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Public notice

Notice of intent: OHA will amend the Medicaid State Plan to comply with several provisions of the Working Families Tax Cut legislation

Date: Oct. 14, 2026

Contact: Jesse Anderson, State Plan manager

Comments due: 5 p.m. Friday, Nov. 13, 2026

Oregon Health Authority (OHA) will submit State Plan Amendments (SPAs) to comply with federal changes to Medicaid and CHIP based on the Working Families Tax Cut (WFTC) legislation effective Jan. 1, 2027:

- **Community engagement (work) requirements for certain individuals:** Section 71119 of the WFTC requires demonstration of community engagement as a condition of Medicaid eligibility for the Affordable Care Act (ACA) adult expansion population. Estimated decrease to Federal Funds for 2027 is (\$81,694,276).
- **Eligibility redeterminations for ACA adults:** Section 71107 of the WFTC requires eligibility redeterminations every 6 months for the adult ACA population. Estimated decrease to Federal Funds for 2028 is (\$71,718,275).
- **Retroactive eligibility coverage:** Section 71112 of the WFTC shortens the retroactive eligibility period in Medicaid and CHIP,

for applications made on or after Jan. 1, 2027. Estimated decrease to Federal Funds for 2027 is (\$6,144,621).

- **Reducing duplicate enrollment under the Medicaid and CHIP programs:** Section 711103 of the WFTC requires states to have a process to regularly obtain address information from a “reliable data source” (e.g., U.S. Postal Service, managed care organizations or other data sources identified by the Centers for Medicare & Medicaid Services). There is no increase or decrease in federal fiscal impact for 2027.

These SPAs will not change any coverage or benefits or how Oregon Health Plan provides Early and Periodic Screening Diagnostic and Treatment (EPSDT) services.

OHA has followed the tribal consultation process established under the American Recovery and Reinvestment Act of 2009 and as set forth in Oregon’s approved Medicaid State Plan.

Obtaining SPA language

The following pages show State Plan language in the proposed SPA for community engagement (work) requirements. You can also view the full State Plan, approved SPAs and proposed SPAs on [the OHA website](#).

The Centers for Medicare & Medicaid Services is still developing the SPA language for states to use for the other three provisions.

How to comment:

OHA welcomes public review and input. Please send written comments by 5 p.m. Nov. 13, 2026, to jesse.anderson@oha.oregon.gov.

Medicaid state plan

1.4

A. General Requirements for Community Engagement

1. The state requires as a condition of eligibility that an applicable individual demonstrates (or the state demonstrates and applicable individual to demonstrate) community engagement for the number of months specified by the state for the application review period. An applicable individual is an individual who is not a specified excluded individual under section B. below who is eligible for or enrolled in:

- ☒ a. The state plan eligibility group described in 42 CFR 435.119, or
- ☒ b. A demonstration expenditure authority under section 1115(a)(2) of the Act that provides coverage equivalent to minimum essential coverage and who attained the age of 19 and is under 65 years of age, is not pregnant, is not entitled to, or enrolled for benefits under Medicare Part A or B, and is not otherwise eligible to enroll under the state plan.

Name of the 1115 demonstration population(s):

Young Adults with Special Health Care Needs

2. The applicable individual demonstrates compliance with community engagement for a month if the individual meets one or more of the following:

- a. Works less than 80 hours
- b. Completes not less than 80 hours of community service
- c. Participates in a work program for not less than 80 hours
- d. Enrolled in an educational program at least half the time
- e. Any combination of A.2.a through A.2.d for a total of not less than 80 hours (except educational program hours may only be combined with other activities if the individual is enrolled less than half-time)
- f. Has monthly income that is not less than the federal minimum wage multiplied by 80 hours
- g. For a seasonal worker, has average monthly income over the preceding six months that is not less than the federal minimum wage multiplied by 80 hours.

3. When monthly income is considered under A.2. f or g. MAGI-based methodologies are used in calculating household income. Please refer as necessary to MAGI-based methodologies completed by the state.

4. The state verifies an applicable individual meets and exception or demonstrates community engagement or that an individual is a specified excluded individual using reliable information available in the state without requiring information from the individual when possible,

5. The state conducts initial and periodic outreach consistent with 435.561 to notify certain individuals described under 435.561(a) of the requirement to demonstrate community engagement.

1.5

B. Mandatory Exceptions and Exclusions

Exceptions

1. The state deems an applicable individual to demonstrate community engagement for a month during the review period if:

- a. For part of all of the month, the individual under age 19 entitled to or enrolled for benefits under Medicare Part A or Part B described in any mandatory eligibility group under section 1902(a)(10)(A)(i)(I) through (VII) of the Act, or a specified excluded individual described in 435.554.
- b. At any point during the 3 months period ending on the first day of that month the individual was made an inmate of a public institution.

