

Medicaid Work Requirements HCBS Providers Update

Note: The information contained in this document is based on guidance from the Centers for Medicare and Medicaid Services (CMS) and other federal entities. The information in this document is subject to change based on updated guidance from CMS, changes to law or regulation, or other circumstances.

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Medicaid Work Requirements Update

- ▶ H.R. 1 (the “One Big Beautiful Bill Act”) was passed into federal law on July 4, 2025, and made many changes to the Medicaid program, including Work Requirements.
- ▶ Starting May 1, 2026, Nebraska Medicaid will begin enforcing work requirements for Medicaid members under Medicaid expansion.
 - Individuals applying on/after May 1 that are determined eligible in the Medicaid expansion group will be subject to work requirements.
 - Existing Medicaid expansion members that have renewals initiated on/after May 1 will be subject to work requirements.
 - Members whose eligibility period ends July 31, 2026 will be the first group of Medicaid expansion members subject to work requirements.

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What is Medicaid Expansion?

- ▶ Medicaid expansion members are sometimes referred to as Heritage Health adults.
 - Nebraska expanded Medicaid in 2020 and there are currently ~70K expansion members. Total Medicaid enrollment is currently ~336K.
- ▶ Medicaid expansion members include people who:
 - Are aged 19-64;
 - Have a low income; defined as up to 138% of the federal poverty level or about \$22,025 per year for one person or \$45,540 for a family of four.
 - Are U.S. citizens or meet Medicaid immigration rules; and
 - Get their health insurance through Nebraska Medicaid.
- ▶ Medicaid expansion members cannot be:
 - On Medicare
 - Pregnant
 - Eligible for Medicaid based on a disability

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HCBS Waiver and Medicaid Expansion

- ▶ Most individuals eligible for the Medicaid Home and Community-Based Services (HCBS) Waiver would not be in the Medicaid expansion group.
- ▶ In situations where an individual is eligible for Medicaid under the expansion group and may be in the process of enrolling in HCBS (including an SSI or SRT determination), the individual can likely qualify for an exemption to work requirements due to being medically frail.

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What are Work Requirements?

- ▶ Activities members and applicants under Medicaid expansion must complete to receive health insurance through Nebraska Medicaid include:
 - Working
 - Attending school or an apprenticeship
 - Participating in a work program
 - Community service / volunteering

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Work Requirements Hours

- ▶ Expansion members must spend at least 80 hours* in at least one qualifying month doing one of these activities.
 - *or attending school or an apprenticeship at least half time
- ▶ Members and applicants can combine any of these activities to get to 80 hours during a qualifying month.
 - Example: 40 hours volunteering and 40 hours participating in an approved work program
- ▶ Individuals can also meet work requirements if they are working and earn the federal minimum threshold in a qualifying month.
 - Equivalent of 80 hours worked at the current federal minimum wage
 - As of December 2025, about \$580/month

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Exemptions

- Some Nebraska Medicaid expansion members may not need to complete work requirements if they meet one of the following exemptions:
 - People under age 26 who aged out of foster care
 - People who are members of recognized Native American tribes
 - Parents, caretakers, or guardians of children up to age 13 or of an individual with disabilities
 - Veterans with a total disability rating
 - **People who are medically frail or have special medical needs, including:**
 - **Blindness or disability**
 - **Substance use disorder**
 - **Disabling mental disorder**
 - **Or other significant physical, intellectual, or developmental disabilities**
 - People compliant with work requirements under TANF
 - Members of households that receive supplemental nutrition assistance program (SNAP) benefits and are not exempt from a work requirement
 - People who are participating in a drug addiction or alcohol treatment program
 - People who are incarcerated or have been incarcerated within the last 90 days
 - Women who are pregnant or up to 12 months after the end of pregnancy
- Other mandatory exceptions may apply.

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Temporary Hardships

- Some people enrolled in Nebraska Medicaid through Medicaid expansion also may not need to complete work requirements if they have one of the following temporary hardship reasons:
 - People who were hospitalized or lived in a nursing home.
 - People or a dependent who had to travel outside their community to receive care to treat a serious health condition.
 - People who lived in a county that was under an emergency declaration or in a county with a high unemployment rate.

