NOTICE OF INTENT

Department of Health

Bureau of Health Services Financing

Eligibility—New Adult Eligibility Group

(LAC 50:III.2317)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:III.2317 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act. This proposed Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

The one hundred nineteenth Congress passed House Resolution (H.R.) 1 and H.R. 1833, which added community engagement as a requirement for Medicaid eligibility. The Department of Health, Bureau of Health Services Financing proposes to amend the provisions governing eligibility to comply with these federal requirements. The proposed Rule adds requirements for certain adults to work or participate in other approved activities, excludes specified groups from this requirement, and limits retroactive eligibility to one month.

Title 50

PUBLIC HEALTH—MEDICAL ASSISTANCE

Part III. Eligibility

Subpart 3. Eligibility Groups and Factors

Chapter 23. Eligibility Groups and Medicaid Programs

§2317. New Adult Eligibility Group

A. – B. …

C. Eligibility Requirements. Coverage in the new adult group will be provided to individuals with household income up to 133 percent of the federal poverty level with a 5 percent income disregard who are:

1. from at least age 19 and under 65 years of age;

2. – 4.a. …

5. parents or other caretaker relatives living with a dependent child(ren) under age 19 who are receiving benefits under Medicaid, the Children's Health Insurance Program, or otherwise enrolled in minimum essential coverage as defined in 42 C.F.R. §435.4;

6. applicable individuals that satisfy the community engagement requirements for at least one month during the individual's review period (as defined in 42 C.F.R. §435.556); or

7. specified excluded individuals who are not required to meet the community engagement requirements and have been determined to be excluded in any one or more months during the individual's review period, as specified in Paragraph E.

D. ...

E. Community Engagement Requirements. Effective January 1, 2027, applicable individuals who are not specified excluded individuals, as defined by Sections 1902(xx) of the Social Security Act (42 U.S.C. 1396a(xx)), must comply with community engagement requirements as a condition of eligibility.

1. An applicable individual demonstrates community engagement for a month if the individual meets one or more of the following:

a. The individual works not less than 80 hours.

b. The individual completes not less than 80 hours of community service.

c. The individual participates in a work program for not less than 80 hours.

d. The individual is enrolled in an educational program at least half-time.

e. The individual engages in any combination of the activities described in paragraphs (1)(a) through (d) of this section, for a total of not less than 80 hours.

i. Educational program hours are not combined with another activity if the individual is enrolled in an educational program at least half-time.

f. The individual has a monthly income that is not less than the applicable minimum wage requirement under

section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)(C)), multiplied by 80 hours.

g. The individual had an average monthly income over the preceding 6 months that is not less than the applicable minimum wage requirement under 29 U.S.C. 206(a)(1)(C) multiplied by 80 hours, and is a seasonal worker, as described in section 45R(d)(5)(B) of the Internal Revenue Code of 1986 (26 U.S.C. 45R(d)(5)(B)).

2. Specified excluded individuals as defined in 42 C.F.R. §435.554 and applicable individuals who meet mandatory exceptions under 42 C.F.R. §435.553 for any part of a month during the individual's review period are not required to meet community engagement requirements for that month.

3. The following individuals are excluded from the requirement to demonstrate community engagement:

a. individuals under the age of 19;

b. former foster care children described in §1902(a)(10)(A)(i)(IX) of the Social Security Act;

c. pregnant women and individuals eligible for postpartum medical assistance;

d. individuals who are medically frail or have special medical needs;

e. parents, caretaker relatives, guardians, or family caregivers (who meet one of the criteria identified at

paragraphs (c)(1)(i)(A) through (C) of 42 C.F.R. §435.554) of a dependent child under age 14 or a disabled individual;

f. individuals entitled to or enrolled in Medicare Part A or Part B;

g. individuals described in any mandatory coverage groups in subclauses (I) through (VII) of Section 1902(a)(10)(A)(i) of the Social Security Act under the Medicaid state plan;

h. members of households that receive Supplemental Nutritional Assistance Program (SNAP) benefits and who are not exempt from SNAP work requirements;

i. individuals who are compliant with any requirements imposed by the state in accordance with Section 407 of the Social Security Act, Temporary Assistance for Needy Families (TANF);

j. participants in approved substance use disorder treatment or rehabilitation programs;

k. veterans with a total (100 percent) disability rating under 38 U.S.C. §1155;

l. inmates of a public institution;

m. individuals who were an inmate of a public institution at any point during the three-month period ending on the first day of a month in which they are otherwise subject to community engagement requirements; or

n. American Indians and Alaska Natives as defined in 42 C.F.R. §447.51.

4. At application, applicable individuals who are not specified excluded individuals must demonstrate that the one month immediately preceding the month of application, the individuals met the community engagement requirements described in Paragraph E.1. of this Section.

a. This includes applicable individuals requesting retroactive eligibility.

