Supporting Statement Part A
Medicaid Program; Eligibility Changes under the
Affordable Care Act of 2010 and the Social Security Act
CMS-10410, OMB 0938-1147

Notes: This 2026 iteration proposes to revise our active collection of information request.

The contents of this Supporting Statement have been reviewed and, if needed, revised, to ensure that they are consistent with the Trump administration's policies, goals, and objectives.

Background

The Patient Protection and Affordable Care Act (Pub. L. 111-148, enacted on March 23, 2010) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111- 152, enacted on March 30, 2010) are collectively referred to as the "Affordable Care Act" or "ACA."

The ACA provisions that are relevant to this collection of information request promote a high level of coordination, simplification, and data sharing among State and Federal agencies for the purpose of a seamless and streamlined eligibility system. The relevant ACA provisions are set out in the March 23, 2012, final rule (77 FR 17144, RIN 0938-AQ62, CMS-2349-F), effective January 1, 2014. This includes regulatory provisions regarding periodic renewal of Medicaid and CHIP eligibility (42 CFR 435.916, 457.343, and 457.350) and web sites (42 CFR 435.1200 and 457.335).[1]

The 2026 interim final rule, "Medicaid Program; Community Engagement Requirement for Certain Individuals" (CMS-2454-IFC), implementing section 71119 of the Working Families Tax Cut (WFTC) legislation adds section 1902(xx) to the Social Security Act (the Act) and requires States, as a condition of Medicaid eligibility for certain individuals, to establish and administer a community engagement requirement. Section 1902(xx) of the Act requires that "applicable individuals" demonstrate as a condition of their Medicaid eligibility, "community engagement" for a minimum period of time preceding their application month and during their enrollment. Section 1902(xx)(9)(A)(i) of the Act defines the term "applicable individual" to mean "an individual…who is eligible to enroll (or is enrolled) under the State plan under subsection (a)(10)(A)(i)(VIII), or who is otherwise eligible to enroll (or is enrolled) under a waiver of such plan…" and is not a "specified excluded individual." These requirements will necessitate one-time updates by States to their single, streamlined application; alternative single, streamlined applications; associated instructions; and/or renewal-related materials, as applicable, to reflect community engagement-related information that must be communicated and collected consistent with section 1902(xx) of the Act and implementing regulations. In addition, State Medicaid agencies will need to develop (or update) and disseminate outreach and noncompliance notices, establish and maintain the associated operational workflows, and mail paper notices to beneficiaries who do not elect electronic delivery. Medicaid applicants and beneficiaries may be required biannually to provide additional

[1] We note that provisions and burden associated with our April 26, 2023 (88 FR 25324) proposed rule were previously submitted as part of this collection to OMB for clearance. However, as explained in our May 8, 2024 (89 FR 39392) final rule, we did not finalize the proposed provisions.

information or documentation to verify their status as excepted or excluded from the community engagement requirement, or to provide information to the State to demonstrate how they satisfied the community engagement requirements.

Furthermore, Section 71107 of the WFTC legislation amends section 1902(e)(14) of the Act to add a new subparagraph (L) to require states to conduct Medicaid eligibility renewals once every six months, instead of once every 12 months, for almost all individuals enrolled in the adult group under section 1902(a)(10)(A)(i)(VIII) of the Act and for almost all individuals described in that section who are enrolled under a waiver of the state plan that provides coverage equivalent to minimum essential coverage to all such individuals. This requirement applies beginning with renewals scheduled on or after January 1, 2027. Certain American Indians and Alaska Natives are exempt from this requirement, and individuals enrolled in other MAGI-based eligibility groups and non-MAGI-based eligibility groups remain subject to existing renewal timeframes.

Section 1902(e)(14)(L) of the Act, as amended by Section 71107 of the WFTC legislation, does not change the steps states must take to complete renewals under 42 CFR 435.916. Rather, it changes the frequency with which renewals must be conducted for the affected Medicaid adult group, who would now have to have a renewal conducted every 6 months, rather than every 12 months. As a result, this information collection is updated to reflect the increased volume of renewal activity for the affected population under Section 1902(e)(14)(L) of the Act.

The requirements for this collection of information request generally relate to ensuring data sharing and coordination among State and Federal agencies, recordkeeping efforts among State agencies, and the development of Web-based systems and notices in support of the implementation of the ACA and the Act (see section 12 for details).This information collection has been updated to account for one-time and ongoing burden for States and beneficiaries related to the community engagement requirement under Section 1902(xx) of the Social Security Act and the ongoing burden associated with increased renewal frequency as required by 1902(e)(14)(L) of the Act. Overall, we estimate an increase of $1,068,242,187 (from $478,445,946 to $1,546,688,133) (see section 15 for details).

This collection does not include any reporting instruments. All of the requirements and instructions are set out in statute, in the CFR, and in the aforementioned 2012 final rule and 2026 interim final rule.

A. Justification

1. Need and Legal Basis

Sections 1413 and 2201 of the ACA provide for a simplified, coordinated, and streamlined system of eligibility for Medicaid, CHIP, and the Exchange. Specifically, section 1413 requires a streamlined system for individuals to apply for, be determined eligible for, and be enrolled in insurance affordability programs—the Exchange, Medicaid, CHIP, and the Basic Health Plan as applicable. Section 2201, which amends section 1943 of the Act, requires a simplified and coordinated eligibility and enrollment system of Medicaid and CHIP with the Exchange.

Section of 1902(xx) of the Act requires certain applicants to demonstrate community engagement as a condition of their Medicaid eligibility. In addition, section 1902(e)(14)(L) of the Act requires states to redetermine eligibility once every six months for the affected adult group, beginning with renewals scheduled on or after January 1, 2027. Although the renewal process itself remains governed by 42 CFR 435.916, the increased frequency of renewals increases the volume of beneficiary submissions and state recordkeeping associated with periodic eligibility renewals.

The provisions discussed in this collection of information request are necessary for the establishment of coordinated and efficient systems as called for by the ACA and determining compliance with community engagement requirements as called for the Act. The eligibility systems are essential to the goal of ensuring the enrollment integrity of insurance affordability programs while reducing administrative burden for States and consumers. The data driven redetermination process, along with the electronic transmission and automation of data transfers, are key elements in managing the increased insurance affordability program caseload resulting from implementation of the ACA requirements and the goal of maximizing reliance on electronic data sources in making eligibility determinations. Accomplishing the same work without these information collection requirements would not be feasible.

2. Information Users

The State Medicaid and CHIP agencies will collect all information needed to determine and redetermine eligibility for Medicaid and will transmit information, as appropriate, to other insurance affordability programs. The information collection requirements will assist the public to understand information about health insurance affordability programs and will assist CMS in ensuring the seamless, coordinated, and simplified system of Medicaid and CHIP application, eligibility determination, verification, enrollment, and renewal.

3. Use of Information Technology

All of the information collections will be available in electronic form. Requirements related to Internet Web sites will be electronic, and notices will be automated. Interagency agreements will allow for the use of electronic data sharing. The eligibility renewal process will be significantly streamlined and automated using information technology. All of the information collections are designed to take advantage of information technology and be completed in a user-friendly format, in order to minimize burden to the greatest extent possible.

A signature will not be required of respondents under the information collections. Many of the information collections may currently be submitted electronically.

4. Duplication of Efforts

This information collection does not duplicate any other Federal effort.

5. Small Businesses

This information collection does not impact small businesses or other small entities.

6. Less Frequent Collection

Application through the web site occurs only once, when an individual or family first applies for Medicaid or CHIP. Renewal of eligibility occurs once every 12 months for most Medicaid beneficiaries and all CHIP beneficiaries. Beginning with renewals scheduled on or after January 1, 2027, almost all individuals in the adult group described in section 1902(e)(14)(L) of the Act must have their eligibility renewed once every six months. The frequency of collection is the minimum required to ensure adequate compliance with Federal statutory requirements.

If eligibility renewals were to occur less frequently, this could potentially result in having individuals who are no longer eligible for the program remain enrolled, resulting in improper payments of Federal financial participation. If the requirements and burden discussed in section 12 of this collection of information request were not approved, the coordination, streamlining, simplification, and efficiencies envisioned by the ACA and the WFTC legislation would not be realized, leading to greater reporting burdens on individuals and greater administrative and recordkeeping burdens on States.

7. Special Circumstances

There are no special circumstances that would require an information collection to be conducted in a manner that requires respondents to:

- Report information to the agency more often than quarterly;
- Prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Submit more than an original and two copies of any document;
- Retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- Collect data in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study,
- Use a statistical data classification that has not been reviewed and approved by OMB;
- Include a pledge of confidentiality that is not supported by authority established in statute or regulation that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- Submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

8. Federal Register/Outside Consultation

The changes in this 2026 collection of information request are associated with our Interim Final Rule with Comment Period (CMS-2454-IFC; RIN 0938-AV98) entitled, “Medicaid Program; Community Engagement Requirement for Certain Individuals.” The rule filed for public inspection on June 1, 2026, and published on June 3, 2026 (91 FR 33348). Comments must be

received by July 31, 2026.

