

MAY 8, 2026

H.R. 1 Stakeholder Meeting

Medicaid Community Engagement Requirements (CER)

What We Hope to Accomplish Together



Build a shared understanding of **Medicaid CER and CMS expectations** to align on policy and compliance



Review **confirmed policy decisions** and clarify what has been finalized to support implementation planning



Align on the **CER timeline**, including key milestones and deadlines



Demo the future-state **client experience** and outline the **caseworker process**



Share **outreach and notices** to support clear communication, engagement, and action



Discuss and align on **next steps**

H.R. 1: Medicaid Community Engagement Requirements

Due to H.R. 1 Act ("One Big Beautiful Bill Act"), Pennsylvania's Department of Human Services (DHS) is introducing a Community Engagement Requirements (CER) initiative to be compliant with the law and meet CMS standards. This initiative takes effect on January 1, 2027.

1

Our Commitment to Pennsylvanians

PA's Medicaid Expansion Population is comprised of approximately 750,000 Pennsylvanians. The Commonwealth is committed to **meeting federal requirements** while prioritizing **continuity of coverage for eligible individuals** and **reducing administrative burden for beneficiaries and caseworkers.**

2

Populations Exempt from CER

A comprehensive set of exemptions will protect **vulnerable populations**, such as caregivers, those with medical or situational hardships, individuals not exempt from a SNAP work requirement, or individuals already meeting TANF work requirements.

3

Compliance with CER

If not exempt, applicants and beneficiaries must demonstrate **80 hours per month** of paid employment, community service, participation in an approved work program, or at least half-time enrollment in educational programs.

Alternatively, individuals can demonstrate compliance if they have a **monthly income \geq \$580***, or be a **seasonal worker with an average monthly income over the past 6 months \geq \$580***.

*Note: The \$580 monthly income value represents the current federal minimum wage (\$7.25) multiplied by 80 hours.

OVERVIEW OF CER & CMS EXPECTATIONS

Meeting the CMS Minimum Viable Product (MVP)

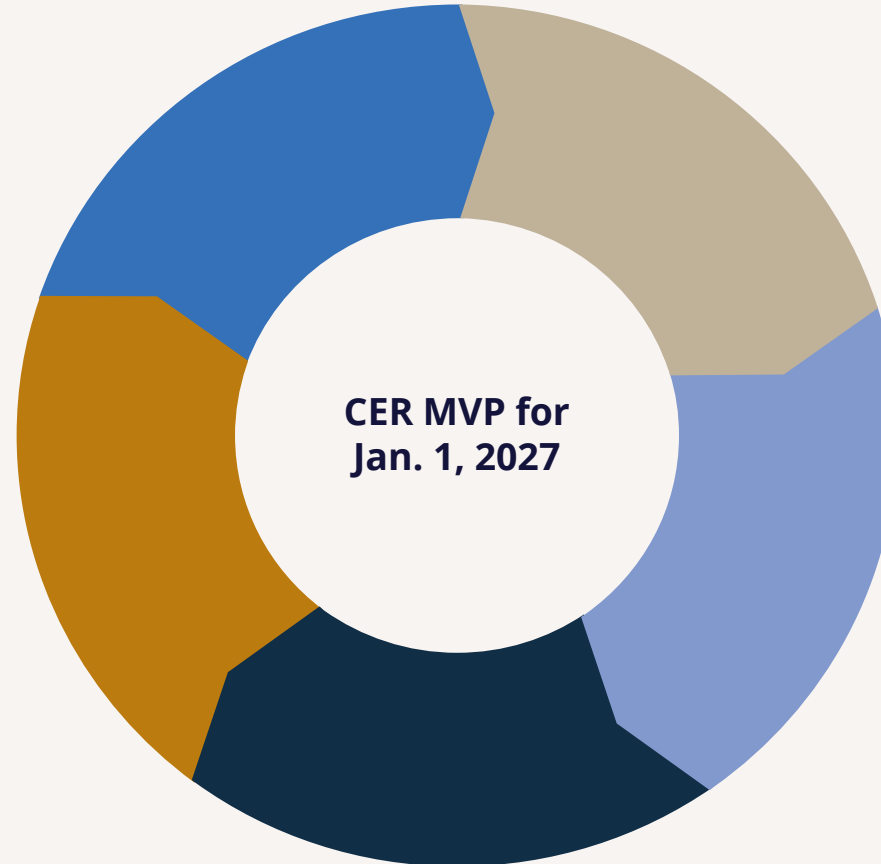
Pennsylvania's priority is to stand up a CER MVP by January 1, 2027, that meets federal requirements while minimizing loss of coverage for eligible individuals as well as beneficiary/applicant and caseworker burden.

