



August 8, 2025

The Honorable Mehmet Oz, M.D.  
Administrator  
Centers for Medicare and Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244-1850

*Submitted electronically via Medicaid.gov*

**RE: South Carolina Community Engagement Section 1115 Demonstration Waiver Application**

Dear Administrator Oz,

On behalf of Families USA, thank you for the opportunity to comment on South Carolina's proposed Section 1115 Demonstration Waiver, *Palmetto Pathways to Independence*. Families USA is the longtime national, non-partisan voice for health care consumers, dedicated to achieving high-quality, affordable health care and improved health for all by working closely with organizations on the ground in South Carolina and across the nation. Families USA appreciates the opportunity to comment on Palmetto Pathways to Independence, as the program would significantly impact the lives of people in South Carolina in need of health coverage and care, including the over 17,700 uninsured parents and caretaker relatives in South Carolina (aged 19-64 with incomes between 67% and 100% of the federal poverty line) who the state estimates are eligible for the proposed demonstration and who need access to affordable health insurance options.<sup>1</sup>

**Families USA strongly urges CMS to reject Palmetto Pathways to Independence.** While we recognize the importance and urgency for the South Carolina Department of Health and Human Services (SCDHHS) to extend Medicaid to additional vulnerable populations that would otherwise remain uninsured, Palmetto Pathways to Independence, as designed, will *deny* Medicaid access to parents and caretaker relatives who cannot prove they are engaged in work or other qualifying community engagement activities for 80 hours per month. Further, the demonstration will cap Medicaid enrollment under this pathway to 11,400 members; once the state hits this enrollment threshold, it will place additional eligible individuals on a waitlist, preventing them from obtaining coverage for benefits and services to which they are eligible. What South Carolina proposes to do is the same as what all work reporting requirement proposals have done: keep eligible residents off health coverage.

In the weeks since South Carolina began their waiver process, Congress passed H.R. 1, putting forth a framework to CMS and states to implement work reporting requirements (termed "community engagement") for people eligible for Medicaid under the Affordable Care Act's (ACA) Medicaid expansion.<sup>2</sup> As Families USA and other advocates work to assess the long-term impacts of the work reporting requirements put in place by H.R. 1 under Section 71119, we expect to comment more in depth in the future on the many, larger implementation issues faced by CMS and states at this time. However, in the short term, we comment specifically on whether Palmetto Pathways to Independence should be approved—including whether it is even eligible for approval as a Medicaid demonstration

waiver under Section 1115 and, if so, whether South Carolina's program is subject to the requirements set forth under H.R. 1 § 71119. Finally, our comments call to CMS' attention areas of South Carolina's proposal that are not permissible under H.R. 1.

CMS should reject the waiver because it fails to comply with the Social Security Act, including the new provisions found in HR 1. As we explain in detail below, the Social Security Act does not allow CMS to approve Section 1115 waivers that put Medicaid work reporting requirements in place. **As H.R. 1 does not change other statutory requirements for Section 1115 approvals, its community engagement provision under § 71119 does not alter CMS' obligation to ensure Section 1115 waivers promote Medicaid objectives. Therefore, Palmetto Pathways to Independence is not eligible for waiver approval under Section 1115, and Families USA strongly urges CMS to reject it.**

Regardless of the prohibition on adopting work requirements through Section 1115 waivers, CMS must ensure that Palmetto Pathways to Independence meets new statutory requirements under H.R. 1 § 71119, as the waiver proposes to put in place a Medicaid plan that is equivalent to "minimum essential coverage" and seeks to impose work requirements on parents and caregivers in ways that are explicitly excluded under HR 1. **Because South Carolina's proposed waiver has several structural deficiencies that do not comply with H.R. 1, CMS must reject the Palmetto Pathways to Independence waiver application.** The application's major violations of H.R. 1 requirements include:

- Work reporting requirements apply to *all* parents and caretaker relatives without exception,
- Insufficient data matching and ex parte verification processes, and
- Inadequate opportunity for Medicaid recipients to demonstrate compliance.