This 2026 iteration also accounts for forthcoming changes associated with Section 71107 of the WFTC legislation.

9. Payments/Gifts to Respondents

No payments and/or gifts will be provided to respondents.

10. Confidentiality

Because no personal identifying information is being collected, there is no issue of confidentiality.

11. Sensitive Questions

There are no sensitive questions associated with this collection. Specifically, the collection does not solicit questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

12. Burden Estimates

Wage Estimates

States. To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2025 National Occupational Employment and Wage Estimates for all salary estimates (www.bls.gov/oes/current/oes_nat.htm). In this regard, the following table presents BLS' mean hourly wage, our estimated the cost of fringe benefits and other indirect costs, and our adjusted hourly wage.

Occupation Title	Occupation Code	Mean Hourly Wage ($/hr)	Fringe Benefits and Other Indirect Costs ($/hr)	Adjusted Hourly Wage ($/hr)
Business and Financial Operations Occupations	13-0000	45.78	45.78	91.56
Business Operations Specialists	13-1000	44.63	44.63	89.26
Computer Programmers	15-1251	50.56	50.56	101.12
General and Operations Managers	11-1021	64.87	64.87	129.74
Information and Record Clerks	43-4000	22.05	22.05	44.10
Mail Clerks and Mail Machine Operators, Except Postal Service	43-9051	20.03	20.03	40.06
Medical and Health Services Managers	11-9111	67.77	67.77	135.54
Network and Computer Systems Administrators	15-1244	49.85	49.85	99.70

Except where noted, we are adjusting our employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and other indirect costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. We believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

Wages for Individuals. To calculate the costs for beneficiaries undertaking administrative and other tasks on their own time, we use the opportunity cost of time. Following the White House Council of Economic Advisers (2019), we estimate the gap between the marginal product of labor and the opportunity cost of time as 48 percent of the marginal product of labor. That is, we use an opportunity cost of $12.92/hr ($24.84 x (1-0.48)). We adopt this as our estimate of the hourly value of time for changes in time use for unpaid activities. Unlike our State and private sector wage adjustments, we are not adjusting beneficiary costs for fringe benefits and other indirect costs since the individuals' activities, if any, would occur outside the scope of their employment.

Adjustment to State Cost Estimates. To estimate the financial burden on States, it was important to consider the Federal government's contribution to the cost of administering the Medicaid program. For Medicaid, all States receive a 50 percent Federal matching rate for most administration expenditures. States also receive higher Federal matching rates of 90 percent for design, development and implementation of and 75 percent for operations and maintenance of Medicaid IT systems. As such, after taking into account the Federal contribution to the costs of administering the Medicaid programs for purposes of estimating State burden for collection of

information, we have elected to estimate that the Federal Government will contribute 75 percent of the costs for Medicaid IT system updates and 50 percent of all other costs, even though the burden will likely be smaller.

Collection of Information Requirements and Associated Burden Estimates

Burden for this collection of information request is presented below in four subsections: Periodic Eligibility Renewals, Web Sites, Application Updates, and State Requirements for Outreach and Non-Compliance Notices.

Burden associated with the verification plan is approved by OMB under control number 0938-1148 (CMS-10398 #11).

Periodic Eligibility Renewals (§§ 435.916, 457.343, and 457.350)

For individuals whose eligibility is based on Modified Adjusted Gross Income (MAGI) per the ACA, § 435.916 requires that Medicaid eligibility be redetermined only once each year, unless there is a change in circumstance. It also sets out a data-driven redetermination process that first uses information already available to the agency. If continued eligibility cannot be determined, a State agency's eligibility system issues a streamlined pre-populated renewal form for the individual's review. Section 457.343 aligns the standards for redeterminations in CHIP with the standards in the Medicaid program as described in § 435.916.

We estimate that the 53 Medicaid agencies and 43 CHIP agencies will be subject to the provision above, for a total of 96 agencies. We estimate that of the approximately 51 million individuals enrolled in Medicaid and CHIP whose eligibility will be based on MAGI, half (25.5 million individuals) will have their eligibility redetermined using the information already available to the agency. This approach greatly simplifies the renewal process and will ultimately reduce costs for States.

Section 71107 of the WFTC legislation adds subparagraph (L) to Section 1902(e)(14) of the Act to require states to conduct renewals once every 6 months, beginning with renewals scheduled on or after January 1, 2027, for most individuals enrolled in the Medicaid adult group under section 1902(a)(10)(A)(i)(VIII) of the Act. This requirement also applies to those described under that section of the Act who are enrolled in coverage "under a waiver" of the state plan (including through a section 1115 demonstration) that provides coverage that is equivalent to minimum essential coverage (MEC). Because the renewal procedures remain those set out at 42 CFR § 435.916, the burden impact of section 71107 is reflected as an increase in the volume of renewal activity for the affected states with populations subject to the new requirements. Currently, 40 states and the District of Columbia (D.C.) will have increased renewal activity due to 1902(e)(14)(L). As such, we are bifurcating our state burden estimates for periodic eligibility renewals between those 55 agencies (12 Medicaid agencies and 43 CHIP agencies) that do not currently have populations subject to 1902(e)(14)(L), and those 41 agencies that do.

For those 55 agencies without enrolled populations subject to 1902(e)(14)(L), we estimate that it will take each Medicaid and CHIP agency 16 hours annually to develop, automate, and

distribute a notice of eligibility determination based on the use of existing information.[2] Of the 16 hours, we estimate it will take a business operations specialist 10 hours at $89.26/hr and a medical and health services manager 6 hours at $135.54/hr to complete the notice. In aggregate we estimate an annual burden of 880 hours (55 agencies x 16 hr/response) at a cost of $93,821 (55 x [(10 hr x $89.26/hr) + (6 hr x $135.54/hr)]). However, when considering the state share of 50%, we estimate an annual cost of $46,911 ($93,821 x 0.5) to both the Federal and State governments.

For those 41 agencies with populations subject to 1902(e)(14)(L), we estimate that the relative burden associated with renewal activities will increase by a factor of 1.31. We formulated this estimate based on the most recent data available from the Medicaid Budget and Expenditure System[3] which showed that among states and D.C. with individuals enrolled in the adult group under section 1902(a)(10)(A)(i)(VIII) of the Act, 19.8 million out of 64.9 million Medicaid beneficiaries, or about 31%, will be subject to the new requirements under 1902(e)(14)(L). Therefore, we estimate it will take each of the 41 Medicaid agencies 21 hours (16 hours x 1.31) to develop, automate, and distribute a notice of eligibility determination based on the use of existing information. Of the 21 hours, and accounting for rounding, we estimate that it will take a business operations specialist 13 hours (10 hours x 1.31) at $89.26/hr and a Medical and health services manager 8 hours (6 hours x 1.31) at $135.54/hr to complete the notice. In aggregate we estimate an annual burden of 861 hours (41 agencies x 21 hr/response) at a cost of $92,001 (41 x [(13 hr x $89.26/hr) + (8 hr x $135.54/hr)]). However, when considering the state share of 50%, we estimate an annual cost of $46,000 ($92,001 x 0.5) to both the Federal and State governments.

In total, for all 96 Medicaid and CHIP agencies that perform periodic eligibility renewals, CMS now estimates a burden of 1,741 hours (880 hours for those agencies without populations subject to 1902(e)(14)(L), and 861 hours for those agencies with populations subject to 1902(e)(14)(L)) at a cost of $185,822 ($93,821 for those agencies without populations subject to 1902(e)(14)(L), and $92,001 for those agencies with populations subject to 1902(e)(14)(L)). When considering the state share of 50%, we estimate a total annual cost of $92,911($185,822 x 0.5) to both the Federal and State governments.

For those individuals whose eligibility cannot be redetermined using available information, a pre-populated form will be issued, so that the individual can provide the additional information needed to the State so that their eligibility can be renewed. The process is much less burdensome than the processes currently in place in many States that require individuals to complete a new application at renewal. While we estimate that 25.5 million individuals, or approximately half of the individuals whose eligibility will be determined using MAGI methodologies, we also estimate that 9.9 million individuals (or half of the 19.8 million individuals enrolled in the adult group under section 1902(a)(10)(A)(i)(VIII) of the Act) will now be required to complete the pre-populated form every six months due to Section 1902(e)(14)(L). As such, to estimate beneficiary burden we are estimating 15.6 million individuals will complete the pre-populated form annually, and the 9.9 million beneficiaries that will complete

[2] 42 CFR § 435.916(a)(2) (2023)

[3] June 2025 Medicaid MBES Enrollment, accessible at https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/medicaid-chip-enrollment-data/medicaid-enrollment-data-collected-through-mbes

the pre-populated form semiannually.

