POLICY UPDATE

Up to Six More Months to Get it Right:

Medicaid's New Hold Harmless Option for Community Engagement (Work) Requirements

November 2026

AIR®
Advancing Evidence.
Improving Lives.

2026
Nov. 13
CMS announces an optional hold harmless period.[1]

2026
Dec. 11
Requested date to notify CMS of a Jan. 1 start.[1]

2027
Jan. 1
Implementation deadline for 43 states and DC.[2]

2027
June 30
Latest end date for the hold harmless period.[1]

In states that request and receive CMS approval for the hold harmless option, compliance checks continue, but through June 30, 2027; otherwise, eligible people will not lose coverage solely for failing to demonstrate community engagement or an exclusion.[1]

Eligible, but at risk

Coverage can lapse over paperwork, not eligibility.

1. **Adults ages 50–64**
   Health-related barriers may require additional documentation.
2. **People with disabilities or health conditions**
   States should identify people who qualify for exclusions, including medical frailty.[2]
3. **Parents and caregivers**
   Exclusions include qualifying caregivers of children under 14 or people with disabilities.[2]
4. **Part-time, gig, and self-employed workers**
   Variable hours or income can complicate verification; qualifying activities can be combined.[2]
5. **People between jobs**
   Applicants may need to document qualifying activities or an exclusion before applying, per applicable state rules.[2]

How states can use this time



Verify automatically

Use reliable wage, benefits, and claims data to verify qualifying activities and identify exclusions.[1,2]



Reach people early

Send clear, timely, accessible notices and work with trusted community partners.[1]



Make reporting accessible

Offer phone, in-person, and accessible online options, including mobile-friendly forms that support screen readers.

What does not change: **The option temporarily limits certain coverage denials and disenrollments; it does not pause implementation, compliance assessments, or other Medicaid eligibility rules.**

[1] CMS. Optional Hold Harmless Period for Community Engagement Implementation. SMD #26-006. Nov. 13, 2026.

[2] CMS. Medicaid Community Engagement Requirement for Certain Individuals: Interim Final Rule Fact Sheet. June 1, 2026. Policy summary as of Nov. 16, 2026. State implementation choices and applicable legal requirements may vary.

AIR® Headquarters | 1400 Crystal Drive, 10th Floor | Arlington, VA 22202-3289 | +1.202.403.5000 | **AIR.ORG**

Copyright © 2026 American Institutes for Research®. All rights reserved.