

Community Engagement Verification Implementation

[Insert Date]

[Insert Presenter Name]



Community Engagement Requirements

The federal budget bill signed into law this summer requires states to mandate that some Medicaid recipients and applicants demonstrate **community engagement** to receive benefits. States not in compliance by **January 1, 2027** will not receive **Federal Financial Participation (FFP) funds**.

Affected Population

Individuals aged 19-64 served by ARHOME, Arkansas' Medicaid expansion program, or through a waiver program that provides minimum essential coverage, and who are not exempt.

Implementation Benefits

Preserve federal funds

Build skills for Medicaid recipients, and help them attain economic independence

Alleviate workforce shortage

Why Start Preparation Now?

To **ensure coverage** for as many recipients as possible, thereby reducing the **risk of uncompensated care**, DHS needs time to establish a thoroughly tested verification system.



ARHOME Waiver Changes

217,000+ ARHOME recipients are subject to the Community Engagement requirements identified in the federal budget act, which will be required in the new ARHOME Waiver.



Engagement Hours Required

80 hours per month of one or more of the following activities:

1. Employment
2. Work program participation
3. Educational enrollment
4. Community Service



Engagement Exemptions

Certain populations are **exempt** from federal requirements, for example:

1. Disabled veterans
2. Caregivers
3. Pregnant and Postpartum women
4. Special medical needs



Verification Details

States must determine if a Medicaid applicant met requirements first **upon application** and then again every **six months**. States are encouraged to use **available data** where possible, coupled with **outbound outreach**.

Verification Implementation Overview

By **January 1, 2027**, DHS must implement a fully operational verification system and process for determining Community Engagement compliance, non-compliance, or exemption.

Verification System Components

Ex Parte Verification

DHS will first attempt an **automated, or *ex parte***, verification by checking data already available to the State (*e.g.*, wage data, SNAP applications).

DCO will log *ex parte* verification in ARIES, the Medicaid eligibility system and notify recipients of compliance status.

Outbound Verification Center

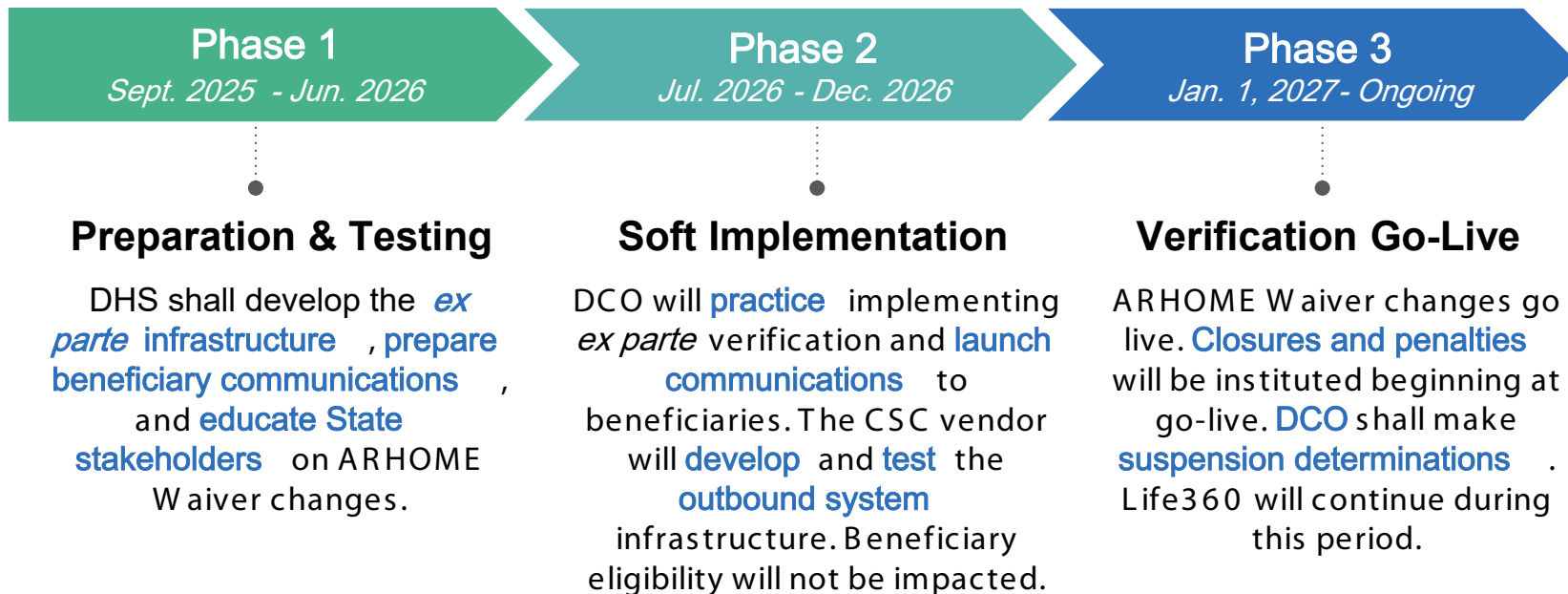
DHS is procuring a **Customer Service Center (CSC)** vendor, who will perform outbound calls to verify Community Engagement when State *ex parte* cannot.