Before approving any such work requirement, CMS should take the time to develop broader goals and guidelines for states to implement Medicaid barriers to enrollments, like work requirements. **Families USA strongly urges CMS to delay any negotiations with South Carolina concerning their proposed waiver until the agency has issued thoughtful regulations to implement federal statutory work reporting requirements in a way that mitigates harms for people who remain eligible for Medicaid.** Until regulations are in place, there is no way for CMS to fully evaluate whether South Carolina's proposal meets statutory and regulatory requirements. We ask that these comments, and all supportive citations referenced herein, be incorporated into the administrative record in their entirety.

To comment on each of these issues more in-depth:

**CMS must deny South Carolina's Palmetto Pathways to Independence waiver application because it fails to advance the statutory objectives of the Medicaid program, and even fails to comply with provisions of H.R. 1 that apply to work requirements and "minimum essential coverage."**

Congress first established Section 1115 waivers through amendments to the Social Security Act in 1962, granting the Secretary of Health and Human Services (HHS) authority to approve experimental, pilot, or demonstration projects.<sup>3</sup> Congress later applied Section 1115 waiver authority to Medicaid when it created the program in 1965, allowing states participating in Medicaid to seek waivers from certain federal requirements to test innovative approaches to providing medical assistance.<sup>4</sup> Then, as now, the Social Security Act permits the HHS Secretary to approve of an experimental, pilot, or demonstration project *only if* such project "is likely to assist in promoting the objectives" of Medicaid, that is, to "furnish medical assistance."<sup>5</sup> Below, we maintain that the waiver is contrary to Medicaid goals in that it serves to prevent eligible people from gaining or maintaining Medicaid coverage.

While H.R. 1 adds many new requirements and restrictions to the Medicaid program, it does not change any statutory requirements under Section 1115, nor does it change the HHS Secretary's obligation to scrutinize Section 1115 waivers to ensure they meet Medicaid objectives. However, H.R. 1 does set new "community engagement" requirements on certain "applicable individuals" who are enrolled in or eligible for Medicaid through the Medicaid expansion group (under 42 U.S.C. § 1396a(a)(10)(A)(i)(VIII)) or who are enrolled in or eligible for Medicaid through a state waiver that "provides coverage that is equivalent to minimum essential coverage."<sup>6</sup>

Currently, South Carolina does not have a waiver in place that offers applicable individuals (as defined under H.R. 1 § 71119) minimum essential coverage; at this time, there is no population served by Medicaid in South Carolina that would be subject to the new community engagement requirements under H.R. 1. However, SCDHHS is proposing, through this demonstration waiver, to create a new coverage group that would receive the same benefits as otherwise available to members enrolled in the state's Medicaid plan,<sup>7</sup> save for one major difference: in addition to the state's usual eligibility requirements (income, household size, state residency, etc.), individuals eligible for Palmetto Pathways to Independence are subject to a work reporting requirement of 80 hours per month.

As CMS reviews SCDHHS' waiver application, there are two fundamental questions to consider: (i) Does South Carolina's proposed Section 1115 waiver meet the objectives of the Medicaid statute such that it is eligible for approval? and (ii) Does South Carolina's proposed waiver meet the standards for being recognized as "minimum essential coverage" such that the state must follow the standards under H.R. 1 § 71119 and all future implementing regulations? We consider each of these questions below.

***(i) Palmetto Pathways to Independence does not meet Medicaid's primary statutory objective of furnishing medical assistance; the waiver is contrary to Medicaid goals in that it serves to prevent eligible people from gaining or maintaining Medicaid coverage.***

SCDHHS states its objective in implementing Palmetto Pathways to Independence is to "reinforce the proven link between improved economic self-sufficiency and improved health by leveraging the Medicaid program's financing mechanisms to remove health-related barriers to employment."<sup>8</sup> While states should be concerned with providing their residents with employment opportunities, this proposal does not create new job opportunities nor does the Social Security Act allow states to use the mechanism of the Section 1115 waiver to condition Medicaid eligibility on employment status, community engagement or economic self-sufficiency.

