

# Michigan Medicaid Program Updates

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# Key Medicaid H.R. 1 Updates

# Key MDHHS Updates



- MDHHS is committed to helping as many Michiganders stay enrolled in Medicaid as possible; while ensuring we meet federal community engagement rules.
- MDHHS is electing to only require beneficiaries to meet work requirements for one month.
- Michigan is required to implement H.R. 1 by January 1, 2027, but CMS will not issue final guidance until June 2026.
  - In the meantime, CMS has only released limited, non-binding guidance, and all verbal direction remains pre-decisional and iterative.
  - To stay on schedule, the state must lock in system design and operational processes now, well before federal requirements are finalized.
  - Despite the late release of federal guidance, CMS has indicated they will not offer a good-faith-effort exemption or allow states to delay implementation.

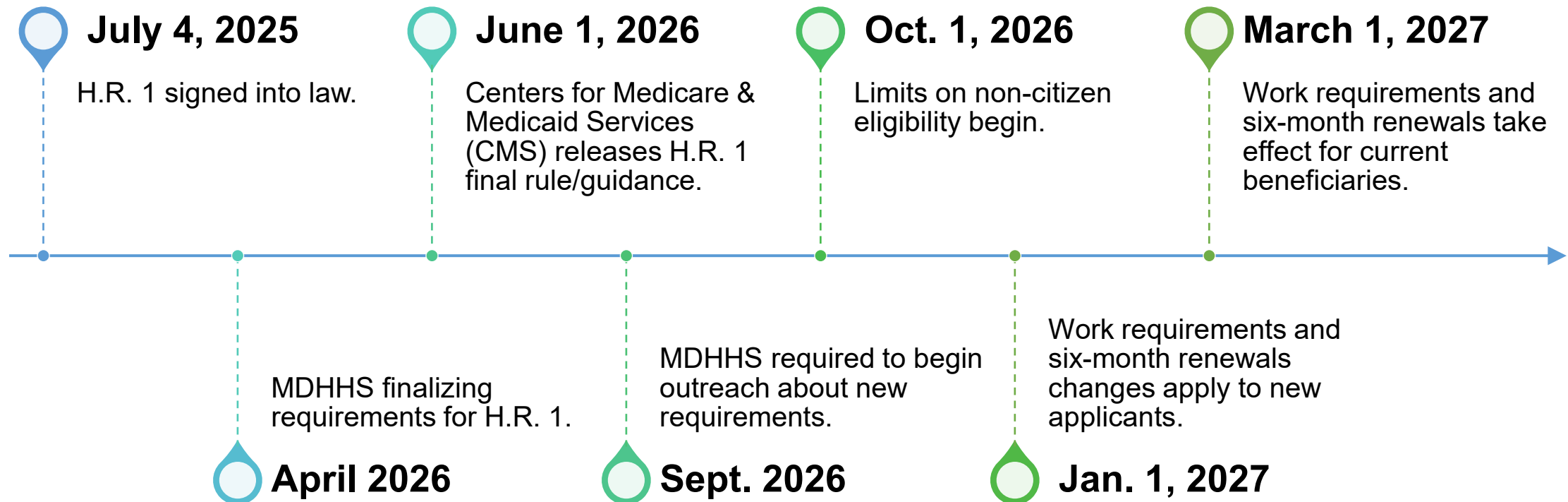
# Key MDHHS Updates (cont.)



- Communications Language Adoption:
  - Work Requirements
    - In alignment with SNAP
    - Instead of Community Engagement
  - H.R. 1 of 2025
    - Using H.R. 1 in instead of One Big Beautiful Bill, Working Families Tax Cut Legislation, Public Law 119-21 for consistency.

# Key Medicaid Provisions in H.R. 1

# Important H.R. 1 Dates



# Major Eligibility Changes

## New Work Requirements

- Applies to many Healthy Michigan Plan (HMP) enrollees 19-64.
- Must work, train or volunteer at least 80 hours for one month.
- Non-compliance will lead to loss of coverage.

Effective Date:  
January 1, 2027

## Six-Month Redeterminations

- Eligibility checks for HMP now every six months, instead of annually.
- Increased risk of coverage interruptions due to paperwork gaps.

Effective Date:  
January 1, 2027

## Retroactive Eligibility Limited

- No more 90-day retroactive coverage.
- HMP: One month prior to application.
- Other Medicaid enrollees: Two months prior to application.

Effective Date:  
January 1, 2027

## Limits on Non-Citizen Eligibility

- Fewer pathways to coverage for lawfully present non-citizens.
- Affected individuals will lose full coverage → Moving to Emergency Services Only (ESO) coverage.

Effective Date:  
October 1, 2026

# Deep Dive: Medicaid Work Requirements

## Qualifying Activities

80 hours per month of:

- Work.
- Community service.
- Participation in a work program.
- Half time + enrollment in an education.
- Any combination of the above totaling 80 hours per month.
- Monthly income that is not less than the federal minimum wage x 80 hours (\$580/month).
- Seasonal worker with an average monthly income over the preceding six months that is not less than the federal minimum wage x 80 hours.