We estimate that it will take an individual 20 minutes to complete the streamlined renewal process. In aggregate, we estimate a total annual beneficiary burden of 11,800,000 hours {([20 minutes x 15.6 million individuals]/60 minutes) + ([20 minutes x (9.9 million individuals x 2 forms per year)]/60 minutes)} at a cost to beneficiaries of $152,456,000 [(11.8 million hr x $12.92/hr). We note that the number of people who need to provide additional information may be smaller than our estimate, but we used a higher end estimate to account for the greatest potential impact on States and individuals.

Recordkeeping

States will keep records of each renewal that is processed in Medicaid and CHIP. The amount of time spent on recordkeeping will be the same for renewals based on information available to the agency and for renewals that require additional information from individuals. For purposes of this update, we estimate section 1902(e)(14)(L) increases the number of renewals from 51 million to 70.8 million (the original estimated 51 million MAGI renewals + 19.8 additional renewals for beneficiaries enrolled in in the adult group and subject to section 1902(e)(14)(L)) Accordingly, we estimate an additional 19,800,000 renewal recordkeeping events, 4,950,000 annual burden hours, and $212,256,000 in annual labor cost. We estimate that it will take the State agency 15 minutes (0.25 hr) at $44.10/hr for an information and record clerk to conduct the required recordkeeping for each of the 70.8 million renewals (51 million +19.8 million). We estimate a total annual burden of 17,700,000 hours (70,800,000 renewals x 0.25 hr) at a cost of $780,570,000 (17,700,000 hr x $44.10/hr). However, when considering the state share of 50%, we estimate an annual cost of $390,285,000 ($780,570,000 x 0.5) apiece (both, Federal and State).

Annual Burden: Periodic Eligibility Renewals (§§ 435.916, 457.343, and 457.350)

Regulatory Section(s) in Title 42 of the CFR	Respondents	Total Responses	Time per Response (hr)	Total Annual Time (hr)	Labor Cost (/hr)	Cost ($)	State Share ($)
435.916, 457.343, and 457.350: Develop, Automate, and Distribute Renewal Notices	96	96	Varies	1,741	Varies	185,822	92,911
435.916, 457.343, and 457.350: Submit Prepopulated Renewal Forms	25,500,000	35,400,000 (15.6 million @ 1x per year + 9.9 million @ 2x per year)	20 minutes	11,800,000	12.92	152,456,000	n/a
435.916, 457.343, and	96	70,800,000	0.25	17,700,000	44.10	780,570,000	390,285,000

Regulatory Section(s) in Title 42 of the CFR	Respondents	Total Responses	Time per Response (hr)	Total Annual Time (hr)	Labor Cost (/hr)	Cost ($)	State Share ($)
457.350: Recordkeeping							
Total	25,500,096 (25,500,000 + 96)	96,300,096	varies	29,501,741	varies	933,211,822	390,377,911

Web Sites (§§ 435.1200 and 457.335)

Sections 435.1200 and 457.335 require State Medicaid and CHIP agencies to have a Web site that allows an individual to apply, renew coverage, and select a health plan. Also, a Web site will allow the State agency to transmit data, for individuals found ineligible, to other insurance affordability programs and to provide coordinated notices with other insurance affordability programs. The burden is the time and effort necessary for the State to develop and disclose information on the Web site, develop and automate the required notices, and transmit (report) the application data to the appropriate insurance affordability program.

We estimate that 53 Medicaid agencies and an additional 43 CHIP agencies would be subject to the provisions above. To achieve efficiency, we assume that States will develop only one Web site to perform the required functions. Therefore, we base our burden estimates on 50 States, the District of Columbia, the Northern Mariana Islands, and American Samoa (53 agencies) and do not include the 43 separate CHIP programs.

We estimate that it will take each State an average of 320 hours to develop the additional functionality to meet the requirements, including developing an online application, automating the renewal process, and adding a health plan selection function. Of the 320 hours, we estimate it will take a business operations specialist 85 hours at $89.26/hr, a medical and health services manager 50 hours at $135.54/hr, and network and computer systems administrators 185 hours at $99.70/hr to meet the requirements related to web site development. Approximately 70 percent of states have completed all of these necessary requirements and have a fully functioning Web site, so only 16 agencies are included in this specific estimate. We estimate a total burden of 5,120 hours (320 hr x 16 agencies) at a cost of $524,938 (16 x [(85 hr x $89.26/hr) + (50 hr x $135.54/hr) + (185 hr x $99.70/hr)]). However, when considering the state share of 50%, we estimate an annual cost of $262,469 ($524,938 x 0.5) apiece (both, Federal and State).

We estimate that it will take each State entity 16 hours annually to develop and automate each of the two coordinated notices[4] with other insurance affordability programs (or 32 hours for both notices). Of the 32 hours, we estimate it will take a business operations specialist 20 hours at $89.26/hr and a medical and health services manager 12 hours at $135.54/hr to complete each notice. We estimate a total burden of 1,696 hours (32 hr for 2 notices x 53 agencies] at a cost of $180,819 (53 x [(20 hr x $89.26/hr) + (12 hr x $135.54/hr)]). However, when considering the state share of 50%, we estimate an annual cost of $90,410 ($180,819 x 0.5) apiece (both, Federal and State).

[4] See 42 CFR part 431, subpart E and § 435.1200(h) for coordinated eligibility notice requirements.

We also estimate that it will take a network and computer systems administrator 150 hours at $99.70/hr to transmit the application data of ineligible individuals to the appropriate insurance affordability program and meet this information reporting requirement for each State (53). We estimate a total burden of 7,950 hours (150 hr x 53 agencies) at a cost of $792,615 [53 x (150 hours x $99.70/hr)]. However, when considering the state share of 50%, we estimate an annual cost of $396,308 ($792,615 x 0.5) apiece (both, Federal and State).

Annual Burden: Web Sites (§§ 435.1200 and 457.335)

Regulatory Section(s) in Title 42 of the CFR	Respondents	Total Responses	Time per Response (hr)	Total Annual Time (hr)	Labor Cost (/hr)	Cost ($)	State Share ($)
435.1200 and 457.335: Develop Web Site	16	16	320	5,120	Varies	524,938	262,469
435.1200 and 457.335: Develop coordinated notices with other insurance affordability programs	53	53	32	1,696	Varies	180,819	90,410
435.1200 and 457.335: Transmit Information	53	53	150	7,950	99.70	792,615	396,308
Total	53	122	varies	14,766	varies	1,498,372	749,187

Application Updates (Single Streamlined, Alternative Single, Streamlined and Presumptive Eligibility Applications) (§§ 435.912, 435.556, 435.557)

We estimate that to implement the community engagement requirements outlined in the 2026 IFC (CMS-2454-IFC), 43 States and the District of Columbia will need to implement changes to their web sites, required under 42 CFR § 435.1200(f), including updates to the online or electronic versions of their applications, instructions, forms, templates, and determination-related notices. States will need to incorporate the information needed to determine eligibility for those subject to community engagement requirements into their applications. We estimate a one-time burden of 116 hours per State to accomplish these tasks. We estimate it will take 80 hours at $91.56/hr for a Business and Financial Operations Occupation to perform this task, 32 hours at $101.12/hr for a Computer Programmer to implement the technical changes to the associated web site, and 4 hours at $129.74/hr for a General and Operations Manager to review and provide oversight prior to submission and implementation. In aggregate we estimate a one-time burden of 5,104 hours (116 hours x 44 jurisdictions) at a cost of $487,502 {44 x [(80 hours x $91.56/hr.) + (32 hours x $101.12) + (4 hours x 129.74)]}. Accounting for the Federal administrative match of 75 percent, the requirement will cost States $121,876 ($487,502 x 0.25).

In addition, States will need to make updates to their hospital presumptive eligibility and/or presumptive eligibility applications, provider training materials, and eligibility determination notices. The updates to hospital presumptive eligibility materials are applicable to those States that cover the adult group in their State plan, and for optional presumptive eligibility, to those States that have elected to provide presumptive eligibility to the adult group. For the updates to presumptive eligibility and hospital presumptive eligibility, we estimate that 38 States and the District of Columbia (39 jurisdictions) will need to incorporate the regulatory requirements into their provider training materials, eligibility notices, and application materials. For these updates, we estimate that each of the 39 jurisdictions will need to incorporate the regulatory requirements into their application process and make updates to their hospital presumptive eligibility and/or presumptive eligibility applications and provider training materials.

We estimate a one-time burden of 64 hours per State, consisting of 36 hours at $91.56/hr for a Business and Financial Operations Occupation, 24 hours at $101.12/hr for a Computer Programmer, and 4 hours at $129.74/hr for a General and Operations Manager to together update any electronic hospital presumptive eligibility and/or presumptive eligibility forms, and templates as applicable. In aggregate we estimate a one-time burden of 2,496 hours (64 hr x 39 states) at a cost of $243,438 (39 x [(36 hours x $91.56) + (24 hours x $101.12) + (4 hours x $129.74)]. Accounting for the Federal administrative match of 75 percent, the requirement will cost States $60,860 ($243,438 x 0.25).

