

Implementation Guide: Medicaid State Plan Eligibility Community Engagement Community Engagement for Certain Adults

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Community Engagement for Certain Adults

POLICY CITATION

Statute: 1902(xx) of the Social Security Act

Regulation: 42 CFR 435.550 through 435.563

BACKGROUND

Overview

This reviewable unit (RU) describes the rules and policies for community engagement as a Medicaid eligibility requirement for certain adults. Consistent with section 1902(xx) of the Social Security Act (the Act) and regulations at 42 CFR 435.550 through 435.563, this RU sets forth the requirements and provides states with options for implementation of the community engagement requirement.

The community engagement requirement mandates that certain adults who apply for or are enrolled in Medicaid demonstrate participation in work, community service, education, or other qualifying activities as a condition of eligibility. This RU summarizes the key requirements for community engagement and includes policies and options about how states must assess compliance with the community engagement requirements at application and renewal, the option for conducting more frequent verifications of community engagement, and how states define “unable to verify” compliance for the purposes of the notice of noncompliance at renewal.

Scope

Community engagement applies to Medicaid programs operated by the 50 States and the District of Columbia. U.S. territories are not subject to the community engagement requirement.

Applicability

Applicable Individuals

The community engagement requirement applies to “applicable individuals.” Generally, applicable individuals are adults aged 19 through 64 who are:

- Enrolled in or applying for Medicaid under the state plan adult group (section 1902(a)(10)(A)(i)(VIII) of the Act); or
- Enrolled in or eligible for certain section 1115 demonstration coverage that provides Minimum Essential Coverage to individuals who are:
 - At least 19 and under 65 years of age
 - Not pregnant
 - Not entitled to or enrolled in Medicare Part A or Part B
 - Not otherwise eligible to enroll under the state plan

States that do not cover the adult group in their Medicaid state plan and do not have a section 1115 demonstration covering applicable individuals are not subject to the community engagement requirement.

Specified Excluded Individuals

Certain categories of individuals are “specified excluded individuals” who are not applicable individuals. Therefore, the community engagement requirement does not apply to them. A specified excluded individual is the following:

- Former foster care child described in section 1902(a)(10)(A)(i)(IX) of the Act (as amended by Pub. L. 115-271), meaning, inclusive of those who aged out of foster care in another state regardless of whether they turned age 18 on or after January 1, 2023;
- American Indian as defined at 42 CFR 447.51;
- Parent, guardian, caretaker relative, or family caregiver of a dependent child age 13 or under or of a disabled individual (as each of the terms is defined and implemented at 42 CFR 435.554(c)(3));
 - The state’s elections on the relationships for a caretaker relative that the state makes on its Parents and Other Caretaker Relatives state plan page apply for the purpose of this category of specified excluded individuals.
- Veteran with a total (100%) service-connected disability rating (temporary or permanent) from the Department of Veterans Affairs under 38 U.S. Code 1155;
- Medically frail or otherwise has special medical needs, as defined at 42 CFR 435.554(c)(5);
- Compliant with a TANF work requirement or a member of a household that receives SNAP benefits and is subject to a SNAP work requirement;
- Participant in a drug addiction or alcoholic treatment and rehabilitation program as defined in section 3(h) of the Food and Nutrition Act of 2008;
 - States may establish a minimum time commitment for participation in such program, consistent with appropriate clinical guidelines.
- Inmate of a public institution, as defined at 42 CFR 435.1010; or
- Pregnant woman or entitled to Medicaid during a postpartum period under section 1902(e)(5) or (16) of the Act.

States must have systems and processes in place to identify excluded individuals at the time of application and renewal, and to ensure that the community engagement requirement is not applied to any individual who qualifies for an exclusion.

Community Engagement Activities

Applicable individuals may satisfy the community engagement requirement through one or more qualifying activities, totaling a minimum of 80 hours per month. Qualifying activities are:

- **Work**, which includes paid work, in-kind work (work in exchange for goods or services), and unpaid work;
- **Community service**, meaning, as defined at 42 CFR 435.552(b), unpaid work that is completed for the direct benefit of the community with a public or nonprofit organization;
- **Participation in a work program**, which, as defined at 42 CFR 435.552(b), are specific programs sponsored by state or federal government agencies such as the U.S. Department of Labor or the Department of Veterans Affairs;
- **Enrollment in an educational program**, as defined at 42 CFR 435.552(c), on at least a half-time basis, including career and technical programs, high school, community college, or other institutions of higher education; or

- **Any combination** of the above activities (except that education hours are only combined if an individual is enrolled less than half-time) such that the combined hours for all activities total at least 80 hours for the month.