The primary objective of Medicaid is to "furnish medical assistance," and, under the Social Security Act, the HHS Secretary may approve of Section 1115 waivers *only if* the demonstration is likely to promote that primary objective.<sup>9</sup> **Programs like Palmetto Pathways to Independence that use work status as a tool to deny access to Medicaid stand in direct opposition to Medicaid objectives.**

The Palmetto Pathways to Independence program, as designed, will refuse access to Medicaid for otherwise eligible parents and caretaker relatives (PCR) who cannot meet paperwork burdens to satisfy work and/or community engagement requirements of 80 hours per month. Further, the demonstration will cap Medicaid enrollment under this pathway to 11,400 members; once the state hits this enrollment threshold, it will place additional eligible individuals on a waitlist. **These policies, if implemented, will mean that thousands of individuals otherwise eligible under the PCR coverage pathway will have no access to the health care services to which they are entitled.**

SCDHHS does not estimate how many demonstration-eligible individuals will fail to meet work/community engagement requirements at initial enrollment nor how many who gain coverage under the PCR pathway will be unable to maintain active enrollment status due to continued paperwork burdens. However, SCDHHS submitted a previous Section 1115 waiver application for Palmetto Pathways to Independence in 2019 (proposing a program substantially the same as the program SCDHHS is proposing now). At that time, there were two notable assessments of likely coverage loss in South Carolina due to Palmetto Pathways to Independence's 80 hour/month work requirement for parents and caretaker relatives:

- In denying South Carolina's program, CMS found it would be at risk of preventing a "substantial number" of potential demonstration beneficiaries from enrolling in and maintaining access to coverage.<sup>10</sup> CMS estimated, using KFF data, that "South Carolina could see as many as 7,914 potential beneficiaries fail to gain access to, or lose, demonstration coverage for which they are intended to be eligible just in the first year of the demonstration due to not satisfying the community engagement requirement."
- A 2019 independent evaluation made of the Palmetto Pathways to Independence program estimated that between 5,000 and 14,000 South Carolina residents eligible under the PCR pathway would be denied or lose Medicaid coverage in the first year as a result of SCDHHS' community engagement requirement.<sup>11</sup>

Given SCDHHS' 2019 projection that 32,300 parents and caretakers relatives would be eligible for the program,<sup>12</sup> the range of estimated coverage loss figures in year one represents between 15.5% and 43.3% of eligible applicants. As SCDHHS' proposed program never moved to the implementation phase, we cannot be certain what coverage losses would have been under that Palmetto Pathways to Independence program. However, these former estimates look reasonable compared to the current experience in Georgia. Like South Carolina, Georgia is a state that has not expanded Medicaid under the ACA expansion but has sought to offer a limited pathway to Medicaid enrollment for people that meet an 80 hour per month work reporting requirement under the "Georgia Pathways" program. In the first year of Georgia Pathways, 27% of applicants who otherwise met all Medicaid requirements (age, income, etc.) were denied Medicaid coverage as the program deemed them ineligible due *solely* to the work reporting requirement<sup>13</sup>—either they fell short of the strict requirements due to life circumstances (such as parental caretaking responsibilities) or they were eligible, but could not assemble onerous paperwork to prove their compliance.<sup>14</sup>

Given the fact that work reporting requirements directly prevent eligible people from enrolling in or maintaining Medicaid coverage, federal courts have, time and again, ruled these programs do not meet the primary objective of Medicaid – to furnish medical assistance – and accordingly, are ineligible under the Social Security Act's Section 1115 requirements.<sup>15</sup> As H.R. 1 does not change these basic statutory requirements, they are still the controlling legal standard to weigh proposed Section 1115 waivers. **Because Palmetto Pathways to Independence does not follow statutory requirements, CMS must reject this demonstration waiver.**

- (ii) ***Palmetto Pathways to Independence provides "minimum essential coverage"; therefore, it cannot be approved unless it meets the requirements of H.R. 1 and all future implementing regulations, and the proposal violates H.R. 1 in multiple ways.***

Palmetto Pathways to Independence does not qualify for approval as a Section 1115 demonstration waiver under the Social Security Act (as outlined above), but even if it did, it would have to follow the statutory framework of H.R. 1. Starting January 1, 2027, H.R. 1 § 71119 institutes mandatory Medicaid work reporting requirements in all expansion states for most expansion adults ages 19 through 64. **In addition, § 71119 extends this work reporting requirement to all applicable individuals who are, through a demonstration waiver, enrolled in or eligible to enroll in “coverage that is equivalent to minimum essential coverage.”**<sup>16</sup>