Annual Burden: Application Updates (Single Streamlined, Alternative Single, Streamlined and Presumptive Eligibility Applications) (§§ 435.912, 435.556, and 435.557)

Regulatory Section(s) in Title 42 of the CFR	Respondents	Total Responses	Time per Response (hr)	Total Time (hr)	Labor Cost (/hr)	Cost ($)	State Share ($)
435.912, 435.556, 435.557 Application Updates (Single Streamlined)	44	44	116	5,104	Varies	487,502	121,876
435.912, 435.556, 435.557 Application Updates (Presumptive Eligibility Application)	39	39	64	2,496	Varies	243,438	60,860
Total	83	83	varies	7,600	varies	730,940	182,736

State Requirements for Outreach (§ 435.560) and Non-Compliance (§ 435.557)

Medicaid applicants and beneficiaries may be required to provide additional information or documentation to verify their status as excepted or excluded from the community engagement requirement, or to provide information to the state to demonstrate how they satisfied the community engagement requirement. Applicants and beneficiaries will have to submit

documentation if the State cannot verify compliance via *ex parte* means. We estimate that approximately 56 percent of the approximately 20 million total applicable individuals will have their compliance with, or exception or exclusion from, the community engagement requirement verified *ex parte*, and that the remaining 44 percent, or 8.8 million beneficiaries, will need to provide information to the State.

We estimate, on average, it will take 2 hours at $12.92/hr for a beneficiary to document and submit their information or documentation regarding community engagement to the State every six months. In aggregate, we estimate an annual burden of 35.2 million hours (8.8 million beneficiaries x 4 hr) at a cost of $454,080,000 (35.2 million hr x $12.92/hr) across all 44 jurisdictions. Additionally, we estimate that 3.75 million new applicants will have to submit their information to the State to demonstrate compliance with the requirements. Therefore, we estimate that an annual burden of 7.5 million hours (3.75 million applicants x 2 hours) at a cost of $96,750,000 (7.5 million hours x $12.92/hr).

In addition, to implement the community engagement requirements outlined in CMS-2454-IFC, 43 States and the District of Columbia will likely need to develop or update outreach and noncompliance notice templates and establish or update the associated operational workflows to support required delivery modalities and timing. For both outreach and noncompliance notices, these operational workflows will include mailing paper copies to the subset of individuals who receive paper notices. Because mailing paper notices is the default modality under § 435.560(d), we estimate that 75 percent of beneficiaries will not proactively elect electronic delivery.

To comply with these requirements, we estimate that it will take a one-time burden of 80 hours at $89.26/hr for a Business Operations Specialist to develop or update the notice templates and update the associated workflows as necessary, 8 hours at $129.74/hr for a General and Operations Manager to review and approve the updated notice templates and workflows, and 24 hours at $101.12/hr for a Computer Programmer to conduct the technical changes to the State electronic data collection means. In aggregate, we estimate a one-time burden of 4,928 hours (112 hr x 44 states) at a cost of $466,632(44 x [(80 hr x $89.26/hr) + (24 hr x $101.12/hr) + (8 hr x $129.74/hr)]). Accounting for the Federal administrative match of 75 percent, the requirement will cost States $116,658 ($466,632 x 0.25).

We also estimate it will take 1 minute (0.017 hr) at $40.06/hr for a Mail Clerk to mail each paper notice to 75 percent of the applicable beneficiaries (20 million total applicable beneficiaries). This results in 15 million outreach notices (20,000,000 applicable beneficiaries x 0.75 that will not elect electronic delivery), as well as 6 million noncompliance notices (0.75 x the 8,000,000 applicable individuals whose eligibility could not be verified *ex parte*), or 21 million mailings in the initial year. In aggregate, we estimate a one-time burden of 357,000 hours (21,000,000 mailings x 0.017 hr per mailing) for Mail Clerks to complete all mailings at a cost of $14,301,420 (357,000 x $40.06/hr). Accounting for the Federal administrative match of 50 percent, the labor burden of this requirement will cost States $7,150,710 ($14,301,420 x 0.50).

In addition, the mailing of the initial notices will add ancillary non-labor costs. We assume these costs include paper, toner, envelopes, and postage (envelope weight is normally considered negligible when citing these rates and is not included) for hard-copy mailings:

- Paper: $3.50 for a ream of 500 sheets. The cost for one page is $0.007 ($3.50/500 sheets).
- Toner: $70 for 10,000 pages. The toner cost per page is $0.007 ($70/10,000 pages).
- Envelope: Bulk envelope costs are $440 for 10,000 envelopes or $0.044 per envelope.
- Postage: The cost of first-class metered mail is $0.73 per letter up to 1 ounce.

We estimate that a sheet of paper weighs 0.16 ounces (10.0 lb/1,000 sheets x 16 oz/lb), and do not anticipate additional postage for mailings in excess of 1 ounce.

We estimate the aggregate cost per mailed notice is $0.802 [($0.007 for paper x 2 pages) + ($0.007 for toner x 2 pages) + $0.73 for postage + $0.044 per envelope]. Assuming 21 million initial mailings in the initial year, we assume non-labor ancillary costs of $16,842,000. Accounting for the Federal administrative match of 50 percent, the non-labor burden of this requirement will cost States $8,421,000 ($16,842,000 x 0.50).

States will also need to conduct ongoing annual maintenance of outreach and noncompliance notice templates and the associated operational workflows to ensure continued compliance with required outreach delivery modalities and timing. We estimate this ongoing annual activity will require approximately 28 hours per State (one-quarter of the 112-hour one-time effort) to review, update, and implement minor policy, operational, and technical changes to notices and delivery workflows. This includes 20 hours at $89.26/hr for a Business Operations Specialist to update notices and workflows, 2 hours at $129.74/hr for a General and Operations Manager to review and approve updates, and 6 hours at $101.12/hr for a Computer Programmer to make necessary technical adjustments to the State's electronic data collection methods.

In aggregate, we estimate an annual burden of 1,232 hours (28 hr x 44 jurisdictions) at a cost of $116,662 (44 x [(20 hr x $89.26/hr) + (6 hr x $101.12/hr) + (2 hr x $129.74/hr)]). Accounting for the Federal administrative match of 75 percent, the requirement will cost States $29,165 ($116,662 x 0.25).

In addition, we continue to estimate 1 minute (0.017 hr) at $40.06/hr for a Mail Clerk to process and mail each beneficiary notice. We assume that the initial estimate of 15 million beneficiaries that receive paper notices will be moderately reduced in subsequent years as more beneficiaries opt to receive their notices electronically. On an ongoing basis we assume that 11.25 million beneficiaries will need to be mailed paper outreach notices, and that 4.50 million beneficiaries will need to be mailed noncompliance notices on an ongoing basis. For the combined 15.75 million beneficiary notices, this equals 267,750 hours annually (15,750,000 mailings x 0.017 hr per mailing) at an annual cost of $10,726,065 (267,750 hours x $40.06/hr). Accounting for the Federal administrative match of 50 percent, the annual labor cost to States is $5,363,033

In addition, the ongoing mailing of the notices will add ancillary annual non-labor costs associated with paper, toner, envelopes, and postage. Assuming 15.75 million mailings annually at a cost of $0.802 [($0.007 for paper x 2 pages) + ($0.007 for toner x 2 pages) + $0.73 for postage + $0.044 per envelope], we estimate an additional aggregate annual non-labor cost of $12,631,500. Accounting for the Federal administrative match of 50 percent, the non-labor burden of this requirement will cost States $6,315,750 ($12,631,500 x 0.50).

We also estimate 44 jurisdictions will need to send notices to beneficiaries to inform them of the loss of a beneficiary's status as a specified excluded individual. Per data from our "Medicaid and CHIP Leavers and Coverage Transitions" report, 3.02 million adult non-expansion beneficiaries left Medicaid between March 31, 2023, and December 31, 2023.[5] We therefore use 3.02 million beneficiaries as a proxy for the number of beneficiaries that will needed to be informed of the loss of a beneficiary's status as a specified excluded individual in a given year, but acknowledge that this number may be higher than the actual number of adult beneficiaries who may lose their status as a specified excluded individual in a given year, given the population differences between these two groups. We estimate it will take 1 minute (0.017 hr) at $40.06/hr for a Mail Clerk to mail the notice of the loss of a beneficiary's status as a specified excluded individual to 3.02 million beneficiaries. In aggregate, we estimate an annual burden of 51,340 hours for Mail Clerks to complete these mailings at a cost of $2,056,680. Accounting for the Federal administrative match of 50 percent, the labor burden of this requirement will cost States $1,028,340 ($2,056,680 x 0.50).

