period
____ More than 1 month during the relevant review period
i. Enter the number of months: ____

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

1. The state sends a notice of noncompliance to request information from the individual when it is unable to verify an applicable individual demonstrates or is deemed to demonstrate community engagement at application, renewal, and if elected by the state, during a periodic verification of community engagement.
2. The state provides an applicable individual 30 days from the date of the notice of noncompliance to make a satisfactory showing of community engagement or that the requirement does not apply.
3. The state elects to consider that it is unable to verify community engagement at renewal (select one):
_X__ After the state checks reliable information and cannot verify compliance with community engagement without requesting information from the individual
____ After the state provides the individual with a renewal form and the form is not returned or does not include sufficient information needed to verify compliance with community engagement.

G. Additional Information (optional)