MICHIGAN LEAGUE FOR PUBLIC POLICY

Date: July 31, 2026

To: The Honorable Mehmet Oz, M.D.
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-2454-IFC
P.O. Box 8016
Baltimore, MD 21244-8016

From: Michigan League for Public Policy
101 S. Washington Square, Suite 820
Lansing, MI 48933

Subject: Centers for Medicare & Medicaid Services, U.S. Department of Health and Human Services, Interim Final Rule titled, "Medicaid Program: Community Engagement Requirement for Certain Individuals" CMS-2454-IFC

Dear Administrator Oz,

On behalf of the Michigan League for Public Policy, thank you for the opportunity to comment on "CMS-2454-IFC," the Centers for Medicare and Medicaid Services (CMS) Medicaid Program: Community Engagement Requirement for Certain Individuals interim final rule (IFR) with comment period, which interprets and implements the federal community engagement requirement for certain individuals enrolled in a Medicaid expansion program under the Affordable Care Act or similar coverage under a Section 1115 demonstration waiver.

The Michigan League for Public Policy is a nonpartisan research and advocacy organization that promotes economic opportunity for all and analyzes the impact of public policy on the lives of Michigan residents who have been systemically left out of prosperity. The League is also the state's Kids Count organization, working as part of a national effort to measure the well-being of children at the state and local levels and to shape efforts that improve their lives.

Approximately 1 in 4 Michigan residents has health insurance because of Medicaid. That's nearly 2.6 million people, including nearly 1 million Michigan children. Medicaid matters at every stage of life and serves every county across our state. Medicaid covers more than a third

of Michigan births, and roughly 16% of seniors and 37% of children living in a rural Michigan community depend on Medicaid for their health coverage. Approximately 300,000 Michiganders with disabilities have Medicaid coverage, and more than 650,000 working-age adults (ages 19-64) are covered by the Healthy Michigan Plan – our state's Medicaid expansion program. Across the state, Medicaid protects Michigan families from excessive medical debt and provides access to affordable, lifesaving care.

Michigan has been a Medicaid expansion state for more than a decade and has since provided comprehensive coverage to hundreds of thousands of newly eligible Michiganders, reducing out-of-pocket healthcare costs and improving access to vital medical services. Many of the adults who gained coverage through expansion are parents, and research illustrates that when parents gained Medicaid, their eligible children did too. We are concerned about the reversal of this effect and the unintended impacts to Michigan children following the implementation of the Medicaid community engagement requirement, particularly given the ways the IFR narrows exemption pathways and adds complex documentation requirements for Healthy Michigan Plan applicants and enrollees.

The Michigan League for Public Policy strongly opposes sections of the interim final rule. Specifically, the League is concerned about the IFR's changes to the medical frailty exclusion and the limitations it sets on states' use of self-attestation for verification procedures. This comment focuses on how these aspects of the IFR will mean higher administrative costs for the state as well as increased paperwork burden for Michigan patients and providers. We respectfully request CMS delay implementation of the IFR as currently written and redraft the IFR so that it more closely aligns with the statute (i.e., section 1902(xx) of the Social Security Act as enacted under Public Law 119-21) and maintains Medicaid access for eligible people.

The experiences of the two states that have previously implemented community engagement requirements as a condition of Medicaid eligibility reveal the massive costs of adding such layers of bureaucracy. Implementing work requirements is not simple; it requires building or adapting specialized eligibility systems and training caseworkers to handle exemptions and verification. States must carefully plan and invest in this type of complex infrastructure to avoid widespread disenrollments due to administrative error. Clear, accessible and well-communicated exemption pathways are essential. Without that, eligible enrollees, including those with disabilities, caretaking responsibilities, or chronic health conditions, may lose their health coverage even though they meet exemption or compliance criteria.

Last-minute shifts in regulatory guidance create additional implementation complexity. Aspects of the IFR appear to deviate from previously shared CMS guidance to state Medicaid leaders, significantly complicating planning efforts already underway. Michigan's Medicaid agency now faces a massive workload made more involved through this rule all before the January 1, 2027 deadline.

The Medicaid Program: Community Engagement Requirement for Certain Individuals interim final rule adds a new requirement for individuals living with a medical condition that classifies

them as “medically frail” who must now also demonstrate that their condition “significantly impairs” their ability to work. This stricter medical frailty definition departs from prior CMS guidance on medical frailty that specified states would have discretion over this definition. The likely confusion among individuals with a qualifying serious health condition plus the added provider-issued documentation required suggest fewer people are likely to be approved for this exclusion.

Further, beginning in 2028, self-attestation is limited. Where data are not available, individuals — including those eligible for a medical frailty exclusion — will need to provide additional documentation to prove compliance, exemption or risk coverage termination. Should these limitations on self-attestation be included in the IFR, healthcare providers are likely to be tasked with increased documentation requests in the form of doctor statements or other allowable documentation to prove medical frailty and inability to work.

Taken together, we believe the IFR increases the risk of wrongful coverage losses. The combined effect of additional administrative complexity and time-constrained implementation makes erroneous denials and disenrollments more likely. We respectfully ask CMS to reject an additional requirement of inability to work to the medical frailty exclusion and a limitation on state use of self-attestation beginning in 2028. The League is concerned that these aspects of the Medicaid Program: Community Engagement Requirement for Certain Individuals IFR, along with other provisions not detailed here, will put eligible people at risk of Medicaid coverage loss and undermine Michigan’s efforts to improve population health.

Thank you for your consideration.