H.R. 1 does not define minimum essential coverage (MEC); rather, this term is defined by the ACA and its implementing regulations.<sup>17</sup> On November 7, 2014, CMS provided guidance on the considerations it intends to apply in exercising its authority to recognize certain types of Medicaid coverage as MEC.<sup>18</sup> First and foremost, CMS’ November 2014 guidance emphasizes that while CMS may approve of a waiver that does not meet MEC (such as a waiver that provides coverage limited to a narrow category of benefits, for example family planning services or prescription drugs), CMS cannot approve of a waiver that does not meet the objectives of the Medicaid statute.<sup>19</sup> Assuming a waiver appropriately advances Medicaid objectives and can be approved, CMS must then work with each state operating a Medicaid demonstration to determine whether it meets the standard for recognition as MEC. CMS states:

“Demonstration projects that provide the same coverage as that afforded to mandatory categorically needy individuals eligible under the state plan...are recognized as MEC.”<sup>20</sup>

In the case of Palmetto Pathways to Independence, CMS has recently certified South Carolina’s Medicaid State Plan as providing MEC,<sup>21</sup> and SCDHHS states in its waiver application: “the benefits provided under the demonstration...will not differ from those provided under the Medicaid State Plan.”<sup>22</sup>

SCDHHS’ waiver proposal clearly intends to offer MEC to people eligible for Palmetto Pathways to Independence. Therefore, should it move forward, SCDHHS’ program would fall under the framework of H.R. 1 § 71119. Consequently, before CMS can approve of this waiver, it must ensure that the program meets H.R. 1 standards and any requirements in forthcoming interim final rules or other guidance.

There are several instances where Palmetto Pathways to Independence *does not* meet statutory requirements:

- **Narrower exemptions:** First and foremost, Palmetto Pathways to Independence applies its work reporting requirement to *all* parents and caretaker relatives without exemption. SCDHHS does not allow any exclusions for parents/caretakers of disabled children or young children aged 13 and under, as is required by H.R. 1 under the definition of “specified excluded individual.”<sup>23</sup> Furthermore, there is no exemption for parents/caretakers who themselves fall under another exemption category mandated under the law – for example, individuals who are disabled or medically frail, qualify as a disabled veteran or are American Indian/Alaska Native.
- **Inadequate data matching/ex parte verifications:** H.R. 1 requires states to establish processes for *ex parte* verifications that utilize the full capacity of the state to verify eligibility and exemptions “without requiring, where possible, the applicable individual to submit additional information.”<sup>24</sup> While SCDHHS proposes to use some data matching (for example, to seek data-sharing arrangements with a few other state agencies), SCDHHS does not propose to use other available data highlighted in H.R. 1 (such as payroll data, encounter data, data on payments for the provision of services) and SCDHHS emphasizes that “members will need to provide documentation of community engagement data to SCDHHS.”<sup>25</sup>

- Inadequate opportunity to comply: H.R. 1 requires states to grant potentially noncompliant individuals with notice and 30 days to make a satisfactory showing of compliance.<sup>26</sup> By contrast, SCDHHS proposes to disenroll anyone who does not meet work reporting requirement criteria and does not allow any leeway for individuals to comply.

The above examples are significant enough to warrant a denial of the waiver, but they are not an exhaustive list of all the ways South Carolina's proposal falls short of H.R. 1's requirements. We note that although H.R. 1 grants states permission to submit a 1115 waiver to start their work reporting requirement on an *earlier* date than the statutorily required start date (January 1, 2027), Congress is explicit that even if CMS grants a waiver to a state related to work reporting requirements, the state is still subject to *all* provisions of § 71119.<sup>27</sup> This means states cannot waive provisions related to exemptions, data matching, compliance procedures or any other provision.

While we recognize South Carolina drafted their work reporting requirement proposal prior to the passage of H.R. 1 and without the benefit of any federal guidance, CMS is required to scrutinize state proposals to ensure they meet statutory requirements. Furthermore, CMS must rein in states where they want to implement programs even more punitive than required under the statute. For example, South Carolina proposes to set an enrollment cap for Palmetto Pathways to Independence (to a maximum of 11,400 members); however, H.R. 1 does not allow for any Medicaid enrollment caps. CMS should not allow leeway for South Carolina or any state to increase eligibility hurdles beyond statutory requirements.

