



Public Notice of Nebraska Medicaid

Section 1115 Sustainable Coverage Demonstration

February 23, 2026

In accordance with 42 CFR 431.408, the Nebraska Department of Health and Human Services (DHHS) is providing public notice of its intent to submit an application to the Centers for Medicare & Medicaid Services (CMS) under Section 1115 of the Social Security Act.

DHHS is seeking approval of a five-year waiver to limit retroactive Medicaid eligibility for the full Medicaid population. This initiative, the Sustainable Coverage Demonstration, seeks to align coverage more closely with the time of application to support timely enrollment, promote continuity of coverage, and strengthen the state's ability to focus resources on the most vulnerable Nebraskans who rely on Medicaid for essential care. DHHS and the Nebraska Division of Medicaid and Long-Term Care (MLTC) administer the Nebraska Medicaid program and are responsible for the implementation of this Medicaid Demonstration project.

Other than the program changes outlined below and in the Demonstration waiver application, no other changes are expected to the Medicaid program as a result of the proposed Demonstration.

DHHS will hold public hearings to receive comments on the Section 1115 Demonstration application.

The anticipated effective date for the Section 1115 Sustainable Coverage Demonstration is October 1, 2026.

DHHS seeks public comment and input on its proposed Demonstration application.

1. PROGRAM DESCRIPTION

The proposed waiver seeks to limit retroactive eligibility to the beginning of the month in which the individual applies for Medicaid.

Via this waiver, Nebraska DHHS seeks to promote timely Medicaid enrollment and program sustainability. In particular, individuals will be encouraged to apply for Medicaid immediately, whether or not they have an immediate need for care, which will promote continuity of coverage. Medicaid will align better with the commercial market, which does not have retroactive eligibility, making individuals more prepared should they transition to commercial coverage in the future. The change to retroactive eligibility will also encourage providers to work with individuals to complete Medicaid applications in a timely manner.

The Demonstration also seeks to promote program sustainability not only by limiting the start of coverage but also by promoting proactive healthcare management and efficient use of healthcare resources. Individuals with ongoing coverage are more able to maintain primary care and receive care in the most appropriate and efficient settings.

Importantly, the waiver does not seek to eliminate retroactive eligibility in its entirety. Individuals will remain eligible for coverage effective with the first day of the month of application. This will ensure that individuals do not face gaps in coverage due to potential delays in application processing.

This Demonstration will apply to all Medicaid beneficiaries in Nebraska.

2. GOALS AND OBJECTIVES

The Demonstration’s goals and objectives are to evaluate how limiting retroactive eligibility to the month of application supports a more timely and continuous connection to Medicaid coverage while encouraging beneficiaries to engage with the program as soon as they become eligible. By aligning enrollment more closely with current health needs, the Demonstration aims to reduce avoidable program costs through proactive healthcare management and earlier access to appropriate services. Nebraska will assess whether this approach promotes more efficient use of healthcare resources and contributes to long-term program sustainability by strengthening predictable eligibility pathways and supporting stable coverage for individuals who rely on Medicaid. Through these objectives, the Demonstration seeks to generate evidence on how a shorter retroactive period may improve program performance and member outcomes.

3. HYPOTHESIS AND EVALUATION

Nebraska’s 1115 Demonstration waiver evaluation design will include an assessment of the impact of limiting retroactive Medicaid eligibility on continuity of care, continuity of coverage, cost of potentially preventable acute care, and member satisfaction. The State proposes the hypotheses and measures listed in the table below.

Hypothesis	Measures
The policy to limit retroactive Medicaid eligibility will not adversely affect continuity of care.	<ul style="list-style-type: none"> Continuity of Care (COC) Index¹, a measure of continuity calculated at the individual level that considers both the number of providers and number of visits to each within the measurement year
The policy to limit retroactive Medicaid eligibility will not adversely affect continuity of coverage.	<ul style="list-style-type: none"> Percent of members with at least a single gap in coverage of one month during the measurement year Percent of members with 2 or more gaps in coverage of one month each during the measurement year Average length of coverage

¹ Bice, T. W., & Boxerman, S. B. (1977). *A Quantitative Measure of Continuity of Care*. *Medical Care*, 15(4), 347–349. Accessed November 20, 2025, at: <https://www.jstor.org/stable/3763789>

The policy to limit retroactive Medicaid eligibility will lead to decreases in costs driven by potentially preventable acute care utilization.	<ul style="list-style-type: none"> • Potentially preventable hospitalization rates and costs • Potentially preventable ED visit rates and costs • Reduction in services covered under Medicaid, that occur prior to Medicaid application month
The policy to limit retroactive Medicaid eligibility will not lead to reduced member satisfaction.	<ul style="list-style-type: none"> • Members' satisfaction with overall health care experience, getting needed care, and getting care quickly, from the Consumer Assessment of Healthcare Providers and Systems (CAHPS®) health plan survey

4. ELIGIBILITY

The Demonstration applies to all Medicaid eligibility groups.

