

Indiana Medicaid Community Engagement Overview

Indiana Council of Community Mental Health Centers

Agenda

- **Legislative and Policy Roadmap Review**
- **Key Legislative and Policy Dates**
- **Community Engagement**
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 - **Exemptions**
- **Verification Process and Timelines**
- **Indiana Medicaid Programs**
- **Resources and Next Steps**
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Legislative and Policy Roadmap Review

Legislative and Policy Operational Roadmap | 2026 – 2028





Key Legislative and Policy Dates

Indiana Medicaid Community Engagement | Key Dates

Date	Event
July 2025	• HR 1 (One Big Beautiful Bill or OBBB) passed by Congress, creating federal Medicaid community engagement requirements
March 2026	• SB 1 passes, portions of which modify state law to align with federal requirements and establish Indiana-specific policy decisions
June 2026	• CMS issues Interim Final Rule Medicaid Program Community Engagement Requirement for Certain Individuals (CMS-2454-IFC) • Comment period open until July 31, 2026, for feedback and concerns
July 2026	• FSSA releases work requirement details (July 6, 2026)
October 2026	• Lookback period begins for individuals applying in January 2027
January 2027	• Enforcement of work requirements begin for new applicants and existing Medicaid recipients

Community Engagement Requirements Overview

Community Engagement | What and Why?

What are the requirements?

- Healthy Indiana Plan (HIP) members will be required to complete **80 hours per month** of qualifying activities.
- Qualifying activities may include **employment, participating in an apprenticeship or work program, volunteering in the community and attending school (*at least half-time*)**.
- Activities **can be combined** to get to 80 hours during a month, with the exception of education.

Why are these policies being implemented?

- FSSA stated the requirements are consistent with the philosophy that Medicaid expansion programs should **support employment, education and self-sufficiency for able-bodied adults**.
- The policy is intended to promote personal responsibility, workforce participation, long-term stability, program sustainability and improved health and economic outcomes.

Community Engagement | Who, How and When?

Who is impacted?	• Applies to HIP members ages 19–64 who are not exempt. • Exemptions may include pregnancy, caregiving, medically frail, participation in substance use disorder treatment and recently incarcerated individuals.
How will compliance be verified?	• Compliance is verified quarterly using available wage and program data. • If compliance cannot be verified electronically, members may receive notices requesting documentation. • Members can report information and upload documents through the FSSA Benefits Portal.
When does it go into effect?	• The requirements begin January 1, 2027, with a three-month lookback. • Individuals applying in January 2027 must demonstrate compliance during October, November and December 2026. • Applicants in later months must demonstrate compliance during the three consecutive months preceding their application.

Community Engagement | Requirements

- Medicaid recipients, that do not have an exemption, must complete **at least 80 hours per month** of qualifying activities
- These qualifying activities include
 - Employment
 - Work program
 - Community Service
 - Meet income threshold by earning at least \$580/month
 - Seasonal workers who average at least \$580/month over the preceding 6 months
 - Enrollment in an eligible education program (at least half-time)
- A **combination of these eligible activities** can be used to **satisfy the requirement**, except for education

Community Engagement Exemptions

Community Engagement | Mandatory Exemptions

- **All applicable HIP members are subject to the work requirements.** This includes nonpregnant adults between the ages of 19 and 64.
- Certain individuals **are exempt from work requirements if, at least one day per month**, they meet any of the criteria below
 - Under age 19; or under 26 and formerly in foster care
 - Eligible or enrolled in Medicare Part A or enrolled in Part B
 - Member of a federally-recognized tribe
 - Parent or caregiver of a child aged 13 or younger
 - Caregiver of a person with a disability
 - Veteran with a total (100%) disability rating
 - Pregnant or 12 months or less since pregnancy ended
 - Incarcerated or released in the last 90 days
 - Following work rules for SNAP or TANF

Community Engagement | Medically Frail or Special Medical Needs

- Individuals that are determined to be **medically frail or have special medical needs are exempt. The condition or diagnosis must significantly impair the individual's ability to comply with the community engagement requirement.**
 - Being blind or having a disability
 - as defined in section 1614 of the Social Security Act
 - Substance use disorder
 - excluding individuals in **stable recovery, defined as 5+ years of recovery**
 - **Serious mental illness (SMI) or disabling mental disorder**
 - Serious physical, intellectual or developmental disability
 - Serious or complex medical condition
- Participant in a qualified drug or alcohol treatment program
 - Per CMS, qualifying programs are private non-profits, public institutions or publicly operated community mental health centers (CMHC)

Community Engagement | Serious Mental Illness (SMI)

- Individuals are considered **Seriously Mentally Ill (SMI)** if all the **following criteria are met** (440 IAC 8-2-2)
 - Age 18 or older
 - Have a DSM mental illness diagnosis
 - Significant functional **impairment in at least 2 of 4 areas**
 - Activities of daily living (ADLs)
 - Interpersonal functioning
 - Concentration, persistence or pace
 - Adaptation to change
 - Condition has lasted or is expected to last **more than 12 months**
- Indiana's SMI criteria closely parallel the concept of a disabling mental disorder, **requiring both a qualifying diagnosis and evidence that the condition substantially limits functioning**

