

EXHIBIT B

Medicaid Community Engagement and Work Requirement and Citizenship Changes

Division of County Operations – Medicaid Policy Unit



humanservices.arkansas.gov

Community Engagement and Work Requirement

- Certain Medicaid recipients within ARHOME will be required to meet **defined community engagement and work requirement rules** or be found to have an exemption from compliance. This is part of changes created by the 2025 federal budget bill.
- The State of Arkansas enacted a soft launch of the program starting **July 1, 2026**. Affected individuals are receiving notices explaining the upcoming requirements.
- Full Community Engagement and Work Requirement rules will be implemented as of **January 1, 2027**.



**CHANGES
ARE COMING TO
ARHOME**

TO LEARN MORE, VISIT ar.gov/engage

**COMMUNITY ENGAGEMENT
AND WORK REQUIREMENT**

WHAT YOU NEED TO KNOW:

The soft launch of this program is happening now. This is a chance to learn about the requirement, but no penalties are in place at this time.

You still must meet normal Medicaid eligibility rules. But you won't lose coverage if you don't meet the new community engagement and work requirement through the end of 2026.

Starting Jan. 1, healthy adults ages 19-64 who do not work, volunteer, go to school, or combine these activities for a total of 80 hours per month could lose their benefits unless they are exempt.

**DON'T RISK
LOSING
YOUR BENEFITS!**

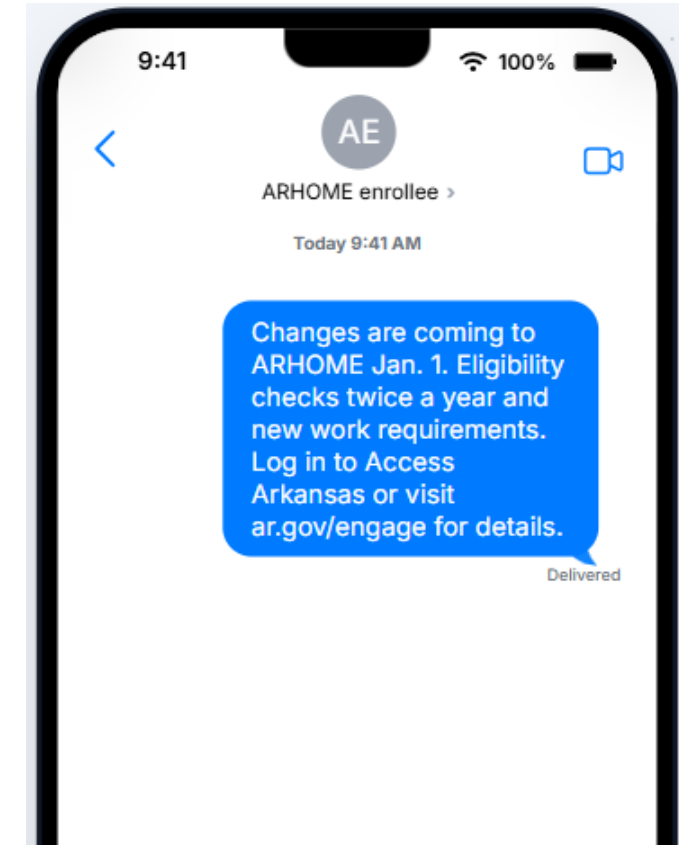
Make sure your contact information is up-to-date so you can receive important program information by mail, email, or text.

ARHOME
health & opportunity for me



Community Engagement and Work Requirement

- ARHOME cases are currently certified for 12 months. Starting January 1, 2027, this will change to a **six-month cycle**.
- American Indian or Alaskan Native clients will be exempt from this rule and will remain in a twelve-month certification cycle.
- If a beneficiary does not meet any exemption in the month of application, then a **one-month lookback period** is used. The same rule applies when retroactive coverage is requested.
- Compliance and Exemptions (also called Exclusions / Exceptions by CMS) will be verified at **both application and renewals**.



Specified Excluded Individuals

Some individuals in ARHOME will not be subject to the Community Engagement and Work requirement. CMS refers to these individuals as “**Specified Excluded Individuals**.” These individuals will not be subject to the lookback period at application / renewal. DHS must verify the individual continues to be a Specified Excluded Individual.

Specified Excluded Individuals include

- Indian, California Indian, Urban Indian and Alaska Natives
- Parents or caretakers of a child/children aged 13 or younger or an individual of any age that is disabled
- Participating and in compliance with TANF and/or SNAP
- Inmates of a public institution, or former inmates for up to 3 months after their release date
- Pregnant women or those in their postpartum coverage
- Former Foster Care youth under age 26
- Individuals with **special medical needs**, including:
 - Disabled individuals (physical, mental, intellectual or developmental disabilities that significantly impair the individual’s ability to complete community engagement activities.)
 - Participating in a drug or alcohol rehabilitation program
 - Other serious or complex medical conditions

Exceptions

ARHOME recipients who are not “**Specified Excluded Individuals**” may still meet an exception to community engagement compliance. When an individual meets an exception, they do not have to demonstrate compliance in the lookback period.

Exceptions include

- Under age 19
- Entitled to or enrolled in Medicare Part A or enrolled in Medicare Part B
- Are a **Specified Excluded Individual**
- Qualify for a **Short-term hardship**. Short-term hardship includes:
 - Receiving inpatient or institutional care (and request this exception)
 - Travel outside one’s community for medical care for themselves or a dependent (and request this exception)
 - Live in a county with a federal emergency or disaster declaration (DHS establishes this)
 - Living in a county with a high local unemployment rate (if AR requests this exception and the US HHS Secretary approves this exception).

