ARIZONA
HEALTH CARE COST
CONTAINMENT SYSTEM

# AHCCCS H.R. 1 Update

2026 Cover AZ

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# Big Changes for Some January 1

- AHCCCS members in the adult expansion group – except American Indian Tribal Members and Alaska Natives – must renew their AHCCCS coverage every six months rather than annually.
- This applies to renewals ***initiated*** in 2027.
- Certain individuals in this same group must show that they meet work requirements to maintain Medicaid eligibility.
- This does not apply to kids, adults older than 65,  ALTCS members, people with exemptions.

# What have we been doing?

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# Who is Exempt from Work Requirements:

- Individuals already compliant with TANF and SNAP work requirements
- Participants in qualifying drug or alcohol treatment rehabilitation programs
- Pregnant individuals or postpartum within 12 months after pregnancy
- Individuals experiencing specific short -term hardships
- Veterans with a total disability rating
- Former foster youth under age 26
- American Indians or Alaska Natives
- Parents, guardians, or caregivers of:
  - A dependent child under age 14
  - A disabled individual
- Currently incarcerated or recently released individuals
- Individuals who are medically frail or have special medical needs

# Medical Frailty Exemptions

- Living with a disabling mental health disorder
- Living with blindness or a disability determined by the Social Security Administration (SSA)
- Living with a physical, intellectual, or developmental disability that makes it hard to do at least one daily activity
- Living with a serious or complex health condition that makes it hard to meet the work requirements
- Living with a substance use disorder that makes it hard to meet the work requirements

# Short Term Hardship Exemptions

A. Receiving care in a hospital, nursing facility, psychiatric facility or facility for people with intellectual disabilities.
B. Traveling outside their community for an extended period to receive medical services for themselves or a dependent.
C. Residing in a county where an emergency disaster was declared by the President.
D. Residing in a county with a high unemployment rate (has to be approved by CMS).

# Meeting Work Requirements

- Show income of at least $580 in a month OR
- Complete any combination of 80 hours of qualifying activities

Activities that count include:

- Paid work or unpaid internships
- Participating in a job training program
- School enrollment
- Volunteering in the community

# Volunteering in the Community

- Non-profit or public project for the direct benefit of the community
- NOT for a partisan purpose
- Has some structure or oversight
- Has a process to track the type of activity you are doing and the dates and hours you complete
- Has a point of contact an individual can name who can confirm the hours the individual worked

# Work Requirements Population Data

| Category | Number of Members |
|---|---|
| Total Expansion Adult Population | 417,307* |
| Members Exempt due to:<br>• Serious Mental Illness (17,751)<br>• AI/AN (46,531)<br>• Parent/Caretaker/Guardian (19,356)<br>• Caregiver of a Person with a Disability (467)<br>• Postpartum (1,003)<br>• TANF (278)<br>• SNAP (193,080)<br>• Former Foster Youth (54)<br>• Recently Incarcerated (12,694)<br>• Medicare Part A (303)<br>• Medicare Part B (231) | 240,192** |
| Non-Exempt Members Subject to Work Requirements | 177,115 |
| Members Already Meeting Work Requirements | 73,136 |
| Total Unique Members that may need to report Work Requirements | 103,979 |

*Internal Data Estimates as of July 2026
**Unique individuals (de duplicated).

Pre-decisional and iterative. The information shared by AHCCCS is preliminary and intended solely to support internal state planning and readiness activities related to Medicaid community engagement requirements. Policies, requirements, and implementation approaches remain subject to change.

# Compliance Period for Work Requirements

Starting January 2027

**For NEW applications applying for Medicaid:** 1 month immediately before applying

**For members RENEWING their Medicaid** : Any 1 month since the last redetermination

# How Will Members Verify Exemptions and Compliance With Work Requirements?

**For all items, AHCCCS will first attempt to verify automatically**

## Self-Attestation

- Volunteer hours, unpaid work
- School enrollment, work program
- Medically frail
- Inpatient, travel for medical care
- Veteran with disability rating
- Parent of child younger than 14
- Caretaker of person with a disability
- Pregnant/postpartum

## Documents May Need to be Uploaded

- Income, paid work
- Incarcerated currently or in last 3 months
- American Indian Tribal membership, **if it has not already been verified**

# H.R.1 Community Awareness Campaign on Work Requirements

- Fact sheets/ Q and A
- Member self -screener for exemptions
- Messaging & asset creation
- Social media/provider toolkits
- KeepmyAHCCCS.com

# How Can You Help?

- Spread the word to all who interact with members to update their contact information with AHCCCS -- use HEA+ or live chat
- Tell all members to continue to renew their coverage, fill their Rx, use health care
- Let people know there are many exemptions and many pathways to comply with work requirements
- Encourage people to visit KeepMyAHCCCS.com, use the self -screener