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Qualifying Month & Lookback Period – New Applicants

- ▶ For people newly applying for Nebraska Medicaid, the qualifying month is:
 - the month before the month they apply for qualifying activities and temporary hardships (e.g. an individual applying on May 1, 2026 would need to have a qualifying activity or hardship in April 2026); OR
 - either the month before the month they apply or the application month for exemptions (e.g. an individual applying on May 1, 2026 would need to have an exemption in May or April 2026)
- ▶ One month lookback for qualifying activities and temporary hardships and either one month lookback or application month for exemptions

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Qualifying Month & Lookback Period - Renewals

- ▶ For **people already enrolled** in Nebraska Medicaid through Medicaid expansion, a qualifying month is any month between their most recent Medicaid determination or renewal and their next regularly scheduled Medicaid renewal (e.g. a member whose annual eligibility period ends July 31, 2026 would need to have a qualifying activity, exemption, or temporary hardship between August 1, 2025 and July 31, 2026).
 - 12-month lookback from end of eligibility period
 - Starting in 2027 Medicaid expansion members will be required to complete semi-annual renewals and the lookback will change to 6 months

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Reporting Work Requirement Information

- ▶ Nebraska Medicaid will examine Medicaid members' case information to determine if they have a qualifying activity or if they qualify for an exemption or temporary hardship in a qualifying month – this process is known as ex parte review.
- ▶ If we do not have enough information to verify work requirements or an exemption, we will contact the individual and ask for more information.
- ▶ If we request additional information, individuals must submit the requested information within **30 days** of receipt, or they may be denied or lose their Medicaid coverage.

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Documentation (Reporting) Requirements

- ▶ If Medicaid cannot verify work requirement compliance using available information, individuals are required to provide information.
 - Information can be provided online (iServe), mail, and phone.
 - **Reporting requirements will change in future years based on federal law, regulations, or CMS guidance.**
- ▶ Medicaid agencies are required to **verify** information for the Work qualifying activity.
 - Individuals must provide **primary source documents** that contain required information (e.g. number of hours worked, self-employment information)

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Documentation (Reporting) Requirements cont.

- ▶ Medicaid agencies are required to collect **individual declarations** for specific qualifying activities, exemptions, and temporary hardships.
 - Education, participating in a work program and volunteering
 - Some exemptions
 - Temporary Hardships; hospitalized or lived in a nursing home, travel outside their community to receive care to treat a serious health condition
- ▶ Individuals will need to complete an individual declaration form with identifying information (e.g. organization name, address, contact information, relationship information, medical provider information).
- ▶ For most declarations, individuals are not required to provide supporting documentation (e.g. health records)
- ▶ As with a Medicaid application or renewal, members and applicants are providing information under penalty of perjury.

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Medically Frail Exemption for Members and Applicants

- ▶ For existing enrollees in Medicaid expansion
 - 90 days ahead of the member's renewal date (eligibility period end date) Medicaid will review medical claims to confirm if the individual has a claim with a condition (based on diagnosis and procedure codes and claims criteria) that meets the medically frail condition in the 12-month period prior to the of their eligibility period.
 - For all members meeting the criteria we are generating a simple report that will be used by eligibility workers during the annual review to exempt the member from work requirements.

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Medically Frail Exemption for Members and Applicants

- ▶ For new applicants and members who we do not have a medical claim that includes a condition identified as medically frail, we will accept an auditable individual declaration that allows an individual to declare they are medically frail and exempt from work requirements.
 - Individuals are required to describe their medical condition and identify their medical provider and phone number. Individuals can identify more than one medical condition. We will not try to verify that they are medically frail by contacting their medical provider or collecting additional medical documentation.
 - The individual declaration is an interim flexibility provided by the Center for Medicaid and Medicaid Services (CMS). We will need to move from declarations to verifications over the next year or so, and this is when we would request supporting medical documentation from their provider.

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Member Outreach & Additional Resources

- ▶ In December 2025 Nebraska Medicaid sent a notice by mail to everyone enrolled in Nebraska Medicaid through Medicaid expansion. Nebraska Medicaid also sent follow up texts and emails to individuals that identified an electronic notice preference. Nebraska Medicaid will continue to send notices to anyone that becomes newly eligible in the Medicaid expansion group through April 2026.
- ▶ FAQs and Website were published in December 2025 are being updated with additional information and resources.
- ▶ DHHS and Nebraska Medicaid will be incorporating referrals to job assistance and training, education, and community service resources for Medicaid expansion members.
- ▶ Nebraska Medicaid will be publishing educational & “How To” videos.
- ▶ In April DHHS will begin running public service announcements (PSAs), and in May will begin a Social Media campaign.



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Work Requirements Resources

- ▶ For more information:
 - Medicaid Work Requirements webpage: <https://dhhs.ne.gov/Pages/WorkRequirements.aspx>
 - Medicaid Work Requirements FAQ:
 - English: <https://dhhs.ne.gov/Documents/MLTC-WR-Requirements-FAQ.pdf>
 - Spanish: <https://dhhs.ne.gov/Documents/MLTC-WR-Requirements-FAQ-Spanish.pdf>
 - Medicaid Work Requirements Outreach Notice:
 - English: <https://dhhs.ne.gov/Documents/MLTC-WR-Outreach-Notice.pdf>
 - Spanish: <https://dhhs.ne.gov/Documents/MLTC-WR-Requirements-FAQ-Spanish.pdf>
- ▶ For job-seeking assistance:
 - Visit the Nebraska Department of Labor's online resources: <https://networks.nebraska.gov/vosnet/Default.aspx>

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Thank You!

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