## Exemptions

Parent, guardian, or caretaker of:

- Dependent children under age 13.
- Disabled individuals.
- Pregnant or postpartum individuals.
- Foster youth or former foster youth under age 26.
- Medically frail.
- Participating in a substance use disorder (SUD) program.
- Meeting SNAP/TANF work requirements.
- American Indians and Alaska Natives.
- Disabled veterans.
- Incarcerated or released from incarceration within the past 90 days.

## Hardship Exceptions

Individuals who were in:

- Inpatient hospital.
- Nursing facility.
- Intermediate care facility.
- Inpatient psychiatric hospital.
- Individuals who reside in a county with:
  - A federally-declared emergency or disaster.
  - High unemployment - above 8% or 1.5× national rate.
- Individuals who traveled outside their community for extended medical care for self or dependent.

# Medical Frailty Definition

- This definition is based on early information and is subject to change.
- An individual who is medically frail or otherwise has special medical needs:
  - who is blind or disabled;
  - with a substance use disorder;
  - with a disabling mental disorder;
  - with a physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more activities of daily living; or
  - with a serious or complex medical condition.
- CMS has indicated that it does not intend to provide states with flexibility to add other types of individuals to the definition of medical frailty, beyond those listed in the statute.
- States will have to distinguish between permanent (to be reverified at least every 12 months) vs. temporary (to be reverified at least at every renewal) medical frailty exclusions.
- CMS will expect states to implement an auditable approach to verify medical frailty.

# Work Requirement Verification

MDHHS will check if a beneficiary met the work requirements when they:

Apply for Medicaid.

Renew their Medicaid coverage.



This check will be part of their regular eligibility review.

# Six-Month Renewals: What Changes

## Six-Month Renewals

- Beginning in 2027, HMP enrollees must renew coverage every six months instead of annually.
- Six-month renewals apply to nearly all HMP enrollees; the only exemption is for American Indians and Alaska Natives.
  - Those receiving exemptions/exclusions from work requirements will still be required to complete their renewal every 6 months.

## Six-Month Renewal Timing

- First six-month renewal cohort: **March 2027**

# Timeline Example of Work Requirements at Application



- This timeline is based on information we know now and is subject to change based on guidance issued by CMS.
- For a beneficiary who would have a apply for coverage in April 2027, this is what a it would like if they qualify for Healthy Michigan Plan:

Potential Medicaid Work Requirement at Application	
Application Month	Work Requirements Compliance Required
April 2027	March 2027

- Individuals applying for Medicaid (Healthy Michigan Plan) **must** meet the work requirements for at least one month immediately preceding the month during which the individual applies.

# Timeline Example of Work Requirements & Six Month Renewals

- This timeline is based on information we know now and is subject to change based on guidance issued by CMS
- For a beneficiary who would have a renewal in April 2027, this is what a new timeline for them could potentially look like:

Potential Medicaid Work Requirement & 6 Months Eligibility Timeline		
Renewal Month	Work Requirements Compliance Required	Renewal Packet Mailed to Beneficiary
April 2027	Demonstrate one month of compliance, in between renewal months	March 2027
October 2027	Demonstrate one month of compliance, in between renewal months	September 2027

- Per CMS, the state may not dictate the specific months during which a beneficiary must demonstrate work requirements.

# Retroactive Coverage Limits

## Starting January 2027

- Individuals who apply for Medicaid or forget to turn in a piece of paperwork and have a gap in coverage will see a change in how far coverage can go back (called retroactive coverage).

- **HMP:** Will cover one month back instead of three months.
- **Other Medicaid Programs:** Will cover two months back instead of three months.

# Non-Citizen Eligibility

- Beginning **October 2026**, some people who are legally residing in the U.S., but are not citizens, will not qualify for full Medicaid coverage.

## Remain Eligible

- Lawful permanent residents (generally subject to a five-year waiting period).
- Cuban/Haitian Entrants.
- Compact of Free Association (COFA) migrants.

## No Longer Eligible

- Refugees.
- Humanitarian parolees.
- Asylum grantees.
- Certain abused spouses and children.
- Victims of human trafficking.

# Anticipated Impacts

# Impacts of H.R. 1 on MDHHS Staff



## Central Office

- Significant IT upgrades to Bridges eligibility system to meet Minimum Viable Product specifications.
- Outreach and education to beneficiaries, providers and community partners on H.R. 1.
- Increased mailing outreach required because of eligibility changes due to work requirements and 6-month renewals.
- Increased opportunity for oversight and program coordination.

## Local Office

- Double workload: processing renewals twice a year.
- Substantial new outreach to beneficiaries by staff.
- Increased administrative burden of reviewing new forms, self attestations and other compliance documents.
- Administration of fair hearings for beneficiaries.

# Impact of Eligibility Provisions

## What's at stake for Michigan:

- Significant new administrative costs to support implementation needs, including system upgrades, staffing and compliance efforts.
- Potential loss of coverage for more than **200,000** individuals.

