



July 31, 2026

Re: Medicaid Program; Community Engagement Requirement for Certain Individuals

Dear Administrator Oz and Deputy Administrator Brillman,

On behalf of the National Alliance to Impact Social Determinants of Health (NASDOH), we appreciate the opportunity to provide comments on the interim final rule with comment period (IFC) implementing community engagement requirements in the Medicaid program.

Founded in 2018 by Governor Mike Leavitt and Dr. Karen DeSalvo, NASDOH is a multi-sector coalition of stakeholders seeking to make a material improvement in the health of individuals and communities by advancing the adoption of effective policies and programs to address health-related social needs (HRSNs) – such as food insecurity, housing instability, and transportation insecurity – as well as the underlying social and economic conditions in which people live that are often the root causes of poor health outcomes (non-medical drivers). NASDOH brings together stakeholders from different geographic regions with expertise in health care, public health, social services, patient and consumer perspectives, information technology, and business to share learnings, develop policy recommendations, and build consensus on solutions to support health. Our website lists all the NASDOH [members](#).

Beyond state Medicaid agencies, implementation of the community engagement requirements threatens to disrupt coverage for millions of Americans and will require coordination across with workforce agencies, social services programs, community-based organizations, managed care organizations (MCOs) and other entities that may not have historically been a part of the Medicaid eligibility and compliance processes. The comments below provide feedback on the impacts on MCOs and community-based organizations (CBOs) that we encourage CMS to consider.

Impacts on Community-Based Organizations

Administrative Costs

The rule cites CBOs as state partners that can disseminate resources and offer multiple channels to individuals to learn about and navigate the community engagement requirement. While CBOs are uniquely positioned to facilitate community outreach and engagement in the wake of this substantial policy change, **NASDOH encourages CMS to issue further guidance on payment pathways as well as requisite resources for these services.**

Community Service

CMS states that qualifying community service must be “under the auspices of public or nonprofit organizations,” such that “the public or nonprofit organization must provide oversight of the activity and have a process in place to track the community service completed by individuals, including the type of community service activity, dates and hours the community service is completed, and a point of contact who can confirm the hours completed.”

For CBOs working to help members comply with community service requirements, these data tracking requirements pose a significant administrative burden. Many CBOs do not have the infrastructure or staff capacity to capture, retain, and report detailed metrics on their volunteers. **NASDOH encourages CMS to issue further guidance for public or nonprofit CBOs and requisite resources to help mitigate this burden, such as a template for how to help members record volunteer hours, in alignment with the Medicaid community engagement reporting requirement.**

Safety Net Providers

Safety net organizations are particularly vulnerable and will experience increased administrative workload while also facing potential increases in uncompensated care and bad debt if eligible individuals lose coverage for procedural reasons.

In states with large Medicaid expansion populations, community health centers, public hospitals, behavioral health providers, rural providers, and other safety net organizations will experience the most acute impacts. These entities often provide services to individuals who are most likely to face challenges in navigating eligibility requirements and documentation processes, including unhoused people, individuals with serious mental illness, and those with severe disability. These providers may increasingly be supporting patients with both their clinical needs and their eligibility-related challenges under the new rule.

While some states' uncompensated care pools or supplemental funding mechanisms may partially offset these impacts, the availability and adequacy of those resources vary significantly across states. **NASDOH encourages CMS to consider additional flexibilities or guidance to support safety net organizations experiencing instability in the early stages of community engagement implementation. These providers play a crucial role in helping their patients navigate community engagement reporting requirements.**

Impacts on Managed Care Organizations

Administrative Costs

As evidenced by their role in the recent unwinding of the continuous Medicaid eligibility provisions from the COVID-19 public health emergency, MCOs play a pivotal role in helping states conduct member outreach and engagement during periods of policy change. While MCOs cannot verify eligibility, they can support members in meeting requirements to retain their coverage. Despite this, the extent to which MCOs can be involved with community engagement is still unclear.

Under the new rule, MCO activities such as helping identify members potentially subject to community engagement requirements, assisting with member communications, and connecting members to resources that support compliance or exemption eligibility occur outside the traditional managed care financing framework. These services are excluded from Medicaid-covered services and inclusion in capitation rate development or classification as value-added services. However, the rule allows for inclusion of costs for these services in the medical loss ratio (MLR) numerator as incurred claims if the services meet the definition of a value-added service. **NASDOH urges CMS to provide additional guidance to states and MCOs on the role of MCOs in implementing community engagement requirements and how these costs may be accounted for as well as requisite resources to undertake this implementation.**

NASDOH appreciates the opportunity to provide feedback on the interim final rule. Should you have any questions or wish to discuss our comments further, please contact Laura Pence at Laura.Pence@LeavittPartners.com.

Sincerely,

Laura Pence

Laura Pence
Advisor to NASDOH