ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

150 N. 18th Avenue
Phoenix, AZ 85007
602.417.4000

KATIE HOBBS
GOVERNOR

ROBERTA HARRISON
INTERIM DIRECTOR

AHCCCS NOTICE OF PUBLIC INFORMATION
INTENT TO SUBMIT A STATE PLAN AMENDMENT (SPA)

Name of the Agency: Arizona Health Care Cost Containment System (AHCCCS)

The topic of the public information notice: Inform the public of AHCCCS intent to submit a State Plan Amendment

SPA Title: Community Engagement for Certain Adults

SPA Overview: This SPA will establish a community engagement requirement for certain individuals applying for or enrolled in Medicaid.

Tribal Consultation: AHCCCS will consult with the Tribes via a Tribal Leader Letter and in the Tribal Consultation on December 2, 2026

State Plan Amendment and Public Comment Period:
The proposed SPA is located on the next page of this document.

Public notice was posted on November 10, 2026

Comments will be accepted through December 10, 2026

Comments can be submitted through email or postal mail. The addresses where comments may be sent are provided below.

• Email: publicinput@azahcccs.gov

• Postal Mail:
AHCCCS Attn: Division of Community Advocacy and Intergovernmental Relations
150 N. 18th Avenue
Phoenix, AZ 85007

Medicaid State Plan Eligibility

Community Engagement

Community Engagement for Certain Adults

MEDICAID | Medicaid State Plan | Eligibility | AZ2026MS0006D

Requirement to demonstrate community engagement as a condition of Medicaid eligibility for certain individuals.

Spell Check Instructions | Request System Help

CMS-10434 OMB 0938-1188

Not Started | **In Progress** | Complete

Package Header

Package ID	AZ2026MS0006D	**SPA ID**	N/A
Submission Type	Draft	**Initial Submission Date**	N/A
Approval Date	N/A	**Effective Date**	N/A
Superseded SPA ID	N/A		

View Implementation Guide

VIEW ALL RESPONSES

The state operates the community engagement requirement in accordance with the following provisions:

A. General Requirements for Community Engagement

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1. The state requires as a condition of eligibility that an applicable individual demonstrates (or the state deems the applicable individual to demonstrate) community engagement for the number of months specified by the state during the applicable 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:

- [x] a. The state plan eligibility group described in 42 CFR § 435.119.

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 Part B, and is not otherwise eligible to enroll under the state plan.

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

a. Works not 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-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.

View approved version of MAGI-Based Methodologies

4. The state verifies an applicable individual meets an exception or demonstrates community engagement, or that an individual is a specified excluded individual, using reliable information available to 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.

B. Mandatory Exceptions and Exclusions

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Exceptions

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

a. For part or all of that month, the individual was: 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-month period ending on the first day of that month, the individual was 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 is defined and implemented at § 435.554.

i. Elections on the relationships for a caretaker relative that the state makes on the Parents and Other Caretaker Relatives state plan page apply for the purpose of this category of specified excluded individuals.

View Approved Version of Parents and Other Caretaker Relatives

d. Veteran with a total (100%) service-connected VA disability rating as defined at 38 U.S.C. 1155

e. Medically frail or otherwise has special medical needs, as defined at § 435.554(c)(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. Participant in a drug addiction or alcoholic treatment and rehabilitation program. States may establish a minimum time commitment for participation in such program, consistent with appropriate clinical guidelines.

h. Inmate of a public institution, as defined at § 435.1010

i. Pregnant woman or entitled to Medicaid during a postpartum period

C. Short-Term Hardship Exception

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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, for all or part of a month:

a. An individual receives inpatient hospital services, nursing facility services, services in an intermediate care facility, inpatient psychiatric services, or other services of similar acuity (as described in § 435.555(d)(1)(ii)).

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) in which the unemployment rate is at or above the lesser of 8 percent or 1.5 times the national unemployment rate.

d. An individual or their dependent (as defined at § 435.555(b)(1)) 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(c)(5)(i)(E)) that are not available in their community.

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

D. Assessing Compliance with Community Engagement

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For Individuals Who File an Application for Medical Assistance

1. The state determines applicants meet an exclusion or are an applicable individual and demonstrate 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 individual's periodic renewal 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 individual's eligibility period.
- ( ) b. More than 1 month, whether or not consecutive, during the individual's eligibility period.

E. More Frequent Verifications of Community Engagement for Applicable Individuals

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

○ Yes ◉ No

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

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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 individual 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. When this occurs the state provides the beneficiary the notice of noncompliance concurrently with a renewal form.
- ○ b. After the state is unable to renew eligibility based on information available to the state ('ex parte renewal') and the state provides the individual with a renewal form and the form is not returned or does not include sufficient information needed to demonstrate compliance with community engagement.

G. Additional Information (optional)

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