In addition, the mailing of notices to beneficiaries to inform them of the loss of a beneficiary's status as a specified excluded individual under § 435.554 will add ancillary annual non-labor costs associated with paper, toner, envelopes, and postage. Assuming 3.02 million mailings annually at a cost of $0.802 [($0.007 for paper x 2 pages) + ($0.007 for toner x 2 pages) + $0.73 for postage + $0.044 per envelope], we estimate an additional aggregate annual non-labor cost of $2,422,040. Accounting for the Federal administrative match of 50 percent, the non-labor burden of this requirement will cost States $1,211,020 ($2,422,040 x 0.50).

Annual Burden: State Requirements for Outreach (§ 435.560) and Non-Compliance (§ 435.557)

Regulatory Section(s) in Title 42 of the CFR	Respondents	Total Responses	Time per Response (hr)	Total Annual Time (hr)	Labor Cost (/hr)	Total Annual Cost ($)	State Share ($)
435.912, 435.556, 435.557 Application Updates (Community Engagement Documentation - Beneficiaries)	8,800,000	8,800,000	4	35,200,000	12.90	454,080,000	n/a
435.912, 435.556, 435.557 Application Updates (Community Engagement Documentation - Beneficiaries)	3,750,000	3,750,000	2	7,500,000	12.90	96,750,000	n/a
435.560 and 435.557: Initial	44	44	112	4,928	Varies	466,632	116,658

[5]

State Requirements for Communication Notices							
435.560 and 435.557: Initial Mailing State Requirements for Outreach and Noncompliance Notices - Labor	44	21,000,000	0.017	357,000	40.06	14,301,420	7,150,710
435.560 and 435.557: Initial Mailing State Requirements for Outreach and Noncompliance Notices - Non-Labor	44	21,000,000	n/a	n/a	n/a	16,842,000	8,421,000
435.560 and 435.557: Annual State Maintenance Requirements for Communication Notices	44	44	28	1,232	Varies	116,662	29,165
435.560 and 435.557: State Requirements for Outreach – Annual Updates - Labor	44	15,750,000	0.017	267,750	40.06	10,726,065	5,363,033
435.560 and 435.557: State Requirements for Outreach – Annual Updates - Non-Labor	44	15,750,000	n/a	n/a	n/a	12,631,500	6,315,750
435.560 and 435.557: Ongoing State Requirements for Outreach – Loss of a Beneficiary's Status as a Specified Excluded Individual-	44	3,002,000	0.017	51,034	40.06	2,044,422	1,022,211

Labor							
435.560 and 435.557: Ongoing State Requirements for Outreach – Loss of a Beneficiary's Status as a Specified Excluded Individual-Non-Labor	44	3,002,000	n/a	n/a	n/a	2,422,040	1,211,020
Total	12,550,044	92,054,088	varies	43,381,944	varies	610,380,741	29,629,547

Annual Burden Summary

Burden	Respondents	Total Responses	Time per Response (hr)	Total Annual Time (hr)	Labor Cost (/hr)	Cost ($)	State Share ($)
Periodic Eligibility Renewals (§§ 435.916, 457.343, and 457.350)	25,500,096	96,300,096	varies	29,501,741	varies	933,211,822	390,377,911
Web Sites (§§ 435.1200 and 457.335)	53	122	varies	14,766	varies	1,498,372	749,187
Application Updates (Single Streamlined, Alternative Single, Streamlined and Presumptive Eligibility Applications) (§§ 435.912, 435.556, 435.557)	83	83	varies	7,600	varies	730,940	182,736
State Requirements for Outreach (§ 435.560) and Non-Compliance (§ 435.557)	12,550,044	92,054,088	varies	43,381,944	varies	610,380,741	29,629,547
TOTAL	38,050,276	188,354,389	varies	72,906,051	varies	1,545,821,875	420,939,381

Collection of Information Instruments and Instruction/Guidance Documents

This collection does not include any reporting instruments. All of the requirements and instructions are set out in statute, in the CFR, and in the aforementioned 2012 final rule and the 2026 interim final rule.

13. Capital Costs

There are no capital costs incurred by the collections.

14. Cost to Federal Government

Section 12 of this Supporting Statement estimates the total State cost and the Federal/State share of such costs. As noted, the Federal share equals 75% of the total State cost for Medicaid IT system updates and 50% of the total State cost for all other costs. In this regard the Federal share is $420,939,381.

15. Changes to Collection of Information Requirements and Burden

The following ICR changes are associated with our June 3, 2026 interim final rule with comment period (CMS-2454-IFC; RIN 0938-AV98) entitled, "Medicaid Program; Community Engagement Requirement for Certain Individuals."

ICRs Regarding Beneficiary Application Updates (Single Streamlined and Presumptive Eligibility Applications) (§§ 435.912, 435.556, and 435.557)

Section 1902(xx) of the Act requires that "applicable individuals" demonstrate as a condition of their Medicaid eligibility, "community engagement" for a minimum period of time preceding their application month and during their enrollment. Section 1902(xx)(9)(A)(i) of the Act defines the term "applicable individual" to mean "an individual…who is eligible to enroll (or is enrolled) under the State plan under subsection (a)(10)(A)(i)(VIII), or who is otherwise eligible to enroll (or is enrolled) under a waiver of such plan…" and is not a "specified excluded individual." These requirements will necessitate updates by States to their single, streamlined application; alternative single, streamlined application; associated instructions; and/or renewal-related materials, as applicable, to reflect community engagement-related information that must be communicated and collected consistent with section 1902(xx) of the Act and implementing regulations.

For these updates, we estimate that each of the 43 States and the District of Columbia will need to implement changes to their websites, required at § 435.1200(f), including updates to the online and electronic versions of their applications, instructions, forms, notices, templates, and postings. We estimate a one-time burden of 116 hours per State to accomplish these tasks. States will need to incorporate the requirements of the terms "applicable individuals" and "specified excluded individuals" into their eligibility processes and documents. Of the 116 hours, we estimate it will take 80 hours at $91.56/hr for a Business and Financial Operations Occupation to perform this task, 32 hours at $101.12/hr for a Computer Programmer to implement the technical

changes to the associated web site, and 4 hours at $129.74/hr for a General and Operations Manager to review and provide oversight prior to submission and implementation.

In aggregate, we estimate a one-time burden of 5,104 hours (116 hr x 44 jurisdictions) at a cost of $487,502 (44 x [(80 hr x $91.56/hr) + (32 hr x $101.12/hr) + (4 hr x $129.74/hr)]). Accounting for the Federal administrative match of 75 percent, the requirement will cost States $121,876 ($487,502 x 0.25).

Beneficiary Application Updates (Single, Streamlined Application)

No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)	Federal Match ($)	State Share ($)
44 Jurisdictions	44	One-Time	116	5,104	Varies	487,502	365,627	121,876

In addition to the single, streamlined applications and associated instructions and renewal-related material updates, States will need to make updates to their hospital presumptive eligibility and/or presumptive eligibility applications and provider training materials, including eligibility determination notices. The updates to hospital presumptive eligibility materials are applicable to those States that cover the adult group in their State plan, and for optional presumptive eligibility, to those States that have elected to provide presumptive eligibility to the adult group. For the updates to presumptive eligibility and hospital presumptive eligibility, we estimate that 38 States and the District of Columbia (39 jurisdictions) will need to incorporate the regulatory requirements into their provider training materials, eligibility notices, and application materials.

For these updates, we estimate that each of the 39 jurisdictions will need to incorporate the regulatory requirements into their application process and make updates to their hospital presumptive eligibility and/or presumptive eligibility applications and provider training materials. States will also need to update any electronic hospital presumptive eligibility and/or presumptive eligibility forms, templates, and notice-generation artifacts, as applicable. We estimate a one-time burden of 64 hours per State consisting of 36 hours at $91.56/hr for a Business and Financial Operations Occupation to perform this task, 24 hours at $101.12/hr for a Computer Programmer to conduct the technical tasks, and 4 hours at $129.74/hr for a General and Operations Manager to review and provide oversight prior to submission.

In aggregate, we estimate a one-time burden of 2,496 hours (64 hr x 39 jurisdictions) at a cost of $243,438 (39 x [(36 hr x $91.56/hr) + (24 hr x $101.12/hr) + (4 hr x $129.74/hr)]. Accounting for the Federal administrative match of 75 percent, the requirement will cost States $60,860 ($243,438 x 0.25).

Beneficiary Application Updates (Presumptive Eligibility Application)

No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)	Federal Match ($)	State Share ($)
39 Jurisdictions	39	One-Time	64	2,496	Varies	243,438	182,579	60,860

In addition, Medicaid applicants and beneficiaries may be required to provide additional information or documentation to verify their status as excepted or excluded from the community

engagement requirement, including their status as an individual that is medically frail or has other special medical needs as defined at § 435.554(c)(5), or to provide information to the State to demonstrate how they satisfied the community engagement requirement. Beneficiaries will have to submit documentation or other information if the State cannot verify compliance based on available information, including data sources.