The vendor will accept information through various modes and **upload verification of compliance** to ARIES.



Verification Timeline

DHS is approaching the development of Community Engagement verification in three phrases. Prior to Go -Live, DHS will not implement closures or penalties.



Phase 1: Preparation & Testing

Phase 1 is currently underway and will run until **June 30, 2026**. The purpose of this phase is to lay the groundwork for the soft implementation of Community Engagement verification.



***Ex Parte* Testing**

By March 2026, DHS will develop and test *ex parte* capabilities in ARIES. DHS will determine elements *ex parte* cannot handle and which will then be CSC responsibilities.



Beneficiary Communication Plan

By June 2026, DHS will develop an outreach campaign to educate beneficiaries on Community Engagement requirements.



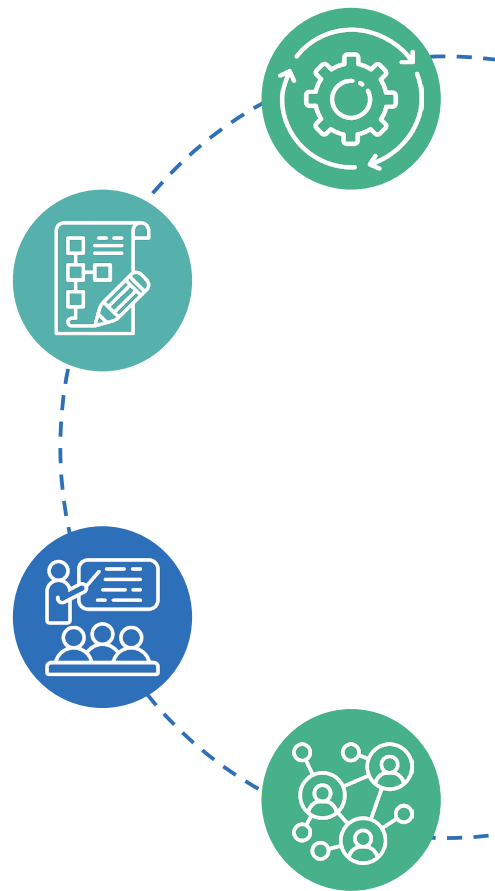
DCO Staff Training

DCO Staff will receive training to temporarily handle non-*ex parte* verification tasks until the CSC vendor's infrastructure is ready in Phase 2, after which DCO will no longer be responsible.



State Stakeholder Engagement

Throughout Phase 1, DHS will engage with the Legislature to provide information on upcoming ARHOME Waiver changes.



Phase 2: Soft Implementation

On July 1, 2026, the State will begin a “practice” period for Community Engagement verification **without penalties**. This soft implementation will help the State **identify areas for improvement**.

July 1, 2026

Ex Parte Initiated

Ex parte verification for Community Engagement requirements **goes live**. Recipients will receive notice of compliance or noncompliance **without penalties**.

Beneficiary Communications

ARHOME beneficiaries begin **receiving targeted information** on Community Engagement requirements, system changes, and maintaining benefits through DHS and the CSC vendor.

Outbound System Build

The CSC vendor initiates the outbound system build and collaborates with DHS to **train CSC staff on non -ex parte verification** and outbound call management.

December 1, 2026

Outbound Implementation

The CSC vendor will **begin performing outbound communication** to obtain documentation verifying the status of ARHome beneficiaries as either exempt, compliant, or non-compliant.



DHS

Phase 3: Verification Go-Live

On January 1, 2027, ARIES and the CSC vendor will continue performing Community Engagement verification. Non-compliant members will receive **penalties** and **suspensions**.

Go-Live Verification Process Flow

