HEALTH CARE AUTHORITY

Michelle Lujan Grisham, Governor
Kari Armijo, Secretary
Alanna Dancis, Acting Medicaid Director

August 11, 2026

RE: Tribal Notification to Request Advice and Comments Letter 26-17: HR1 Amendments – Multiple NMACs

Dear Tribal Leadership, Indian Health Service, Tribal 638 Health/Urban Indian Health Centers Providers and Other Interested Parties

Seeking advice and comments from New Mexico's Indian Nations, Tribes, Pueblos and their health care providers (Indian Health Services/PL93-638) is an important component of the government-to-government relationship with the State of New Mexico. In accordance with the New Mexico Health Care Authority's (HCA's) Tribal Notification to Request Advice and Comments process, this letter is to inform you that HCA, through the Medical Assistance Division (MAD), is accepting written comments until **5:00 p.m., Mountain Time (MT) on September 11, 2026,** regarding proposed amendments to *8.200.400, General Recipient Rules, General Medicaid Eligibility, 8.245.400, Medicaid Eligibility, Specified Low Income Medicare Beneficiaries, 8.250.400,Medical Assistance Program Eligibility, Qualified Individuals Whose Income Exceeds QMB and SLIMB, 8.281.600, Institutional Care, Benefit Description, 8.291.400, Affordable Care, Eligibility Requirements, 8.291.410, Affordable Care, General Recipient Requirements, 8.296.400, Other Adults, Recipient Requirements,* and *8.296.600, Other Adults, Benefits Description.*

Section 9-8-6 NMSA 1978, authorizes the Department Secretary to promulgate rules and regulations that may be necessary to carry out the duties of the Department and its divisions.

Notice Date: August 11, 2026
Hearing Date: September 11, 2026
Adoption Date: Proposed as January 1, 2027
Technical Citations: Section 71103, 71104, 71107, 71112, and 71119 of the Working Families Tax Cut legislation

Background

The Working Families Tax Cut legislation (also referred to as HR1) was signed into law on July 4, 2025, and makes several changes to the Medicaid program effective January 1, 2027. HR1 introduces the following changes to Medicaid:

6-month renewal periods for Other Adults Medicaid

For renewals of the Other Adults Medicaid category, which covers adults ages 19-64 with income less than 133% of the federal poverty level, initiated on or after January 1, 2027, the renewal period will be for 6-months. The current renewal period is 12 months so the change to 6 months requires individuals to renew more often. Native Americans are exempt from 6-month renewals and will continue to have 12-month renewal periods.

The new 6-month renewal changes impact Other Adult Medicaid renewals starting with renewals due on or after March 31, 2027, because those were initiated through the 90-day ex-parte renewal process during January 2027. January and February 2027 Other Adult Medicaid renewals were initiated prior to January 1, 2027, and can be renewed for 12 months.

Community Engagement (Work or activity Requirements) for Other Adults Medicaid

Individuals as a condition of eligibility for Other Adults Medicaid must meet community engagement (CE) requirements. CE requires individuals to complete at least 80 hours of work or activities during the month prior to their application month. At renewal recipients must meet work or activities of 80 hours a month for any one month during their current certification period.

An individual meeting, an exclusion does not need to meet CE requirements and is evaluated for an exclusion during the application month and at the renewal determination. The following is the list of CE requirement exclusions:

1. An individual under age 16 in the former foster care eligibility group;
2. American Indian or Alaska Native;
3. A parent, guardian, caretaker relative or family caregiver of a dependent child under the age of fourteen (14) or disabled individual;
4. A veteran with a disability rated as total;
5. An individual who is medically frail (blindness or disability, substance abuse disorder, disabling mental disorder, or other significant physical, intellectual or developmental disabilities);
6. An individual who is compliant with the Temporary Assistance for Needy Families (TANF) program, or who is a member of a household that receives Supplemental Nutrition Assistance Program (SNAP) benefits and is not exempt from work requirements;
7. A participant in a drug addiction or alcohol treatment and rehabilitation program;
8. An inmate of a public institution; or
9. A woman who is pregnant or entitled to postpartum medical assistance.

An individual meeting an exception must meet CE requirements one month prior to the application month. At renewal, recipients must meet work or qualifying activities of 80 hours a month for any one month during their current certification period. The following is a list of CE requirement exceptions:

1. An individual under age 19;
2. An individual who is entitled to, or enrolled for, benefits under Medicare Part A, or enrolled for benefits under Medicare Part B;
3. An individual who is in a mandatory categorically needy eligibility group; or
4. An individual who was an inmate of a public institution within the past 90 days.