Deliver the Essentials First

Given the scale of change and the federal deadline to implement CER by January 1, 2027, DHS plans to go live on October 31, 2026. However, individuals will not be subject to CER at that time.

Build for Transparency & Due Process

The MVP will support auditable determinations, appeals, document intake, and protections for exempt or excluded groups to reduce churn..



Design Around Continuity of Coverage

PA is supporting eligible Pennsylvanians in keeping coverage through plain-language notices, simple workflows, outreach, and clear next steps.

Automate Where it Matters Most

DHS is prioritizing electronic verification, compliance checks, status tracking, and multi-channel notifications.

Your Feedback and Input

While the compressed timeline may limit what can be incorporated for initial go-live, input will help shape future enhancements. Feedback is valued and appreciated throughout this process.

Policy decisions and workflows described are a result of pre-decisional engagement with CMS and are subject to change.

Major Policy Decisions Confirmed To-Date

The following list of policy decisions reflect foundational elements that informed the design and workflow choices.



Effective Date

Changes for CER and six-month renewals will take effect on 1/1/27.

Renewals due in February 2027, will be the first renewals affected by these changes.



Look-Back Period

The look-back period for applications will be one calendar month prior to the month of application.

A look-back period for renewals will be one calendar month since last application or renewal.



Change in Circumstance

PA plans to review compliance with CER only at the time of application and during renewal determinations. PA will not review CER compliance more frequently than every six months.



Income Threshold

CMS confirmed that when determining compliance based on income threshold of \$580* per month, states will use total MAGI household income.



Outreach

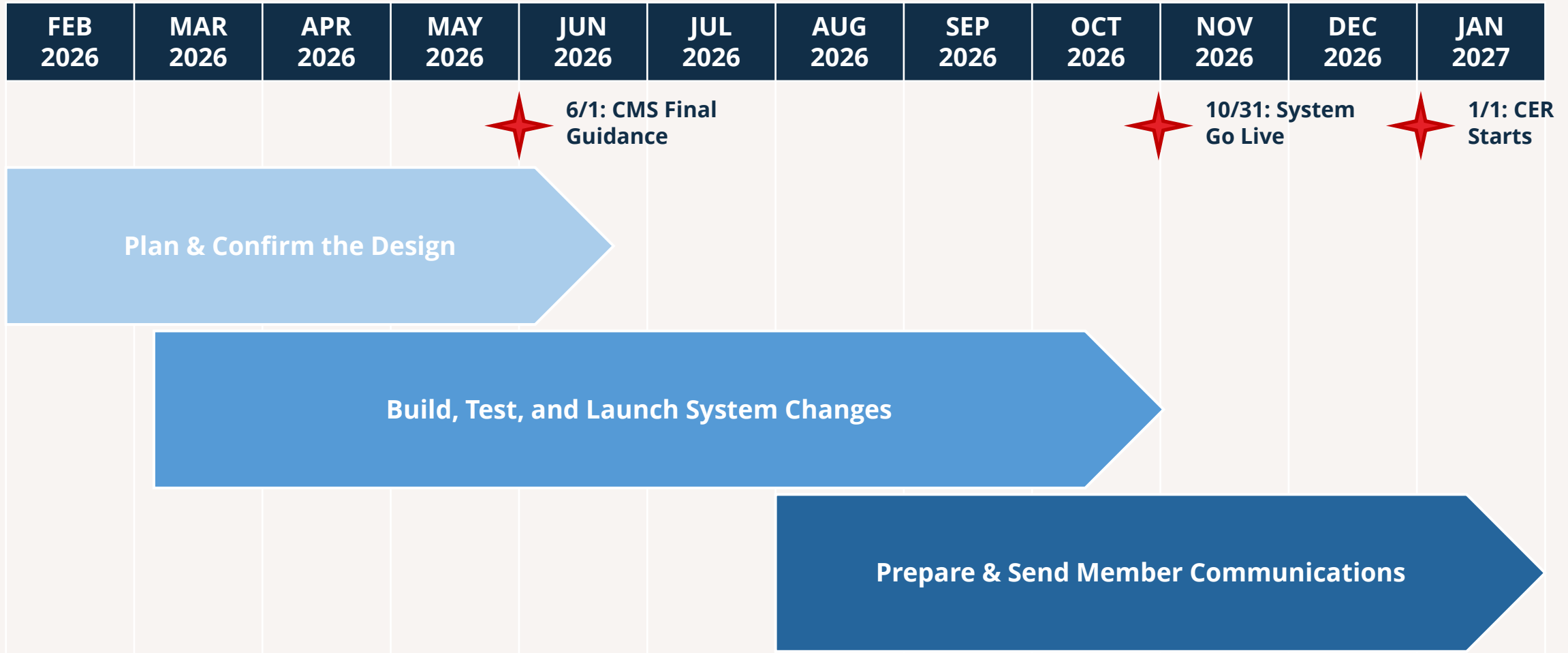
Initial outreach will be completed by the end of September 2026.