In addition, CMS has not yet put in place interim final rules (IFR) as required under H.R. 1. Until it issues an IFR, it would be improper for CMS to engage in any negotiations or discussions with South Carolina concerning altering their proposed waiver to meet statutory and regulatory requirements. We caution CMS that any decisions it makes now for South Carolina (or for other states who have recently submitted waivers) set a precedent for how the agency will approach similar proposals in other states, without considering the implications and getting the feedback of differently-situated states. CMS needs time to understand the magnitude of what Medicaid work reporting requirements will mean for state Medicaid programs and the beneficiaries they serve, and the implications across different states with differently designed programs. It would be hasty and inappropriate for CMS to approve of South Carolina's plan until CMS has taken time to study H.R. 1 and its impacts and devised an appropriate way forward.

**Given the importance of getting implementation right as CMS and states undergo monumental changes to state Medicaid programs, CMS should either deny outright or delay assessment of South Carolina's proposed waiver.**

In addition to the legal limitations described above, we continue to underscore that Medicaid work reporting requirements—including those packaged as “community engagement” programs—are unnecessary bureaucratic barriers to care and coverage, particularly given that **92% of Medicaid enrollees across the country are already working or would meet an exemption because they are in school, ill or disabled, or caregiving.**<sup>28</sup> These programs create immense administrative hurdles that make it more difficult for eligible people – including working people, and especially rural Americans, people with disabilities, and veterans – to enroll in or maintain Medicaid coverage, and leave many working families uninsured, living sicker, dying younger, and one health emergency from financial ruin.<sup>29</sup> Furthermore, these programs fail to improve employment,<sup>30</sup> drive economic instability for families,<sup>31</sup> put hospitals and the health system at risk,<sup>32</sup> require substantial financial resources to implement and administer,<sup>33</sup> and place considerable financial burden on already strained state budgets, like South

Carolina's.<sup>34</sup> Finally, the federal government must finance up to 90% of administrative expenses to prop up these inadequate programs, totaling millions of dollars in wasteful spending.<sup>35</sup>

While we are alarmed about the impacts of Medicaid work reporting requirements overall, we stand ready to work with CMS to ensure implementation of new federal provisions in a way that respects currently eligible beneficiaries and future applicants and minimizes health care coverage loss and other harms. To this end, and given the major impact of work reporting requirements on state health care systems and the lives of people eligible for Medicaid, ***we respectfully ask that CMS:***

- (i) deny Palmetto Pathways to Independence and any other work reporting requirement waivers that do not meet the objectives of Medicaid under the Social Security Act;***
- (ii) deny Palmetto Pathways to Independence and any other work reporting requirement waivers that do not follow H.R. 1 requirements; and***
- (iii) delay any negotiations with South Carolina and other states concerning Medicaid work reporting requirement waivers until CMS has issued thoughtful regulations to implement new statutory requirements in a way that mitigates harms for people eligible for Medicaid.***

For questions or comments regarding the recommendations made in this letter, please reach out to Mary-Beth Malcarney, Senior Advisor on Medicaid Policy, Families USA at: [mmalcarney@familiesusa.org](mailto:mmalcarney@familiesusa.org).

Thank you for your time and consideration.

Sincerely,



Sophia Tripoli  
Senior Director of Health Policy

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<sup>1</sup> "Community Engagement Section 1115 Demonstration Waiver Application," South Carolina Department of Health and Human Services, June 23, 2025, at page 10, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/sc-palmetto-path-ind-pa-06232025.pdf>.

<sup>2</sup> H.R. 1, Public Law 119-21, § 71119(a), adding new section (xx) to 42 U.S.C. 1396a, 119<sup>th</sup> Congress, (2025), <https://www.congress.gov/bill/119th-congress/house-bill/1/text>.

<sup>3</sup> Pub. L. 87-543, title I, § 122 (1962), <https://www.congress.gov/87/statute/STATUTE-76/STATUTE-76-Pg172.pdf>.

<sup>4</sup> Pub. L. 89-97, title I, § 121 (1965), <https://www.govinfo.gov/content/pkg/STATUTE-79/pdf/STATUTE-79-Pg286.pdf>.

<sup>5</sup> 42 U.S.C. § 1396-1(1) (2025), <https://www.law.cornell.edu/uscode/text/42/1396-1>; 42 U.S.C. § 1315(a) (2025), <https://www.law.cornell.edu/uscode/text/42/1315>.