Based on State-reported renewal data from calendar year 2025, we estimate that approximately 56 percent of the approximately 20 million total applicable individuals that will be due for renewal will have their compliance with, or exception or exclusion from, the community engagement requirement verified *ex parte*, and that the remaining 44 percent, or 8.8 million beneficiaries, will need to provide information to the State.[6] We also estimate, on average, it will take 2 hours at $12.92/hr for a beneficiary to document and submit their information or documentation regarding community engagement to the State every 6 months. We acknowledge the options at § 435.557(d) for States to conduct more frequent verifications for applicable individuals. We also note that some applicable individuals enrolled in Medicaid under an 1115 demonstration will continue to have their eligibility renewed once every 12 months instead of every 6 months. Further, as described at § 435.557(f)(1)(iii), States may elect to reverify continued medical frailty status once every 12 months for individuals whose specified excluded status on the basis of being medically frail or otherwise have special medical needs was initially verified based on available information or documentation. However, on balance, we believe that for the purpose of estimating burden, the vast majority of States will verify compliance with, or exception or exclusion from, the community engagement requirement, and that certain adults may be required to submit information to verify their compliance, every 6 months.

In aggregate, we estimate an annual burden of 35.2 million hours (8.8 million beneficiaries providing information to the State x 2 hr/response x 2 responses/year) at a cost of $454,784,000 (35.2 million hr x $12.92/hr).

Beneficiary Burden for Community Engagement Information Submission

No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)
8,800,000 Beneficiaries	17,600,000	Semiannual	2	35,200,000	12.92	454,784,000

Additionally, we estimate that 3.75 million new applicants will have to submit their information to the State to demonstrate compliance with the requirements. This estimate of new applicants is an approximation. State-reported data published by CMS shows that 30.6 million applications for Medicaid and CHIP were received in 2025.[7] If we assume 10 percent are CHIP applications this would leave approximately 27.5 million Medicaid applications. However, this same dataset notes that many of the data reported by States include renewals and/or redeterminations, the burden for which is captured in Table 15. Therefore, we assume that only 15 million of these will be new Medicaid applications, of which 25 percent, or 3.75 million, will be subject to the community engagement requirement and required to submit information to demonstrate their

[6] State Medicaid and CHIP Eligibility Processing Data, updated April 24, 2026. State Medicaid and CHIP Eligibility Processing Data.

[7] January 2026: Medicaid and CHIP Eligibility Operations and Enrollment Snapshot, slide 13. https://www.medicaid.gov/resources-for-states/downloads/eligib-oper-and-enrol-snap-jan2026.pdf

compliance. We estimate, on average, it will take 2 hours at $12.92/hr for a new applicant to document and submit their information or documentation regarding community engagement to the State at the time of application.

In aggregate, we estimate an annual burden of 7,500,000 hours (3,750,000 beneficiaries providing information to the State x 2 hr/response) at a cost of $96,900,000 (7,500,000 hr x $12.92/hr).

Summary of Annual New Applicant Burden for Community Engagement Information Submission

No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)
3,750,000 Applicants	3,750,000	Annual	2	7,500,000	12.92	96,900,000

Total Beneficiary Application Burden (States, Beneficiaries, and Applicants)

No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)	Federal Share ($)	State Share ($)
	Beneficiary Application Updates (Single, Streamlined Application)							
44 Jurisdictions	44	One-Time	116	5,104	Varies	487,502	365,627	121,876
	Beneficiary Application Updates (Presumptive Eligibility Application)							
39 Jurisdictions	39	One-Time	64	2,496	Varies	243,438	182,579	60,860
	Beneficiary Burden for Community Engagement Information Submission							
8,800,000 Beneficiaries	17,600,000	Semiannual	2	35,200,000	12.92	454,784,000	n/a	n/a
	New Applicant Burden for Community Engagement Information Submission							
3,750,000 Applicants	3,750,000	Annual	2	7,500,000	12.92	96,900,000	n/a	n/a
TOTAL	21,350,083	Varies	Varies	42,707,600	Varies	552,414,940	548,206	182,736

ICRs Regarding State Requirements for Outreach (§ 435.561) and Noncompliance (§ 435.558).

As discussed in section II.L. of the IFC, State Medicaid agencies are required to develop (or update) and disseminate standardized, targeted communications notices to certain individuals about the requirement to demonstrate community engagement under section 1902(xx) of the Act. States must also implement the operational processes needed to deliver those communications in a timely manner. Among the communications, under new § 435.561, States must provide outreach notices to individuals eligible for or enrolled under § 435.119 and to certain individuals covered through specified section 1115 demonstrations. While CMS will not be providing States with templates for these notices, States must send outreach at the times specified at § 435.561(b), include the content required by § 435.561(c), and deliver outreach notices through at least two modalities as required by § 435.561(d) (regular mail or, if elected by the individual, electronic delivery consistent with § 435.918, plus at least one additional modality such as an electronic account, telephone, text message, or other commonly available electronic means), consistent with the plain language and accessibility standards at § 435.905(b). States may also coordinate

outreach with other beneficiary communications, such as eligibility determination notices under § 435.917.

In addition, under new § 435.558, when a State cannot verify compliance with, or an exception (for deemed compliance), or exclusion from the community engagement requirement, the State must issue a notice of noncompliance, in the form and manner outlined at § 435.558(c), that provides at least 30 calendar days for the individual to demonstrate compliance or an exception/exclusion. This requirement will likely create additional information collection activities related to preparing and sending the notice, tracking the response period, and documenting outcomes prior to any denial or disenrollment, including advance notice and fair hearing rights. At renewal, States may choose when to send the noncompliance notice relative to the pre-populated renewal form but must still generate and issue the notice and track responses.

These requirements also leverage existing State communication infrastructure, including online accounts and portals. In particular, § 435.561(d)(2)(i) (delivery through the individual's electronic account) extends State's Medicaid website obligations under § 435.1200(f), including accessibility consistent with § 435.905(b).

States will need to develop or update outreach and noncompliance notice templates and establish or update the associated operational workflows to support required delivery modalities and timing. For both outreach and noncompliance notices, these operational workflows will include mailing paper copies to the subset of individuals who receive paper notices. Since mailing paper notices is the default modality under § 435.561(d), we estimate that 75 percent of beneficiaries do not elect to use electronic notices.

To comply with these requirements, we estimate that it will take a one-time burden of 80 hours at $89.26/hr for a Business Operations Specialist to develop or update the notice templates and update the associated workflows as necessary, 8 hours at $129.74/hr for a General and Operations Manager to review and approve the updated notice templates and workflows, and 24 hours at $101.12/hr for a Computer Programmer to conduct the technical changes to the State electronic data collection means.

In aggregate, we estimate a one-time burden of 4,928 hours (112 hr x 44 jurisdictions) at a cost of $466,646 (44 x [(80 hr x $89.26/hr) + (24 hr x $101.12/hr) + (8 hr x $129.74/hr)]). Accounting for the Federal administrative match of 75 percent, the requirement will cost States $116,662 ($466,646 x 0.25).

Initial State Requirements for Outreach and Noncompliance Notices

No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)	Federal Share ($)	State Share ($)
44 Jurisdictions	44	One-Time	Varies	4,928	Varies	466,646	349,985	116,662

We also estimate it will take 1 minute (0.017 hr) at $40.06/hr for a Mail Clerk to mail paper materials to 75 percent of the applicable beneficiaries (20 million total applicable beneficiaries). This results in 15 million outreach notices (20,000,000 applicable beneficiaries x 0.75 that will

not elect electronic delivery), as well as 6 million noncompliance notices (0.75 x the 8,000,000 applicable individuals whose eligibility could not be verified *ex parte*), or 21 million mailings in the initial year.

In aggregate, we estimate a one-time burden of 357,000 hours (21,000,000 total mailings x 0.017 hr per mailing) for Mail Clerks to complete all mailings at a cost of $14,301,420 (357,000 hr x $40.06/hr). Accounting for the Federal administrative match of 50 percent, the labor burden of this requirement will cost States $7,150,710 ($14,301,420 x 0.50).

In addition, the mailing of the initial notices will add ancillary non-labor costs. We assume these costs include paper, toner, envelopes, and postage (envelope weight is normally considered negligible when citing these rates and is not included) for hard-copy mailings.

We estimate the aggregate cost per mailed notice is $0.802 [($0.007 for paper x 2 pages) + ($0.007 for toner x 2 pages) + $0.73 for postage + $0.044 per envelope]. Assuming 21 million initial mailings in the initial year, we assume non-labor ancillary costs of $16,842,000 (21,000,000 x $0.802). Accounting for the Federal administrative match of 50 percent, the non-labor burden of this requirement will cost States $8,421,000 ($16,842,000 x 0.50).