5. At renewal, applicable individuals who are not specified excluded individuals must demonstrate that, for at least one month during the review period preceding the renewal, the individual met the community engagement requirements described in Paragraph E.

6. The department shall first verify community engagement compliance or excluded status using electronic data sources that the agency determines to be reliable, when available, before requesting further documentation from the member, as required by 42 CFR § 435.557.

a. If the department is unable to verify compliance or excluded status using available data or after requesting further documentation from the member, it shall provide the individual with a notice of noncompliance.

i. The individual shall have 30 calendar days from receipt of the notice to make a satisfactory showing of compliance with the requirement or to demonstrate that such requirement does not apply to such individual on the basis the individual is not an "applicable individual" as defined, or meets the criteria to be a "specified excluded individual."

ii. The notice may be mailed to the individual at the address indicated on the Medicaid application. If the individual has agreed to receive correspondence electronically, it may be sent to the individual at the email address the individual provided.

iii. The notice shall be considered received five calendar days after the date of the notice when mailed to the address on record, or on the date transmitted when delivered electronically, as applicable.

F. Retroactive eligibility. Retroactive eligibility for the adult group is limited to one month, consistent with Section 71112 of the Budget Reconciliation Act of 2025 (P.L. 119-21).

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 42:755 (May 2016), amended by the Department of Health, Bureau of Health Services Financing, LR 42:1889 (November 2016), LR 52:

Family Impact Statement

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that this proposed Rule will have a negative impact on family functioning, stability and autonomy as described in R.S. 49:972, since it adds more requirements for eligibility and will result in some current beneficiaries losing coverage.

Poverty Impact Statement

In compliance with Act 854 of the 2012 Regular Session of the Louisiana Legislature, the poverty impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have a negative impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973, since it adds more requirements for eligibility and will result in some current beneficiaries losing coverage.

Small Business Analysis

In compliance with the Small Business Protection Act, the economic impact of this proposed Rule on small businesses has been considered. It is anticipated that this proposed Rule will have no impact on small businesses.

Provider Impact Statement

In compliance with House Concurrent Resolution (HCR) 170 of the 2014 Regular Session of the Louisiana Legislature, the provider impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on the staffing level requirements or qualifications required to provide the same level of service, no direct or indirect cost to the provider to provide the same level of service, and will have no impact on the provider's ability to provide the same level of service as described in HCR 170.

Public Comments

Interested persons may submit written comments to Tangela Womack, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. Ms. Womack is responsible for responding to inquiries regarding this proposed Rule. The deadline for submitting written comments is August 19, 2026.

Public Hearing

Interested persons may submit a written request to conduct a public hearing by U.S. mail to the Office of the Secretary ATTN: LDH Rulemaking Coordinator, Post Office Box 629, Baton Rouge, LA 70821-0629; however, such request must be received no later than 4:30 p.m. on August 10, 2026. If the criteria set forth in R.S. 49:961(B)(1) are satisfied, LDH will conduct a public hearing at 9:30 a.m. on August 27, 2026, in Room 118 of the Bienville Building, which is located at 628 North Fourth

Street, Baton Rouge, LA. To confirm whether a public hearing will be held, interested persons should first call Allen Enger at (225) 342-1342 after August 10, 2026. If a public hearing is to be held, all interested persons are invited to attend and present data, views, comments, or arguments, orally or in writing.

Bruce D. Greenstein

Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Eligibility—New Adult Eligibility Group

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is anticipated that implementation of this proposed rule will result in decreased costs (savings) to the state of ($1,395,628) for FY 26-27 (including $604 for the administrative expense of promulgation of the proposed rule and final rule), ($8,810,133) for FY 27-28, and ($2,598,820) for FY 28-29.

This proposed rule amends Medicaid eligibility provisions to align with federal regulations related to community engagement requirements. In accordance with House Resolution (H.R.) 1 and H.R. 1833 of the 119th Congress, individuals not in exempt categories will be required to prove they satisfy community engagement requirements for Medicaid eligibility.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is anticipated that the implementation of this proposed rule will result in decreased federal revenue collections of ($12,565,485) for FY 26-27 (including $603 for the administrative expense of promulgation of the proposed rule and final rule), ($79,291,203) for FY 27-28, and ($23,389,373) for FY 28-29.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

It is anticipated that this proposed rule will reduce reimbursement to managed care organizations, small businesses, and other providers by ($13,962,320) for FY 26-27, ($88,101,336) for FY 27-28, and ($25,988,193) for FY 28-29. This proposed rule is anticipated to have a negative impact on affected persons since it adds more requirements for Medicaid eligibility and will result in some beneficiaries losing coverage.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This proposed rule has no known effect on competition and employment.