Income-Based Demonstration

Applicable individuals may demonstrate community engagement with monthly income that is not less than the applicable federal minimum wage (as defined in section 6 of the Fair Labor Standards Act of 1938) multiplied by 80 hours. At the current federal minimum wage of \$7.25/hour, the monthly income threshold is \$580.

Recognizing that some individuals have seasonal employment patterns, applicable individuals who are seasonal workers may demonstrate community engagement with an average monthly income over the preceding 6 months that is not less than the applicable federal minimum wage multiplied by 80 hours. This approach ensures that individuals whose work is concentrated in certain months of the year have the ability to demonstrate community engagement during off-season periods when their income may be lower.

Income Counting Methodology

In determining if an individual demonstrates community engagement based on monthly income, states must use the same MAGI-based methodologies used for financial eligibility, as described in regulations 42 CFR 435.552(f)(2) and (g)(2). MAGI-based methodologies must also be used to determine whether applicable individuals in section 1115 demonstrations demonstrate community engagement based on monthly income. These MAGI-based methodologies include a state's reasonable method to account for reasonably predictable increases or decreases (or both) in future income to determine monthly income, if elected by the state.

Mandatory and Optional Exceptions to Community Engagement

Mandatory Exceptions

States must deem an applicable individual compliant with the community engagement requirement for a month if the individual meets the mandatory exception criteria, consistent with 42 CFR 435.553. An applicable individual meets a mandatory exception if:

- 1) For part or all of a month, the individual was:
 - a. Under the age of 19;
 - b. Entitled to, or enrolled for benefits under Medicare part A, or enrolled for benefits under Medicare part B;
 - c. Described in any of the mandatory eligibility groups in section 1902(a)(10)(A)(i)(I) through (VII) of the Act;
 - d. A specified excluded individual (as described above); or
- 2) At any point during the three-month period prior to such month, the individual was an inmate of a public institution, as defined at 42 CFR 435.1010.

Optional Exceptions

Option: Exception for Short-Term Hardship Events

States may provide an exception from the community engagement requirement by deeming applicable individuals to have demonstrated compliance for a month based on certain short-term

hardship events, consistent with 42 CFR 435.555. These exceptions are available for individuals who:

- Are receiving medical institutional services;
- Are in areas affected by a federally declared emergency or disaster;
- Are in areas affected by high unemployment; and
- Must travel (or their dependent must travel) outside their community for an extended period to receive necessary medical services.

States that elect the short-term hardship exception must implement all types of hardship events. States must establish processes for identifying individuals who qualify for an exception and for documenting the basis for the exception.

Assessing Compliance with Community Engagement

Consistent with 42 CFR 435.556, states must require applicable individuals to demonstrate or be deemed to demonstrate community engagement as a condition of eligibility at application, renewal, and, if elected by the State, at more frequent verifications between renewals. States must specify the number of months, subject to constraints in 42 CFR 435.556, for which applicable individuals must demonstrate or be deemed to demonstrate community engagement during the relevant review period.

NOTE: The review period is the time period during which an applicable individual must demonstrate or be deemed to demonstrate the state-specified number of months of community engagement.

Option: Number of Months to Demonstrate Community Engagement for Applicants

States have the option to require applicable individuals to demonstrate or be deemed to demonstrate community engagement in the 1, 2, or 3 consecutive months prior to the month of application. States must select one of these options in the RU.

Option: Number of Months to Demonstrate Community Engagement for Enrolled Individuals Receiving Medical Assistance

States have the option to require applicable individuals to demonstrate or be deemed to demonstrate community engagement for 1 month or more than 1 month, whether not consecutive, during such individual's review period, which is the individual's eligibility period. States must select one of these options in the RU. When more than one month is elected, states must specify the number of months in the RU, not to exceed the number of months in the review period.

More Frequent Verifications of Community Engagement for Applicable Individuals

Consistent with 42 CFR 435.556(a)(2)(ii), states have the option to conduct more frequent verifications between renewals and to require applicable individuals to demonstrate or be deemed to demonstrate community engagement as a condition of eligibility during these more frequent verifications. States must specify whether they elect to conduct more frequent verifications of community engagement.

Option: Conduct More Frequent Verifications

States have the option to conduct more frequent verifications of the community engagement requirement in between renewals of eligibility for enrolled applicable individuals. States must indicate whether or not the state has elected to conduct more frequent verifications in the RU.

States that elect to conduct more frequent verifications must indicate the frequency and number of months for which the frequent verifications will be conducted.

Option: Frequency of More Frequent Verifications

States have the option to require more frequent verifications, such as once every three months or a different frequency. States must select one of these options in the RU. When a different frequency is elected, states must specify the frequency by once every number of months in the RU.