5. DEMONSTRATION ENROLLMENT IMPACT

The Demonstration will result in a reduction in overall enrollment. The total estimated impact (member months) of the Demonstration is outlined in the table below, showing the estimated reduction for each year:

	Impact of Retroactive Coverage Limitation - Enrollment				
	DY1	DY2	DY3	DY4	DY5
Annual Member Months	23,885	21,169	21,381	21,595	21,811
Average Monthly Members	1,990	1,764	1,782	1,800	1,818

6. DEMONSTRATION BENEFITS AND COST SHARING-REQUIREMENTS

6.1 Benefits

This Demonstration does not propose changes to benefits. All beneficiaries will continue to receive the same benefit package as currently provided under the Nebraska Medicaid State Plan.

6.2 Cost-Sharing

This Demonstration does not propose changes to cost sharing. Cost-sharing requirements under the Demonstration will not differ from the approved Nebraska Medicaid State Plan.

7. DELIVERY SYSTEM AND PAYMENT RATE FOR SERVICES

This Demonstration will utilize Nebraska's existing managed care delivery system. No changes to payment methodologies are proposed as part of this Demonstration.

8. PROPOSED WAIVERS AND EXPENDITURE AUTHORITY

Nebraska requests a waiver of Section 1902(a)(34) of the Social Security Act to the extent necessary to enable the State to limit retroactive eligibility to the first day of the month in which an application is filed

9. BASELINE EXPERIENCE AND SAVINGS PROJECTION

Federal policy requires that section 1115 demonstration applications be budget neutral to the federal government. This means that an 1115 demonstration cannot cost the federal government more than what would have otherwise been spent absent the 1115 demonstration. The particulars of budget neutrality, including methodologies, are subject to negotiation between DHHS and CMS.

This section presents DHHS’s approach for demonstrating expected savings resulting from the Demonstration. CBIZ Optumas (Optumas) worked in conjunction with DHHS to model these savings for the demonstration period. The table below illustrates the estimated impact of the limitation of retroactive coverage periods for each demonstration year, to total funds (state plus federal):

MEG	Impact of Retroactive Coverage Limitation - Estimated Savings				
	DY1	DY2	DY3	DY4	DY5
ABD	\$ 1,230,314	\$ 1,283,878	\$ 1,361,552	\$ 1,443,926	\$ 1,531,284
CHIP	\$ 582,116	\$ 600,951	\$ 636,095	\$ 673,294	\$ 712,668
DUAL	\$ 4,179,889	\$ 4,131,838	\$ 4,381,814	\$ 4,646,913	\$ 4,928,052
EXP	\$ 7,888,025	\$ 7,737,634	\$ 8,221,391	\$ 8,735,392	\$ 9,281,529
FAM	\$ 3,878,467	\$ 3,911,382	\$ 4,140,120	\$ 4,382,234	\$ 4,638,507
WARD	\$ 617,590	\$ 632,261	\$ 669,236	\$ 708,373	\$ 749,799
Total	\$ 18,376,400	\$ 18,297,944	\$ 19,410,207	\$ 20,590,132	\$ 21,841,838

10. PUBLIC HEARINGS AND COMMENTS

The public is invited to review and comment on the State’s Demonstration waiver request.

The full draft can be found at <https://dhhs.ne.gov/Pages/Nebraska-Sustainable-Coverage-Demonstration-Waiver.aspx> . Paper copies of the full public notice document, and a draft of the application, can be picked up during regular business hours at the Department of Health and Human Services, 301 Centennial Mall South, Lincoln, Nebraska 68509.

Comments will be accepted 30 days from the publication of this notice. The comment period begins February 23, 2026 and ends March 26, 2026. Comments may be sent to:

Department of Health and Human Services
Nebraska Medicaid
ATTN: Ashiye Aator
301 Centennial Mall South
P.O. Box 95026
Lincoln, Nebraska 68509-5026

Comments may also be sent by email to DHHS.Demonstrationwaivers@nebraska.gov.

Public hearings are scheduled at the following times/locations:

Hearing/Meeting Date	Time	Location	Teleconference #
Legislative Hearing Friday, February 27, 2026	1:30pm Central Standard Time	Nebraska State Capitol - Room 1510 1445 K St. Lincoln, NE 68508	Watch live: https://nebraskapublicmedia.org/en/watch/live/
Wednesday, March 11, 2026	3:00-4:30pm Central Standard Time	Charles H. Gere Branch Library - 2400 S 56 th Street Lincoln, NE 68506	Webex Link: https://sonvideo.webex.com/sonvideo/j.php?MTID=m2f01f43d3ebb99a68c660d4c066da659 Webinar number: 2483 635 0280 Webinar password: Px3uFT9tpa8 (79383898 when dialing from a phone or video system) Join by phone: +1-408-418-9388
Tuesday, March 17, 2026	11:00am- 12:30pm Central Standard Time	Kearney Public Library – 2020 1 st Ave Kearney, NE, 68847	Webex Link: https://sonvideo.webex.com/sonvideo/j.php?MTID=mf484d4cdb7adae0baf2d7c7db5479477 Webinar number: 2483 635 6006 Webinar password: fZ638wY6UMj (39638996 when dialing from a phone or video system) Join by phone: +1-408-418-9388

After the State reviews comments submitted during this state public comment period, it will submit a revised application to CMS. Interested parties will also have an opportunity to officially comment during the federal public comment period after CMS finds the application and public notice requirements met.