<sup>6</sup> H.R. 1 § 71119(a), adding new section 42 U.S.C. 1396a(xx)(9)(A)(i).

<sup>7</sup> "Community Engagement Section 1115 Demonstration Waiver Application," at page 11.

<sup>8</sup> "Community Engagement Section 1115 Demonstration Waiver Application," at page 5.

<sup>9</sup> 42 U.S.C. § 1396-1(1) (2025), <https://www.law.cornell.edu/uscode/text/42/1396-1>.

<sup>10</sup> "Letter to T. Clark Phillip, Interim Director, State of South Carolina, Department of Health & Human Services," Department of Health and Human Services, Centers for Medicare and Medicaid Services, August 10, 2021, at page

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6, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/sc-palmetto-pathways-state-ltr-08102021.pdf>.

<sup>11</sup> “Low-Income Families with Children Will Be Harmed by South Carolina’s Proposed Medicaid Work Reporting Requirement,” Georgetown University Health Policy Institute, Center for Children and Families, 2019, [https://ccf.georgetown.edu/wpcontent/uploads/2019/01/SC-work-requirement-update\\_FINAL.pdf](https://ccf.georgetown.edu/wpcontent/uploads/2019/01/SC-work-requirement-update_FINAL.pdf).

<sup>12</sup> “Letter to T. Clark Phillip,” at page 5, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/sc-palmetto-pathways-state-ltr-08102021.pdf>.

<sup>13</sup> “Georgia Section 1115 Demonstration Waiver Extension Request,” at page 10.

<sup>14</sup> Leah Chan, “Georgia’s Pathways to Coverage Program: The First Year in Review,” Georgia Budget and Policy Institute, October 2024, [https://gbpi.org/wp-content/uploads/2024/10/PathwaystoCoverage\\_PolicyBrief\\_2024103.pdf](https://gbpi.org/wp-content/uploads/2024/10/PathwaystoCoverage_PolicyBrief_2024103.pdf)

<sup>15</sup> *Gresham v. Azar*, No. 19-5094 (D.C. Cir. 2020), <https://law.justia.com/cases/federal/appellate-courts/cadc/19-5094/19-5094-2020-02-14.html>; *Philbrick v. Azar*, No. 19-773 (D.C. Cir. 2019) [https://ecf.dcd.uscourts.gov/cgi-bin/show\\_public\\_doc?2019cv0773-47](https://ecf.dcd.uscourts.gov/cgi-bin/show_public_doc?2019cv0773-47); *Stewart v. Azar*, No. 18-152 (D.C. Cir. 2018), [https://ecf.dcd.uscourts.gov/cgi-bin/show\\_public\\_doc?2018cv0152-74](https://ecf.dcd.uscourts.gov/cgi-bin/show_public_doc?2018cv0152-74); “Medicaid Work Requirements: Another Win for Beneficiaries, Another Loss for CMS,” Georgetown University McCourt School of Public Policy, Center for Children and Families, July 30, 2019, <https://ccf.georgetown.edu/2019/07/30/medicaid-work-requirements-another-win-for-beneficiaries-another-loss-for-cms/>.

<sup>16</sup> H.H.R. 1 § 71119(a), adding new section 42 U.S.C. § 1396a(xx)(9)(A)(i).

<sup>17</sup> 26 U.S.C. § 5000A (f)(1)(A) (2025), <https://www.law.cornell.edu/uscode/text/26/5000A>; State Health Official Letter, re: Minimum Essential Coverage,” SHO #14-002, Centers for Medicare and Medicaid Services, November 7, 2014, <https://www.medicaid.gov/sites/default/files/Federal-Policy-Guidance/downloads/SHO-14-002.pdf>.

<sup>18</sup> State Health Official Letter, re: Minimum Essential Coverage,” SHO #14-002, Centers for Medicare and Medicaid Services, November 7, 2014, <https://www.medicaid.gov/sites/default/files/Federal-Policy-Guidance/downloads/SHO-14-002.pdf>.

<sup>19</sup> State Health Official Letter, re: Minimum Essential Coverage,” at page 8.

<sup>20</sup> State Health Official Letter, re: Minimum Essential Coverage,” at page 9.