**Note: The \$580 monthly income value represents the current federal minimum wage (\$7.25) multiplied by 80 hours.*

PA'S CER TIMELINE

CER Readiness and Implementation Timeline

PA began CER planning in February 2026 to meet the January 1, 2027 implementation date. Because the timeline requires action now, system changes are moving forward ahead of full CMS guidance and will continue to be refined as guidance becomes clearer. PA is targeting a 10/31/26 go-live.



The Client Journey in COMPASS

The prototype demonstrates how CER may be introduced within COMPASS so clients (applicant/existing MA recipient) can understand requirements, identify exclusions or exceptions, provide compliance information, and know what must be completed before submission.

1. The Client Experience

The prototype demonstrates how an applicant encounters CER in COMPASS during the application flow and how an existing MA recipient encounters CER during the renewal flow.

2. Focus on Clarity & Usability

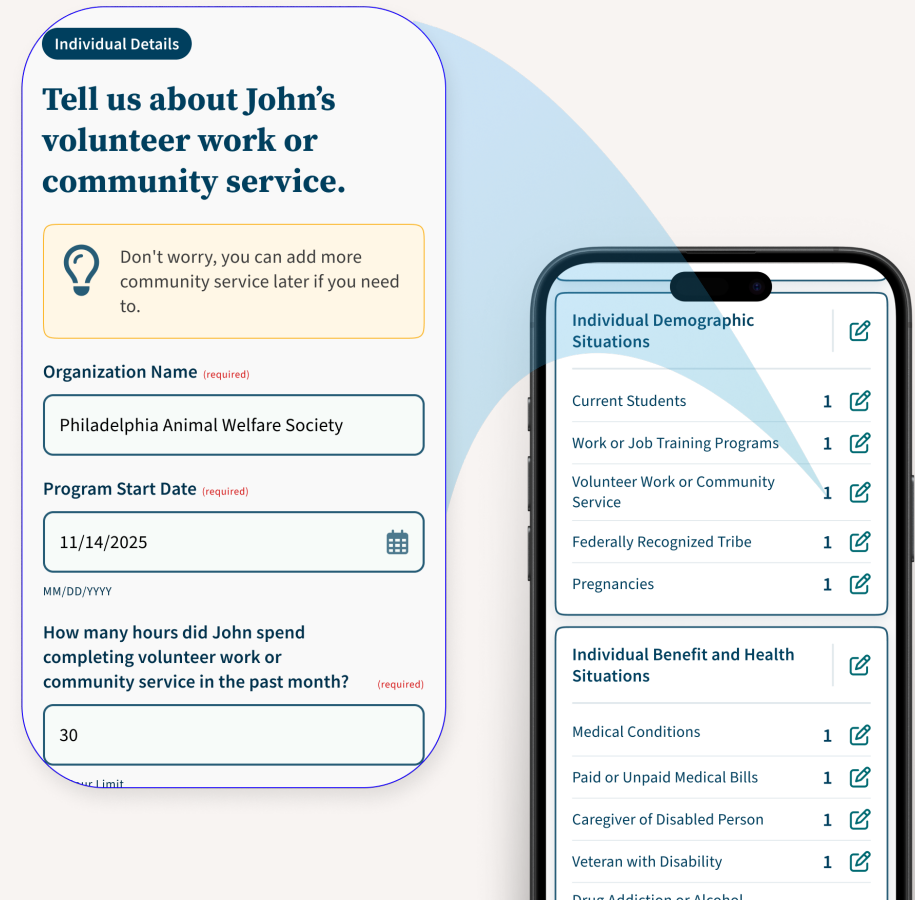
It illustrates where CER is introduced, how prompts appear, and how the experience guides users through next steps.