The HCA is implementing, at state option, the following short-term hardship exemptions from CE requirements. An individual meeting a short-term hardship exception must meet CE requirements one month prior to the application month. At renewal recipients must meet work or qualifying activities of 80 hours a month for any one month during their current certification period. The following is a list of CE requirement short-term hardship exceptions:

1. Hospitalized or living in a nursing home or similar facility and the individual requests this exception:
2. Living in a county currently under a federal emergency declaration;
3. Living in a county with a high unemployment rate (at or above the lesser of 8% or 1.5 times the national unemployment rate); or

4. An individual or their dependent must travel outside their community for an extended period of time to receive medical services necessary to treat a serious or complex medical condition that is not available within their community of residence and the individual requests this exception.

Individuals who do not meet an exclusion or exception must meet one of the following work or activities at application and renewal:

1. Working at least 80 hours a month;
2. Completing at least 80 hours of community service a month;
3. Participating in a work program for at least 80 hours a month;
4. Enrollment in an educational program at least half-time;
5. Engaging in any combination of activities 1 through 4 above for a total of at least 80 hours a month;
6. Having a monthly income of $580 a month (the applicable federal minimum wage multiplied by 80 hours); or
7. A seasonal worker having a monthly income of $580 per month (averaged over the preceding 6 months that is not less than the applicable federal minimum wage requirement multiplied by 80 hours).

The HCA verifies CE compliance or meeting an exclusion or exception at both application and renewal using available data sources. The HCA accepts self-attestation for some exclusions, exceptions, and activities. Documentation is required for certain exclusions and exceptions and qualifying activities that the HCA cannot verify using available data sources.

The HCA will provide a 30-day notice requesting verification of CE compliance or meeting an exclusion or exception for applicants and beneficiaries at renewal if unable to approve or renew Other Adult Medicaid using available data sources and an attestation or documentation is required.

Action on Updated Address Information

The HCA must regularly obtain updated address information from reliable data sources and act on that information. Reliable data sources include mail returned to the HCA by the United States Postal Service (USPS) with a forwarding address, the USPS National Change of Address (NCOA) database, and the HCAs contracted managed care organizations (MCOs).

In-state address changes: For updated address information received from a reliable data source the HCA must accept the information as reliable, update the beneficiary's case record and notify the beneficiary of the update.

Out-of-state address changes: The HCA must make a good-faith effort to contact the beneficiary to confirm that the beneficiary continues to meet the state residency requirement. If the HCA is unable to confirm that the beneficiary continues to meet state residency requirements, the HCA must provide advance notice of termination and fair hearing rights.

Whereabouts unknown: When beneficiary mail is returned the HCA must check the eligibility system and the most recently available information from a reliable data source for additional contact information. If updated in-state address information is available from a reliable data source, the HCA must accept the information as reliable. If the updated address information cannot be obtained and confirmed as reliable, the HCA must make a good-faith effort to contact the beneficiary to obtain the updated address information. If the HCA is unable to identify and confirm the beneficiary's address and the whereabouts remain unknown, the HCA must take appropriate steps to move the beneficiary to a fee-for-service delivery system or to terminate or suspend the beneficiary's coverage.

Good-faith effort: A good faith effort includes at least two attempts to contact the beneficiary, use of two or more modalities such as mail, phone, email, a reasonable period of time between contact attempts, and at least 30 calendar days for the beneficiary to respond to confirm updated address information.

Limiting Retroactive Medicaid
Retroactive Medicaid coverage is limited to one month for the Other Adults Medicaid category and two months for other Medicaid categories that allow retroactive Medicaid coverage. This is a change from the current 3-month retroactive period allowed for most Medicaid categories.

Quarterly use of the SSA Death Master File
Effective January 1, 2027, the HCA must check the Social Security Agency (SSA) death master file quarterly, treat the information as factual, and disenroll deceased individuals from Medicaid. Anyone incorrectly disenrolled must be retroactive reenrolled back to the date of termination.

The HCA is proposing to amend the rules as follows:

Throughout all NMACs:
1. Updates have been made to replace "HSD" with "HCA".
2. Updates have been made to align formatting and style requirements.

8.200.400 NMAC
Section 14, subsection A is revised to change three months to two months.

Section 14, subsection D is revised to limit retroactive Medicaid for the Other Adults Medicaid category to the month prior to the application month.

Subsection E is revised and renumbered to limit retroactive Medicaid for up to two months prior to the application month for listed Medicaid categories.

A new Section 16 is created and called "Quarterly Screening to Verify Enrollee Status". The new section requires the HCA, no less than quarterly, to review the SSA death master file to determine whether Medicaid enrolled individuals are deceased.