Specified excluded individuals

2. A specified excluded individual is not an applicable individual and is not subject to the community engagement requirement.

3. The state provides that the following categories of individuals meet the definition of specified excluded individual:

- a. Former foster care child described in section 1902(a)(10)(A)(i)(IX) of the Act (as amended by Pub L. 115-271
- b. American Indian as defined at 447.51
- c. Parent, guardian, caretaker relative, or family caregiver of a dependent child age 13 or under or of a disabled individual as each of the terms defined at 435.550 and implemented at 435.554.

- i. Elections on the relationship for a caretaker relative that the state makes on the parent and Caretaker Relative state plan page apply for the purpose of this category of specified excluded individual.
- d. Veteran with a total disability rating
- e . Medically frail or otherwise has special medical needs defined at 435.554(b)(5)
- f. Compliant with a TANF work requirement or a member of a household that receives SNAP benefits and is subject to a SNAP work requirement
- g. Participate in a drug addiction or alcoholic treatment and rehabilitation program
- h. Inmate of a public institution as defined at 435.1010
- i. Pregnant women or entitled to Medicaid during a postpartum period

1.6

C. Short-Term Hardship Exception

1. The state deems an applicable individual to demonstrate community engagement for a month during the review period during a short-term hardship event

☒ Yes ☐ No

2. A short-term hardship event exists when:

- a. An individual receives inpatient hospital services, nursing facility services, services in an intermediate care facility, inpatient psychiatric services, or other services with similar acuity (including services received in an outpatient setting as determined appropriate by the Secretary).
- b. An individual resides in a county (or equivalent unit of local government) in which there exists an emergency or disaster declared by the President under the National Emergencies Act (NEA) or the Robert T Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act)
- c. An individual resides in a county (or equivalent unit of local government) which has an unemployment rate that is at or above the lesser of 8 percent or 1.5 times the national unemployment rate.

d. An individual or their dependent must travel outside of their community for an extended period to receive medical services for a serious or complex medical condition (described in 435.554(b)(5) that are not available in their community.

3. An individual must request a short-term hardship event from the state for the event described in C2.a and C.2.d. The state must request from CMS a short-term hardship event for the event described in C.2.c

1.7

D. Assessing Compliance with Community Engagement

For individuals who file an application for Medical Assistance

1. The state determines applicants meet an exclusion or are an applicable individual and demonstrates or are deemed to demonstrate community engagement at application.
2. For an applicable individual to be considered compliant with the community engagement requirement at application consistent with 435.556(a)(1), the state requires demonstration or deemed demonstration of community engagement for:

- ☒ a. 1 month prior to the month of application
- ☐ b. 2 consecutive months prior to the month of application
- ☐ c. 3 consecutive months prior to the month of application

For individuals who are enrolled and receiving Medical Assistance

3. The state determines enrolled beneficiaries meet an exclusion or are an applicable individual and demonstrate or are deemed to demonstrate community engagement during the individuals periodic review of eligibility.
4. For an applicable individual to be considered compliant with the community engagement requirement at renewal the state requires demonstration or deemed demonstration of community engagement for :

- ☒ a. 1 month during the individuals eligibility period
- ☐ b. More than 1 month whether or not consecutive, during the individual eligibility period

- i. Enter the number of months:

1.9

E. More Frequent Verifications of Community Engagement for Applicable Individuals-Path 2

1.The state conducts more frequent verification of the community engagement requirement in between renewals of eligibility for enrolled applicable individuals

☐ Yes ☒ No

1.10

F. Notice of Noncompliance and Defining When a State is “Unable to Verify” Compliance with the Community Engagement Requirement.

1.The state sends a notice of noncompliance to request information from the individual when it is unable to verify an applicable individual demonstrates or is deemed to demonstrate community engagement at application, renewal, and if elected by the state during a more frequent verification of community engagement.

2.The state provides an applicable 30 days from the date of the notice of noncompliance to make a satisfactory showing of community engagement or that the requirement does not apply.

3.The state elects to consider that it is unable to verify community engagement at renewal:

- ☒ a. After the state checks reliable information and cannot verify compliance with community engagement without requesting information from the Individual
- ☐ b. After the state provides the individual with a renewal form and the form is not returned or the returned form does not include sufficient information needed to demonstrate compliance with community engagement

1.11 G. Additional Information (optional)