Disability and Special Medical Needs

- **An individual with Disability** established by Social Security qualifies to be a Specified Excluded Individual.
- **VA disability rating of 100%** will also qualify to be a Specified Excluded Individual.
- Medical providers will be able to complete a form regarding the individual's disability. To qualify for Specified Excluded Individual, the **client must be unable to complete community engagement activities**.
- Combinations of diagnosis and claims data from MMIS may be used to establish whether an individual will be considered to have special medical needs and qualify as a Specified Excluded Individual.



Applicable individuals

The image shows two forms from the Arkansas Department of Human Services. The top form is the 'Assistance Application' (DCO-0004, R. 06/25). It is a combined application for food, medical, and cash assistance. It includes a progress bar with three steps: 1. Provide basic information about you and your family, 2. Provide relevant program-specific details, and 3. Review and sign to apply! The bottom form is the 'Benefit Renewal Form'. It is for the annual renewal of ARHOME and ARKids A Medicaid. It includes a table for 'Program/Benefit Category' and 'Benefit Recipient(s)'. The table has two rows: ARHOME and ARKids A Medicaid. The form also includes a section for 'What do you need to do?' and 'How can you send the needed information?'. The bottom of the form has a navigation bar with links: BASICS, ABOUT YOU, HOUSEHOLD, FINANCES, PROGRAM DETAILS, REVIEW, APPENDIX, R & Rs.

- ARHOME recipients who are not **Specified Excluded Individuals** are called **Applicable Individuals** by CMS.
- This means they are subject to community engagement and work requirements.
- They will have to demonstrate compliance with or exception from community engagement during the lookback period at application and renewal.

Compliance with Requirement

An individual meets the requirement in the month if he/she:

- **Works at least 80 hours/month** or has monthly income that would calculate to at least 80 hours/month by Federal minimum wage under the Fair Labor Standards Act of 1938 (\$580)
- Completes at least **80 hours/month of community service**
- Participates in a **work program at least 80 hours/month**
- Is **enrolled in an educational program at least half-time** (less than half-time enrollment credits are converted to countable monthly community engagement activity hours)
- **Engages in any combination** of the above activities for a total of at least 80 hours/month
- Is a seasonal worker and has an average monthly income over the preceding 6 months that is not less than an applicable Federal minimum wage multiplied by 80 hours (\$580)



CHANGES ARE COMING TO ARHOME

COMMUNITY ENGAGEMENT AND WORK REQUIREMENT

The soft launch of this program is happening now. This is a chance to learn about the requirement, but no penalties are in place at this time.

You still must meet normal Medicaid eligibility rules. But you won't lose coverage if you don't meet the new community engagement and work requirement through the end of 2026.

Starting Jan. 1, healthy adults ages 19-64 who do not work, volunteer, go to school, or combine these activities for a total of 80 hours per month could lose their benefits unless they are exempt.

DON'T RISK LOSING YOUR BENEFITS!

Make sure your contact information is up-to-date so you can receive important program information by mail, email, or text.

TO LEARN MORE, VISIT ar.gov/engage

Examples

Earned and unearned income received by the MAGI household can meet the compliance requirement **if the total monthly income is \$580 or more**, even if only one adult receives the income. If there is more than one adult in the ARHOME MAGI household, and the combined earned and unearned income of the adults is \$580 or more, all adults will be considered compliant.

EXAMPLE 1	EXAMPLE 2	EXAMPLE 3
Mary and Chris are in the same household. Mary earns \$580 per month.	Mary and Chris are in the same household. Mary earns \$300 per month. Chris receives \$300 unemployment benefits per month for a total household income of \$600.	Mary and Chris are in the same household. Mary earns \$100 per month. Chris earns \$300 per month. Total earned income for the household is \$400. This is less than \$580.
Both are compliant	Both are compliant	Neither are compliant (Mary receives credit for 14 hours toward compliance. Chris receives credit for 41 hours toward compliance)

Additional information

Part-time student hours are calculated by:

- Multiplying credit hours by 3 and then multiplying the result by 4.333. The final number is rounded to a whole number. Example: 3 credit hours = 12.99 (13) hours toward compliance.
- If no credit hours, compliance hours will be based on weekly hours in class and educational activities



Exclusion for being Caretaker of a person of any age who is disabled has nuances:

- Don't have to be related if reside together.
- If the caregiver and recipient of care are related, they do not have to live together
- If they don't live together and are not related, they must provide 80 hours of care per month to be exempt. Otherwise the number of hours of care provided will count toward the 80-hour monthly compliance requirement.



Outbound call center

DHS has procured a Customer Service Center (CSC) vendor, **who will perform outbound calls** to verify Community Engagement status as either exempt, compliant, or non-compliant when the automated process cannot.

The vendor will accept information through various modes and **upload verification of compliance to the system.**

The vendor has already begun messaging individuals who could not be confirmed as compliant during the soft launch, and will begin phone calls later this year as the full launch approaches.



Find Us On...



@ArkansasDHS



@ArkansasDHS



@ArkansasDHS



@ArkansasDHS



Arkansas
Department of
Human Services

We care. We act. We change lives.