Initial Mailing State Requirements for Outreach and Noncompliance Notices

Requirement	No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)	Federal Share ($)	State Share ($)
Mailing Notices (Labor Burden)	44 Jurisdictions	21,000,000	One-Time	0.017	357,000	40.06	14,301,420	7,150,710	7,150,710
Ancillary Costs (Non-Labor Burden)	44 Jurisdictions	21,000,000	One-Time	n/a	n/a	n/a	16,842,000	8,421,000	8,421,000
Total Burden	44 Jurisdictions	21,000,000	One-Time	Varies	357,000	Varies	31,143,420	15,571,710	15,571,710

States will also need to conduct ongoing annual maintenance of outreach and noncompliance notice templates and the associated operational workflows to ensure continued compliance with required outreach delivery modalities and timing. We estimate this ongoing annual activity will require approximately 28 hours per State (one-quarter of the 112-hour one-time effort) to review, update, and implement minor policy, operational, and technical changes to notices and delivery workflows. Of the 28 hours, this includes 20 hours at $89.26/hr for a Business Operations Specialist to update notices and workflows, 2 hours at $129.74/hr for a General and Operations Manager to review and approve updates, and 6 hours at $101.12/hr for a Computer Programmer to make necessary technical adjustments to the State's electronic data collection methods.

In aggregate, we estimate an annual burden of 1,232 hours (28 hr x 44 jurisdictions) at a cost of $116,662 (44 x [(20 hr x $89.26/hr) + (6 hr x $101.12/hr) + (2 hr x $129.74/hr)]). Accounting for the Federal administrative match of 75 percent, the requirement will cost States $29,166 ($116,662 x 0.25).

Annual State Maintenance Requirements for Outreach and Noncompliance Notices

No.	Total	Frequency	Time per	Total	Wage	Total	Federal	State

Respondents	Responses		Response (hr)	Time (hr)	($/hr)	Cost ($)	Share ($)	Share ($)
44 Jurisdictions	44	Annual	Varies	1,232	Varies	116,662	87,497	29,166

In addition, we continue to estimate 1 minute (0.017 hr) at $40.06/hr for a Mail Clerk to process and mail each beneficiary notice. We assume that the initial estimate of 15 million beneficiaries that receive paper notices will be moderately reduced in subsequent years as more beneficiaries opt to receive their notices electronically. On an ongoing basis we assume that 11.25 million beneficiaries (0.75 x 15,000,000) will need to be mailed paper outreach notices, and that 4.5 million beneficiaries (0.75 x 6,000,000) will need to be mailed noncompliance notices on an ongoing basis.

For the combined 15.75 million beneficiary notices (11,250,000 + 4,500,000), this equals 267,750 hours annually (15,750,000 mailings x 0.017 mailings/hr) at an annual cost of $10,726,065 (267,750 hours x $40.06/hr). Accounting for the Federal administrative match of 50 percent, the annual labor cost to States is $5,363,033.

In addition, the ongoing mailing of the notices will add ancillary annual non-labor costs associated with paper, toner, envelopes, and postage. Assuming 15.75 million mailings annually at a cost of $0.802 [($0.007 for paper x 2 pages) + ($0.007 for toner x 2 pages) + $0.73 for postage + $0.044 per envelope], we estimate an additional aggregate annual non-labor cost of $12,631,500. Accounting for the Federal administrative match of 50 percent, the non-labor burden of this requirement will cost States $6,315,750 ($12,631,500 x 0.50).

Ongoing State Requirements for Outreach – Annual Updates

Requirement	No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)	Federal Share ($)	State Share ($)
Mailing (Labor Burden)	44 Jurisdictions	15,750,000	Annual	0.017	267,750	Varies	10,726,065	5,363,033	5,363,033
Ancillary Costs (Non-Labor Burden)	44 Jurisdictions	15,750,000	Annual	n/a	n/a	n/a	12,631,500	6,315,750	6,315,750
Total Burden	44 Jurisdictions	15,750,000	Annual	Varies	267,750	Varies	23,357,565	11,678,783	11,678,783

States will also need to send notices to beneficiaries to inform them of the loss of a beneficiary's status as a specified excluded individual under § 435.554. We estimate 44 jurisdictions will need to send notices to beneficiaries to inform them of the loss of a beneficiary's status as a specified excluded individual under § 435.554. Per data from our "Medicaid and CHIP Leavers and Coverage Transitions" report, 3.02 million adult non-expansion beneficiaries left Medicaid between March 31, 2023, and December 31, 2023.[8] We therefore use 3.02 million beneficiaries

[8] See "Leavers, excluding death and moving to Medicaid/CHIP in another state: Count" column in chart on page 7. "Medicaid & CHIP Leavers and Coverage Transitions: By Eligibility Category and Home & Community-Based Services (HCBS) 1915(c) Waiver Enrollment, March 31, 2023-December 31, 2023." CMS. November 2024.

as a proxy for the number of beneficiaries that will need to be informed of the loss of a beneficiary's status as a specified excluded individual under § 435.554 in a given year, but acknowledge that this number may be higher than the actual number of adult beneficiaries who may lose their status as a specified excluded individual in a given year, given the population differences between these two groups. We estimate it will take 1 minute (0.017 hr) at $38.66/hr for a Mail Clerk to mail the notice of the loss of a beneficiary's status as a specified excluded individual under § 435.554 to 3.02 million beneficiaries.

In aggregate, we estimate an annual burden of 51,340 hours (3,020,000 notices x 0.017 hr per mailing) for Mail Clerks to complete all mailings at a cost of $2,056,680 (51,340 hr x $40.06/hr). Accounting for the Federal administrative match of 50 percent, the labor burden of this requirement will cost States $1,028,340 ($2,056,680 x 0.50).

In addition, the mailing of notices to beneficiaries to inform them of the loss of a beneficiary's status as a specified excluded individual under § 435.554 will add ancillary annual non-labor costs associated with paper, toner, envelopes, and postage.

Assuming 3.02 million mailings annually at a cost of $0.802 [($0.007 for paper x 2 pages) + ($0.007 for toner x 2 pages) + $0.73 for postage + $0.044 per envelope], we estimate an additional aggregate annual non-labor cost of $2,422,040 (3,020,000 mailings x $0.802). Accounting for the Federal administrative match of 50 percent, the non-labor burden of this requirement will cost States $1,211,020 ($2,422,040 x 0.50).

Ongoing State Requirements for Outreach –
Loss of a Beneficiary's Status as a Specified Excluded Individual

Requirement	No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)	Federal Share ($)	State Share ($)
Mailing (Labor Burden)	44 Jurisdictions	3,020,000	Annual	0.017	51,340	40.06	2,056,680	1,028,340	1,028,340
Ancillary Costs (Non-Labor Burden)	44 Jurisdictions	3,020,000	Annual	n/a	n/a	n/a	2,422,040	1,211,020	1,211,020
Total Burden	44 Jurisdictions	3,020,000	Annual	Varies	51,340	Varies	4,478,720	2,239,360	2,239,360

CMS-2454-IFC Burden Summary

https://www.medicaid.gov/resources-for-states/downloads/eligibility-group-leavers-transitions-novmbr-2024-release.pdf .

Requirement	No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)	Federal Share ($)	State Share ($)
Beneficiary Application Updates (Single Streamlined Application)	44 Jurisdictions	44	One-Time	116	5,104	Varies	487,502	365,627	121,876
Beneficiary Application Updates (Presumptive Eligibility Applications)	39 Jurisdictions	39	One-Time	64	2,496	Varies	243,438	182,579	60,860
Beneficiary Burden for Community Engagement Data Submission	8,800,000 beneficiaries	17,600,000	Semiannual	2	35,200,000	12.92	454,784,000	N/A	N/A
Summary of New Applicant Burden for Community Engagement Information Submission	3,750,000 beneficiaries	3,750,000	Annual	2	7,500,000	12.92	96,900,000	N/A	N/A
Initial State Requirements for Outreach and Noncompliance Notices	44 Jurisdictions	44	One-Time	Varies	4,928	Varies	466,646	349,985	116,662
Initial Mailing State Requirements for Outreach and Noncompliance Notices : Total Labor Burden	44 Jurisdictions	21,000,000	One-Time	0.017	357,000	40.06	14,301,420	7,150,710	7,150,710
Initial Mailing State Requirements for Outreach and Noncompliance Notices: Total Non-Labor Burden	44 Jurisdictions	21,000,000	One-Time	n/a	n/a	n/a	16,842,000	8,421,000	8,421,000
Annual State Maintenance Requirements for Communication Notices	44 Jurisdictions	44	Annual	Varies	1,232	Varies	116,662	87,497	29,166