3. Highlight Key Decisions

The walkthrough shows how an individual may indicate an exclusion or exception, how compliance reporting is captured, and what information is requested before submission.

4. Directional, Not Final

The prototype is intended to showcase flow, content placement, and user experience. Details may continue to evolve as policy and operational guidance are refined.



The Caseworker Experience

The Commonwealth remains committed to reducing caseworker burden throughout CER implementation. The content below summarizes key impacts and activities for caseworkers who will be processing applications and renewals from individuals subject to MA CER.



Caseworker Actions

Caseworkers will only be prompted to complete new CER-related steps for individuals in the MA Expansion group. This includes reviewing and entering information on exclusions and exceptions, and/or CER participation activities.



1. CER Exclusions & Exceptions

Once an individual is identified as falling into the Expansion group, caseworkers will be prompted to evaluate for CER Exclusions & Exceptions. Documented CER Exclusions & Exceptions will be:

1. **Pre-populated** based on CASH & SNAP Exclusions and Exceptions and verification information already captured in the case (e.g., Age, Cash ETP, SNAP Qual Codes).
2. **Editable** for MA-specific Exclusions and Exceptions relevant to CER. It also includes a non-exempt indicator and verification of document status for the selected Exclusions & Exceptions.



2. CER Compliance

If there are no exclusions or exceptions, caseworkers will be prompted to assess CER compliance. Documented CER Compliance pathways will be:

1. **Pre-populated** based on case and verification information already captured in the case (e.g., MAGI household income of \$580 or more; employment hours).
2. **Editable** for additional CER-related information, including activity responses, monthly hours, and verification status (e.g., education; job training; community service; seasonal worker status).
3. **Provide a calculated summary** of total CER participation hours and CER status.

Outreach Approach & Campaign

PA DHS will notify impacted members of upcoming CER changes, required actions, and available support resources.



PA.gov Website

- Centralized resources for impacted members to learn about upcoming CER changes and available supports. *Coming soon!*



Mail Notices

- **Initial Outreach Letter:** Provide high-level information on CER (mail, e-notice) by the end of September 2026 and continuing for new expansion enrollments thereafter.
- **Recurring Notice:** Will be periodic as determined by CMS.



Additional Modalities (TBD)

- Additional outreach channels (e.g., email, text messages, phone calls, MCO communications) are being evaluated and may be incorporated in future phases of the campaign.

OUTREACH & NOTICES

Planned Notices & Correspondence

PA DHS will use outreach and compliance notices to communicate CER requirements, reinforce required actions and deadlines, and connect impacted members to support resources. Drafts of correspondence will be shared as PDF files following today's conversation.

Initial Outreach Letter

Initial outreach letter informing individuals currently in the Medicaid Expansion Population, and those joining the Expansion Population prior to 1/1/27, of upcoming CER requirements and key information.

Recurring Outreach

Recurring outreach will be periodic as determined by CMS.

CER Self Assessment Form

CER self-assessment form allowing individuals to self-attest to CER activities and exemptions when that information is not provided on the application; mailed with the CER Non-Compliance Notice.

CER Non-Compliance Notice (New Application)

CER non-compliance notice informing new applicants of the specific due date (35 days from the mail date) by which they must demonstrate CER compliance or exclusion.

CER Non-Compliance Notice (Renewal)

If CER exemption/compliance cannot be determined ex parte, notice informing individuals of the specific due date (35 days from the mail date) by which they must demonstrate CER compliance or exclusion.

We want to hear from you!

Please submit feedback to

RA-HSPADHS-HR1@pa.gov

by Friday, May 29, 2026.

Thank you.

**We look forward to your questions
and discussion.**