Coalition Statement Regarding Community Engagement Requirements Regulation

Washington, DC

July 30, 2026

Today, a group of five organizations issued the following statement regarding the *Medicaid Community Engagement Requirement for Certain Individuals Interim Final Rule with Comment Period (CMS-2454-IFC)*, which goes into effect today, July 31, implementing the Medicaid work requirements passed by Congress as part of H.R. 1.

"For decades, our organizations have worked to protect and strengthen Medicaid because it is a lifeline that connects millions of people to comprehensive, high-quality, affordable health care. As we mark the 61st anniversary of the Medicaid program, we should be celebrating the program's extraordinary progress in improving the health of people across the nation, strengthening communities, and expanding access to care. Instead, the implementation of Medicaid work requirements marks a significant step backward, creating unnecessary and harmful barriers that put access to coverage at risk.

We are deeply concerned that these requirements will put millions of eligible people at risk of losing the health care they need—often not because they no longer qualify for Medicaid, but because they are unable to navigate new reporting and documentation requirements. According to the Congressional Budget Office, 5.3 million people are projected to lose Medicaid coverage as a result of these requirements. Other independent research estimates that as many as 10.1 million people will lose coverage.

The overwhelming majority of adults who receive Medicaid already work, are looking for work, are attending school, are providing unpaid caregiving, or qualify for an exemption. These new requirements do not address a lack of willingness to work. Instead, they create new paperwork and reporting obligations that will cause many eligible people to lose the health coverage they rely on.

These work requirements are not being implemented in isolation. They are one of many significant changes to Medicaid enacted through H.R. 1. States, counties, health care providers, and managed care plans are all working to implement numerous complex Medicaid policy changes on an extraordinarily compressed timeline. The cumulative effect will increase confusion, strain already stretched eligibility systems, and make it far more likely that eligible people lose coverage because of administrative barriers rather than changes in their eligibility.

We are particularly concerned about the communities that will bear the greatest burden. Adults living with serious mental illness or substance use disorders, family caregivers, people working in seasonal or unstable jobs, individuals with disabilities, eligible immigrants, people with limited English proficiency, and individuals with limited access to transportation or reliable internet are all more likely to face barriers to successfully meeting these new reporting requirements. These communities already experience significant barriers to health care and disproportionately poor health outcomes. Rather than improving health or employment, these requirements risk widening existing disparities and making it harder for people to access the care they need.

The implementation challenges are significant. State Medicaid agencies and county eligibility offices must quickly establish entirely new systems to verify compliance, yet many of the systems needed to document qualifying activities—such as caregiving, volunteering, education, or workforce training—either do not exist or cannot reliably share information. Even employment verification systems are not infallible. As a result, eligible individuals are at substantial risk of losing coverage because of paperwork, technology failures, or administrative errors, not because they are ineligible for Medicaid.

Although these requirements directly apply only to certain adults enrolled through the Medicaid expansion, their effects are unlikely to stop there. Children may lose coverage when parents become entangled in new reporting requirements. Individuals eligible through other Medicaid pathways, including people with disabilities or serious chronic health conditions, may mistakenly believe the requirements apply to them or may be improperly disenrolled. Pregnant and postpartum women, parents of young children, and others who should remain eligible may also lose coverage because of confusion about eligibility categories or procedural errors.

The consequences of these coverage losses extend far beyond insurance status. Losing Medicaid means delayed care, interrupted treatment, greater financial hardship for families, and worse health outcomes. It also places additional strain on hospitals, community health centers, behavioral health providers, and other safety-net providers that already serve communities facing significant health disparities.

Despite these substantial challenges, our organizations remain committed to working with Congress, the Administration, Medicaid agencies, providers, and community partners to reduce harm by minimizing coverage losses among eligible individuals and helping them maintain access to care. No one should lose health coverage because of paperwork or administrative hurdles. Medicaid's promise is meaningful access to health care for the people and communities who depend on it most."

This statement is issued by (in alphabetical order) **Association for Community Affiliated Plans (ACAP), Community Catalyst, Families USA, First Focus on Children, and the National Alliance on Mental Illness (NAMI).**