<sup>21</sup> “Find out if your Medicaid program counts as minimum essential coverage,” U.S. Department of Health & Human Services, U.S. Centers for Medicare & Medicaid Services, 2025, <https://www.healthcare.gov/medicaid-limited-benefits/>.

<sup>22</sup> “Community Engagement Section 1115 Demonstration Waiver Application,” at page 11.

<sup>23</sup> H.H.R. 1 § 71119(a), adding new section 42 U.S.C. § 1396a(xx)(9)(A)(ii).

<sup>24</sup> H.H.R. 1 § 71119(a), adding new section 42 U.S.C. § 1396a(xx)(5).

<sup>25</sup> “Community Engagement Section 1115 Demonstration Waiver Application,” at page 8.

<sup>26</sup> H.H.R. 1 § 71119(a), adding new section 42 U.S.C. § 1396a(xx)(6).

<sup>27</sup> H.H.R. 1 § 71119(a), adding new sections 42 U.S.C. § 1396a(xx)(1), (10).

<sup>28</sup> Schneider, A. (June 2025). Medicaid Managed Care: Work Reporting Requirements in the One Big Beautiful Bill Act. Georgetown University Center for Children and Families. <https://ccf.georgetown.edu/2025/06/18/medicaid-managed-care-work-reporting-requirements-in-the-one-big-beautiful-bill-act/>

<sup>29</sup> Tolbert, J. et al. (Dec 2024). Key Facts about the Uninsured Population. KFF. <https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/>

<sup>30</sup> Sommers, B. et al. (Sept 2020). Medicaid Work Requirements In Arkansas: Two-Year Impacts On Coverage, Employment, And Affordability Of Care. Health Affairs. <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00538>; Congressional Budget Office. (June 2022). Work Requirements and Work Supports for Recipients of Means-Tested Benefits. CBO.gov. <https://www.cbo.gov/system/files/2022-06/57702-Work-Requirements.pdf>; Musumeci, M. et al. (Dec 2018). Medicaid Work Requirements in Arkansas: Experience and Perspectives of Enrollees. KFF. <https://www.kff.org/report-section/medicaid-work-requirements-in-arkansas-experience-and-perspectives-of-enrollees-issue-brief/>.



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<sup>31</sup> Benjamin D. Sommers, Lucy Chen, Robert J. Blendon, E. John Orav, and Arnold M. Epstein, “Medicaid Work Requirements In Arkansas: Two-Year Impacts On Coverage, Employment, And Affordability Of Care,” Health Affairs, September 2020, <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00538>; Alice Burns, Elizabeth Hinton, Robin Rudowitz, and Maiss Mohamed, “10 Things to Know About Medicaid,” KFF, February 18, 2025, <https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid/>; Raymond Kluender, Neale Mahoney, Francis Wong, and Wesley Yin, “Medical Debt in the US, 2009-2020,” JAMA. 2021 Jul 20;326(3):1–8, <https://pmc.ncbi.nlm.nih.gov/articles/PMC8293024/>.

<sup>32</sup> Zachary Levinson, Scott Hulver, and Tricia Neuman, “Hospital Charity Care: How it Works and Why It Matters,” KFF, Nov 03, 2022, [Hospital Charity Care: How It Works and Why It Matters | KFF](#); “McKesson Health Systems Editorial Team,” “Longstanding Pressures Contribute to Record Rural Hospital Closures,” McKesson, [Longstanding Pressures Contribute to Record Rural Hospital Closures | Prescribed Perspectives](#); Victoria Udalova, David Powers, Sara Robinson and Isabelle Notter, “Who Makes More Preventable Visits to the ER?” United State Census Bureau, January 20, 2022, [Who Makes More Preventable Visits to the ER?](#)

<sup>33</sup> “Medicaid Demonstrations: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements,” Government Accountability Office, October 2019, <https://www.gao.gov/assets/gao-20-149.pdf>.

<sup>34</sup> Hinton, E. and Rudowitz, R. (May 2025). Implementing Work Requirements on a National Scale: What We Know from State Waiver Experience. KFF. <https://www.kff.org/policy-watch/implementing-work-requirements-on-a-national-scale-what-we-know-from-state-waiver-experience/>

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<sup>35</sup> “Medicaid Demonstrations: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements,” Government Accountability Office, October 2019, <https://www.gao.gov/assets/gao-20-149.pdf>.