Requirement	No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)	Federal Share ($)	State Share ($)
State Requirements for Outreach – Annual Updates: Total Labor Burden	44 Jurisdictions	15,750,000	Annual	0.017	267,750	Varies	10,726,065	5,363,033	5,363,033
State Requirements for Outreach – Annual Updates: Total Non-Labor Burden	44 Jurisdictions	15,750,000	Annual	n/a	n/a	n/a	12,631,500	6,315,750	6,315,750
Ongoing State Requirements for Outreach – Loss of a Beneficiary's Status as a Specified Excluded Individual	44 Jurisdictions	3,020,000	Annual	0.017	51,340	40.06	2,056,680	1,028,340	1,028,340
Ongoing State Requirements for Outreach – Loss of a Beneficiary's Status as a Specified Excluded Individual: Total Non-Labor Burden	44 Jurisdictions	3,020,000	Annual	n/a	0	n/a	2,422,040	1,211,020	1,211,020
TOTAL	8,800,044 (44 Jurisdictions + 8,800,000 beneficiaries)	100,890,171	n/a	varies	43,389,850	varies	611,977,953	30,475,541	29,818,417

The following ICR changes are associated with updates to align with Section 71107 of the WFTC legislation. Section 71107 of the WFTC legislation changes the frequency with which renewals must be conducted for the affected Medicaid adult group, who would now have to have a renewal conducted every 6 months, rather than every 12 months. To implement the community engagement requirements from section 71119 of the WFTC legislation, as outlined in the IFC, states need to verify that beneficiaries meet community engagement requirements at each renewal, which is directly impacted by the change in statute to conduct renewals every 6 months, outlined in section 71107. In the COI section of the IFC, we essentially break out the components and burden of 6-month renewals for states and beneficiaries by specific activity in the renewal process (ex. verifications, forms, noticing, disenrollments, etc.). For example, we reference the 6-month renewal cycle in discussion of burden for beneficiaries to submit

documentation to verify compliance with CE requirements at each renewal.[9] Whereas below, we estimate the change in burden from the section 71107 requirements all together. As a result, this information collection is updated to reflect the increased volume of renewal activity for the affected population under Section 1902(e)(14)(L) of the Act. As a result, this information collection is updated to reflect the increased volume of renewal activity for the affected population under Section 1902(e)(14)(L) of the Act.

Periodic Eligibility Renewals (§§ 435.916, 457.343, and 457.350)

We estimate 40 states and the District of Columbia (D.C.) will have increased renewal activity due to 1902(e)(14)(L). As such, we are bifurcating our existing state burden estimates for periodic eligibility renewals between those 55 agencies (12 Medicaid agencies and 43 CHIP agencies) that do not currently have populations subject to 1902(e)(14)(L), and those 41 agencies that do.

For those 55 agencies without enrolled populations subject to 1902(e)(14)(L), we estimate that it will take each Medicaid and CHIP agency 16 hours annually to develop, automate, and distribute a notice of eligibility determination based on the use of existing information.[10] Of the 16 hours, we estimate it will take a business operations specialist 10 hours at $89.26/hr and a medical and health services manager 6 hours at $135.54/hr to complete the notice. In aggregate we estimate an annual burden of 880 hours (55 agencies x 16 hr/response) at a cost of $93,821 (55 x [(10 hr x $89.26/hr) + (6 hr x $135.54/hr)]). However, when considering the state share of 50%, we estimate an annual cost of $46,911 ($93,821 x 0.5) to both the Federal and State governments.

For those 41 agencies with populations subject to 1902(e)(14)(L), we estimate that the relative burden associated with renewal activities will increase by a factor of 1.31. We formulated this estimate based on the most recent data available from the Medicaid Budget and Expenditure System[11] which showed that among states and D.C. with individuals enrolled in the adult group under section 1902(a)(10)(A)(i)(VIII) of the Act, 19.8 million out of 64.9 million Medicaid beneficiaries, or about 31%, will be subject to the new requirements under 1902(e)(14)(L). Therefore, we estimate it will take each of the 41 Medicaid agencies 21 hours (16 hours x 1.31) to develop, automate, and distribute a notice of eligibility determination based on the use of existing information. Of the 21 hours, and accounting for rounding, we estimate that it will take a business operations specialist 13 hours (10 hours x 1.31) at $89.26/hr and a Medical and health services manager 8 hours (6 hours x 1.31) at $135.54/hr to complete the notice. In aggregate we estimate an annual burden of 861 hours (41 agencies x 21 hr/response) at a cost of $92,001 (41 x [(13 hr x $89.26/hr) + (8 hr x $135.54/hr)]). However, when considering the state share of 50%, we estimate an annual cost of $46,000 ($92,001 x 0.5) to both the Federal and State governments.

In total, for all 96 Medicaid and CHIP agencies that perform periodic eligibility renewals, CMS now estimates a burden of 1,741 hours (880 hours for those agencies without populations subject

[9] https://www.federalregister.gov/d/2026-11094/p-785
[10] 42 CFR § 435.916(a)(2) (2023)
[11] June 2025 Medicaid MBES Enrollment, accessible at https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/medicaid-chip-enrollment-data/medicaid-enrollment-data-collected-through-mbes

to 1902(e)(14)(L), and 861 hours for those agencies with populations subject to 1902(e)(14)(L)) at a cost of $185,822 ($93,821 for those agencies without populations subject to 1902(e)(14)(L), and $92,001 for those agencies with populations subject to 1902(e)(14)(L)). When considering the state share of 50%, we estimate a total annual cost of $92,911($185,822 x 0.5) to both the Federal and State governments.

For those individuals whose eligibility cannot be redetermined using available information, a pre-populated form will be issued, so that the individual can provide the additional information needed to the State so that their eligibility can be renewed. The process is much less burdensome than the processes currently in place in many States that require individuals to complete a new application at renewal. While we estimate that 25.5 million individuals, or approximately half of the individuals whose eligibility will be determined using MAGI methodologies, we also estimate that 9.9 million individuals (or half of the 19.8 million individuals enrolled in the adult group under section 1902(a)(10)(A)(i)(VIII) of the Act) will now be required to complete the pre-populated form every six months due to Section 1902(e)(14)(L). As such, to estimate beneficiary burden we are estimating 15.6 million individuals will complete the pre-populated form annually, and the 9.9 million beneficiaries that will complete the pre-populated form semiannually.

We estimate that it will take an individual 20 minutes to complete the streamlined renewal process. In aggregate, we estimate an additional beneficiary burden of 3,300,000 hours (9,900,000 beneficiaries x 20 min/response) at a cost of $42,636,000 (9,900,000 hr x $12.92/hr). We note that the number of people who need to provide additional information may be smaller than our estimate, but we used a higher end estimate to account for the greatest potential impact on States and individuals.

States will keep records of each renewal that is processed in Medicaid and CHIP. The amount of time spent on recordkeeping will be the same for renewals based on information available to the agency and for renewals that require additional information from individuals. For purposes of this update, we estimate section 1902(e)(14)(L) increases the number of renewals from 51 million to 70.8 million (the original estimated 51 million MAGI renewals + 19.8 additional renewals for beneficiaries enrolled in in the adult group and subject to section 1902(e)(14)(L)) Accordingly, we estimate an additional 19,800,000 renewal recordkeeping events, 4,950,000 annual burden hours (19,800,000 additional renewals x 0.25 hr/renewal) and $218,295,000 (4,950,000 hr x $44.10/hr for an information and record clerk). When considering the state share of 50%, we estimate an annual cost of $109,147,500 ($218,295,000 x 0.5) apiece (both, Federal and State).

Periodic Eligibility Renewal Burden Summary

Requirement	No. Respondents	Total Responses	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)	Federal Share ($)	State Share ($)
435.916, 457.343, and 457.350: Develop, Automate, and Distribute Renewal Notices	96	96	varies	1,741	Varies	185,822	92,911	92,911
435.916, 457.343, and 457.350: Submit Prepopulated Renewal Forms	9,900,000	9,900,000	20 min	3,300,000	12.92	42,636,000	N/A	N/A
435.916, 457.343, and 457.350: Recordkeeping	96	19,800,000	15 min	4,950,000	44.10	218,295,000	109,147,500	109,147,500
Total	9,900,096	29,700,096	varies	8,251,741	varies	261,116,822	109,240,411	109,240,411

Total Burden Change

Requirement	No. Respondents	Total Responses	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)	Federal Share ($)	State Share ($)
CMS-2454-IFC	8,800,044	100,890,171	varies	43,389,850	varies	611,977,953	30,475,541	29,818,417
Periodic Eligibility Renewals (§§ 435.916, 457.343, and 457.350)	9,900,096	29,700,096	varies	8,251,741	varies	261,116,822	109,240,411	109,240,411

Requirement	No. Respondents	Total Responses	Time per Response (hr)	Total Time (hr)	Wage ($/hr)	Total Cost ($)	Federal Share ($)	State Share ($)
TOTAL	18,700,140	130,590,267	varies	51,641,591	varies	873,094,775	139,716,364	139,058,828

16. Publication/Tabulation Dates

There are no plans to publish the information for statistical use.

17. Expiration Date

The expiration date is displayed.

18. Certification Statement

There is no exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-1.

B. Collection of Information Employing Statistical Methods

This collection does not employ any statistical methods.