## Significance of these changes:

### Administrative Burden = Coverage Loss

Many enrollees meet requirements, but may lose coverage due to complex paperwork and red tape.

### Higher Churn Rates → Delayed Care

Frequent churn caused by paperwork issues disrupts care continuity, hinders access and leaves individuals vulnerable during medical emergencies.

### Rising Uninsured Rates

Parallel Affordable Care Act changes limiting Marketplace access could leave many individuals without access to coverage, driving up the uninsured rate across the state.

### Increased Uncompensated Care and Medical Debt

Hospitals and local safety nets will be forced to absorb the costs of caring for those who have lost coverage, while patients face unaffordable bills and medical debt.

# Communications & Outreach

# Communications Plan

MDHHS will implement a communications plan with several key goals for informing beneficiaries and partners about the upcoming changes, with emphasis on HMP Work Requirements. Goals include:

## Support Beneficiaries

- Help beneficiaries understand upcoming changes, including Work Requirements and renewal expectations.

## Equip Community Partners

- Provide partners with clear messaging, materials, and resources to support outreach and navigation.

## Prepare Local Office Staff

- Build awareness and readiness to support consistent implementation and respond to beneficiary questions.

# Message Development Strategy

## Messaging Focus

- Build public awareness.
- Prepare beneficiaries and partners.
- Support awareness to action.

## Accessible and Community-Informed Messaging

- Use plain and culturally responsive language.
- Support trusted community messengers.
- Provide translation in English, Spanish, and Arabic.

# Trusted Messengers

- **Community Partners:** leverage network of partners to amplify messaging, distribute resources and messaging at the local level. Provide training and support to providers, navigators, and community-based partners.
- **Managed Care Organizations:** Help educate Medicaid members on requirements, provide MDHHS with feedback to inform material and process refinement.
- **Local Office Staff:** MDHHS will provide training, support, and beneficiary facing materials to local office eligibility staff, aid in eligibility determinations

# Outreach Activities

- **Direct Beneficiary Outreach:**
  - Mail **formal notices** to provide awareness to changes and drive action.
  - Provide **alerts** and formal notices within MIBridges self-service portal.
  - **Text, email & robocall** messages sent directly to beneficiaries.
  - A **paid media** campaign that includes traditional and social media channels.
- **Partner & Provider Engagement:**
  - Customizable **toolkits** for providers and partners available on the MDHHS website.
  - Additional **FAQs** for external partner and internal staff use.
  - Recorded and live **virtual presentations** to connect with providers, partners and beneficiaries about upcoming changes.
- **Stakeholder Engagement:**
  - **Presentations** to advisory groups such as the Beneficiary Advisory Council and Medicaid Advisory Committee.

# Beneficiary Notice Journey

Communication	Purpose	Timing
Awareness Letter	A letter to inform individuals with HMP coverage that they could be impacted by the upcoming changes. This letter will also remind beneficiaries to keep their information up to date in MIBridges or by contacting their local office	Summer 2026
Formal Notice	A formal notice that provides all information required by HR1. A copy of this notice will also be populated on the MDHHS website.	Fall/Winter 2026
Verification Request	A notice for individuals that MDHHS does not have enough information to support identifying or verifying an exemption or if they are already meeting work requirements. This notice will provide 30 calendar days to verify and avoid being disenrolled or having their application denied.	As needed at application or redetermination

# Direct Outreach Considerations

MDHHS has text, email, and robocall capabilities that were largely successful among the Medicaid population in previous awareness and activation campaigns related to COVID-19 Public Health Emergency return to normal operations.

Objective	Potential Timing	Potential Channels	Communication Goal
Awareness	Prior to implementation	Text/email	Introduce changes
Preparation	Prior to renewal/application	Text/email	Help beneficiaries prepare
Action	Verification or renewal	Text/email/robocall	Prompt required action
Continued Support	Before deadlines	Text/robocall	Reduce incomplete actions

# Community Partner Resources


## Upcoming Federal Medicaid Changes

Assistance Programs > Medicaid > Medicaid Changes

Many Michigan Medicaid members will not experience changes to their benefits or coverage. We will make sure that those who are impacted receive notices explaining the changes. Notices will be sent based on the communication preferences they selected in MI Bridges and will be sent before any changes take effect.

New federal changes per H.R. 1 affect how Michigan provides Medicaid coverage. MDHHS's goal is to help as many people as possible keep their insurance coverage and to make sure you understand if your benefits are impacted. Information will continue to be added and updated in the coming weeks and months.

To view more details about each of the changes, click on the topics underneath each heading below.



**For all Medicaid members**

- Retroactive coverage limits

**For adults (ages 19-64) enrolled in the Healthy Michigan Plan (HMP)**

- Six-month renewals
- Work requirements

- Medicaid HR1 Information Hub webpage: [Upcoming Federal Medicaid Changes](#)

- Facts about Changes to Medicaid and Supplemental Nutrition Assistance Program: [English](#) | [Spanish](#) | [Arabic](#)

Questions?