8.245.400 NMAC
Section 8 is revised to include the HCA's current mission statement.

Section 13 is revised to remove outdated citizenship language and to refer to citizenship rules at 8.200.400.11 NMAC.

8.250.400 NMAC
Section 8 is revised to include the HCA's current mission statement.

Section 13 is revised to remove outdated citizenship language and to refer to citizenship rules at 8.200.400.11 NMAC.

8.281.600 NMAC
Section 13 is revised to remove the language allowing 3 months of retroactive Medicaid as retroactive Medicaid is limited to 2 months for Institutional Care.

8.291.400 NMAC

Section 7 is revised to comply with formatting requirements.

Section 8 is revised to include HCA's current mission statement.

Section 13 is revised to allow for two presumptive eligibility (PE) periods per 12-month period for individuals on the Other Adults Medicaid category that have a 6-month certification period. One PE period is allowed per 12-month period for Native Americans on the Other Adults category.

8.291.410 NMAC
Section 8 is revised to include HCA's current mission statement.

New language is added to Section 19 that the Other Adults category is renewed once every 6 months except for Native Americans who are exempt and will continue to be renewed once every 12 months.

A new Section 27 has been created regarding required HCA action on updated address information as described in the background section.

8.296.400 NMAC
Section 7 has been revised to add community engagement definitions.

Section 8 is revised to include the HCA's current mission statement.

Section 9 has been revised to add a new letter F with text about the new CE requirements.

A new section 10 has been added to include the new CE requirements. The new CE requirements mirror the Centers for Medicare and Medicaid Services (CMS) 42 code of federal regulations (CFR) provided in their interim final rule.

8.296.600 NMAC
Section 8 is revised to include the HCA's current mission statement.

Section 11 has been updated to refer to the correct MAGI renewal policy found at 8.291.410.19 NMAC.

Estimated Total Financial Impact
Implementation of work or activity requirements and 6-month certification periods are expected to result in Medicaid savings because individuals will close to Other Adults Medicaid who do not meet the new requirements. Changing to a 6-month certification period is also expected to result in Medicaid savings because recipients will have to renew twice a year rather than once a year which will result in more closures due to not meeting the requirements or for procedural reasons such as not returning their renewal packet or responding to a request for information.

Limiting retroactive Medicaid is expected to result in savings to Medicaid as individuals are limited to one month of retroactive Medicaid for Other Adults Medicaid and two months for other Medicaid categories rather than the current three months.

Updated address information and use of the SSA death master file are not expected to have much of a financial impact.

Tribal Impact

Implementation of work or activity requirements and 6-month certification periods for the Other Adults Medicaid category will not have an impact on Native Americans. Native Americans are excluded from work or activity requirements and continue to have 12-month certification periods.

Limiting retroactive Medicaid will have an impact as coverage will be limited to one month for Other Adults Medicaid and two-months prior to the application month for other Medicaid categories that allow for retroactive Medicaid coverage. Retroactive Medicaid coverage is currently allowed for 3-months prior to the application month, so this change represents a one to two month reduction in coverage.

Updated address information and use of the SSA death master file are not expected to have much impact as these changes ensure that the HCA has current address information and can close individuals who are deceased.

Tribal Advice and Comments
Tribes and tribal healthcare providers may view the proposed 8.200.400, 8.245.400, 8.250.400, 8.281.600, 8.291.400, 8.291.410, 8.296.400, and 8.296.600 NMAC on the HCA webpage at: https://www.hca.nm.gov/providers/written-tribal-consultations/. ***Notification letter 26-17.***

A written copy of these documents may be requested by contacting the HCA Medical Assistance Division (HCA/MAD) in Santa Fe at (505) 827-1337.

Important Dates
A public hearing to receive testimony on this proposed rule will be held on September 11, 2026, at 11:00 a.m. The hearing will be held in the Large Conference Room of the Administrative Services Division (ASD), 1474 Rodeo Rd, Santa Fe, NM 87505 and via Microsoft Teams.

Join Teams Meeting
Join: https://teams.microsoft.com/meet/292010912395589?p=W73iZJ4kPTmxkgQHb8
Meeting ID: 292 010 912 395 589
Passcode: qu6Up32C

Dial in by phone
+1 505-312-4308,,882708233# United States, Albuquerque
Phone conference ID: 882 708 233#

Written advice and comments must be received no later than 5:00 p.m. MT on September 11, 2026.
Please send your advice, comments or questions to the MAD Native American Liaison, Pharon Morgan, at (505) 469-6877 or by email to pharon.morgan@hca.nm.gov.

Sincerely,

Alanna Dancis, Acting Director
Medical Assistance Division