During more frequent verifications, applicable individuals who are enrolled and receiving medical assistance must demonstrate community engagement for 1 or more months, whether or not consecutive, during the relevant review period.

Option: Number of Months to Demonstrate Community Engagement at a More Frequent Verification

States have the option to require applicable individuals to demonstrate or be deemed to demonstrate community engagement for 1 month or more than 1 month, whether or not consecutive, during such individual's review period. States must select one of these options in the RU. When more than one month is elected, states must also specify the number of months in the RU. The number of months elected during the more frequent verification generally should not be greater than the number of months selected at renewal.

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

Consistent with 42 CFR 435.558, States must provide applicable individuals with a notice of noncompliance when the State is unable to verify that the individual has met the requirement to demonstrate or be deemed to demonstrate community engagement at application, renewal, and if elected by the State, at more frequent verifications between renewals. States must provide such individuals with 30 calendar days beginning on the date such notice is received to make a satisfactory showing of their compliance with the community engagement requirement or that such requirement does not apply.

At renewal, a State is considered to be unable to verify that an applicable individual has met the requirement to demonstrate community engagement if the State does not have sufficient information to determine that the individual has demonstrated or is deemed to have demonstrated community engagement for the number of state-specified months.

Option: Defining “Unable to Verify” at Renewal for the Purposes of the Notice of Noncompliance

States have the option to define “unable to verify” community engagement at renewal for the purposes of providing the notice of noncompliance as:

- After the state checks reliable information and cannot verify compliance with community engagement without requesting information from the individual. When this occurs the state provides the beneficiary the notice of noncompliance concurrently with a renewal form; or
- After the state is unable to renew eligibility based on information available to the state ('ex parte renewal') and the state provides the individual with a renewal form and the form is not returned or does not include sufficient information needed to demonstrate compliance with community engagement.

States must select one of these options in the RU.

Verification of Community Engagement

States must verify 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.

Outreach

States must conduct initial and periodic outreach consistent with 42 CFR 435.561 to notify individuals enrolled in the adult group described at 42 CFR 435.119 or an applicable section 1115 demonstration of the requirement to demonstrate community engagement.

Other Considerations

Section 1115 Demonstration Considerations

States that operate section 1115 demonstrations that include applicable individuals must ensure that their policies and procedures comply with the community engagement requirements of section 1902(xx) of the Act. Section 1902(xx)(10) of the Act explicitly prohibits waiving the community engagement requirement under section 1115 of the Act. CMS will not approve a section 1115 demonstration that waives, in whole or in part, the community engagement provisions of section 1902(xx) of the Act.

INSTRUCTIONS

A. General Requirements for Community Engagement for Certain Adults

- At **A.1.**, there is a statement that describes the requirement that, as a condition of eligibility, an applicable individual demonstrate (or the state deem the applicable individual to demonstrate) community engagement for the number of months specified by the state during the applicable review period. Select one or both options (**A.1.a.** and/or **A.1.b.**), as appropriate for the state.
 - Select **A.1.a.** if the state covers the adult group in its state plan.
 - Select **A.1.b.** if the state covers a section 1115 demonstration that includes applicable individuals.
 - If **A.1.b.** is selected, enter the name(s) of the section 1115 demonstration population(s) in the text box. If the state has more than one section 1115 demonstration, enter the names of the demonstrations. If the state has more than one population in one (or more) section 1115 demonstration(s), enter the names of the

populations.

- At **A.2.**, there is a description of the ways that an applicable individual demonstrates compliance with community engagement for a month.
- At **A.3.**, there is a statement that, when monthly income is considered under A.2.f or g., MAGI-based methodologies are used in calculating household income. A separate RU, **MAGI-Based Methodologies**, describes the MAGI-based methodologies used by the state. If you wish to view the state's methodologies, select the ***View approved version of MAGI-Based Methodologies*** link.
 - The **MAGI-Based Methodologies** RU will appear if there is an approved version in the MACPro system.
 - If there is no approved version of the RU in MACPro, a screen will appear with the following message: "There is no approved version of this reviewable unit in MACPro available to display."
 - Select the ***Community Engagement for Certain Adults*** link to return to the **Community Engagement for Certain Adults** RU.
- At **A.4.**, there is a statement about the requirements for verifying that 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.
- At **A.5.**, there is a statement that describes the outreach requirements.

B. Mandatory Exceptions and Exclusions

Exceptions

- At **B.1.**, there is a statement that describes the requirement that states must deem an applicable individual to demonstrate community engagement for a month during the review period if they meet requirements outlined in **B.1.a.** or **B.1.b.**

Specified Excluded Individuals

- At **B.2.**, there is a statement that specified excluded individuals are not subject to the community engagement requirement.
- At **B.3.**, there is a description of the required categories of specified excluded individuals. Please refer to approved version of Parents and Other Caretaker Relatives.
- At **B.3.c.i.**, there is a statement that the elections on the relationships for a caretaker relative that the state makes on its Parents and Other Caretaker Relatives state plan page apply for the purpose of this category of specified excluded individuals. A separate RU, **Parents and Other Caretaker Relatives**, describes the relationships for a caretaker relative elected by the state.

If you wish to view the state's elections, select the ***View approved version of Parents and Other Caretaker Relatives*** link.

- The **Parents and Other Caretaker Relatives** RU will appear

- if there is an approved version in the MACPro system.
- If there is no approved version of the RU in MACPro, a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
- Select the ***Community Engagement for Certain Adults*** link to return to the **Community Engagement for Certain Adults** RU.

C. Short-Term Hardship Exception

- At **C.1.**, select **Yes** or **No** to indicate whether the state provides the short-term hardship exception and deems an applicable individual to demonstrate community engagement for a month during the review period during a short-term hardship event.
 - If **Yes** is selected at **C.1.**, **C.2.** and **C.3.** are displayed.
- At **C.2.**, there is a description of the required short-term hardship events.
- At **C.3.**, there is a statement of when an individual must request a short-term hardship event from the state, and when the state must request from CMS a short-term hardship event.

D. Assessing Compliance with Community Engagement

For Individuals who File an Application for Medical Assistance

- At **D.1.**, there is a statement that describes the requirement for the state to determine that applicants meet an exclusion or are an applicable individual and demonstrate or are deemed to demonstrate community engagement.
- At **D.2.**, indicate the number of consecutive months an applicable individual must demonstrate or be deemed to demonstrate community engagement to be considered compliant with the community engagement requirement at application. To do this, select one from **D.2.a.** through **D.2.c.**

For Individuals who are Enrolled and Receiving Medical Assistance

- At **D.3.**, there is a statement that describes the requirement for the state to determine that 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.
- At **D.4.**, indicate if an individual must demonstrate or be deemed to demonstrate community engagement for 1 month or more than 1 month to be considered compliant with the community engagement requirement at renewal. To do this, select **D.4.a.** for one month, or **D.4.b.** for more than one month.
 - If **D.4.b.** is selected, indicate the number of months required in the text box at **D.4.b.i.** To do this, enter a numeric value no less than 2 and no greater than 12.

E. More Frequent Verifications of Community Engagement for Applicable Individuals

- At **E.1.**, select *Yes* or *No* to indicate if the state will conduct more frequent verifications of the community engagement requirement in between renewals of eligibility for enrolled applicable individuals.
 - If *Yes* is selected at **E.1.**, **E.2.** and **E.3.** are displayed for response.
- At **E.2.**, indicate if the state elects more frequent verifications once every 3 months or at a different frequency. To do this, select **E.2.a.** for 3 months, or **E.2.b.** for another frequency.
 - If **E.2.b.** is selected, indicate the frequency in months in the text box at **E.2.b.i.** To do this, enter a numeric value of 1, 2, or 4 through 12 to indicate the cadence on which more frequent verifications will occur. For example, entering 2 will mean that the state conducts more frequent verifications once every 2 months during an applicable individual's eligibility period. If needed, provide an explanation of the frequency in section G.
- At **E.3.**, indicate if the state requires an applicable individual to demonstrate or be deemed to demonstrate community engagement for 1 month or more than 1 month during a more frequent verification of community engagement. To do this, select **E.3.a.** for 1 month, or **E.3.b.** for more than 1 month.
 - If **E.3.b.** is selected, indicate the number of months required in the text box at **E.3.b.i.** To do this, enter a numeric value between 1 and 12.

NOTE: The number of months indicated here must be the same as those entered at **D.4.b.**

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

- At **F.1.**, there is a statement that describes the requirement for a state to send a notice of noncompliance when unable to verify an applicable individual demonstrates or is deemed to demonstrate community engagement at application, renewal, and if elected by the state, during a more frequent verification of community engagement
- At **F.2.**, there is a statement that describes the requirement for the length of time an applicable individual has to make a satisfactory showing of community engagement or that the requirement does not apply.
- At **F.3.**, indicate how the state will consider that it is unable to verify community engagement at renewal. To do this, select **F.3.a.** or **F.3.b.**

G. Additional Information (optional)

Except in limited circumstances, this field remains blank. Please consult with CMS before adding any additional information concerning this RU.

REVIEW CRITERIA

No specific review criteria are needed.