Community Engagement | Disabling Mental Disorder

- The term “**disabling mental disorder**” is not defined under the law and Indiana has not yet developed a list of disabling mental diseases
- Recent guidance from the U.S. Department of Health and Human Services (HHS) provides a **sample of conditions for states to consider**, including;
 - Schizophrenia
 - Schizotypal disorder
 - Delusional disorder
 - Non-mood psychotic disorders
 - Moderate or severe bipolar disorder
 - Major depressive disorder
 - Panic disorder

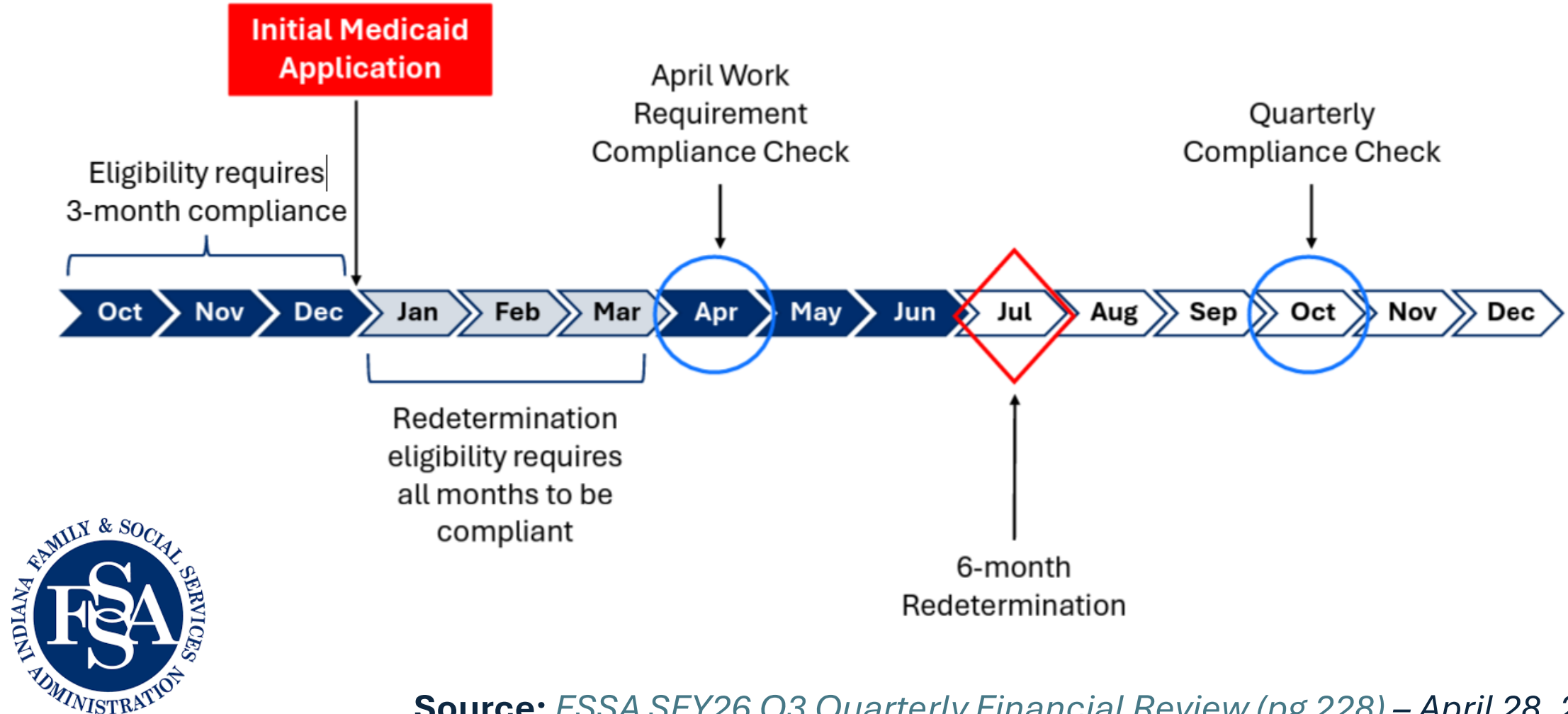
Community Engagement | ICD-10 Codes

- In May 2026, Nebraska became the **first state to publish a list of diagnosis codes** to identify medically frail individuals
- The list included **hundreds of ICD-10 codes for mental, behavioral and neurodevelopmental disorders**, and contained those found on the HHS list and included;
 - Schizoaffective disorder bipolar type
 - Obsessive-compulsive disorder (OCD)
 - Borderline personality disorder (BPD)
 - Autistic disorder
 - Rett's syndrome
 - Post-traumatic stress disorder (PTSD)
 - Vascular dementia



Verification Process and Timelines

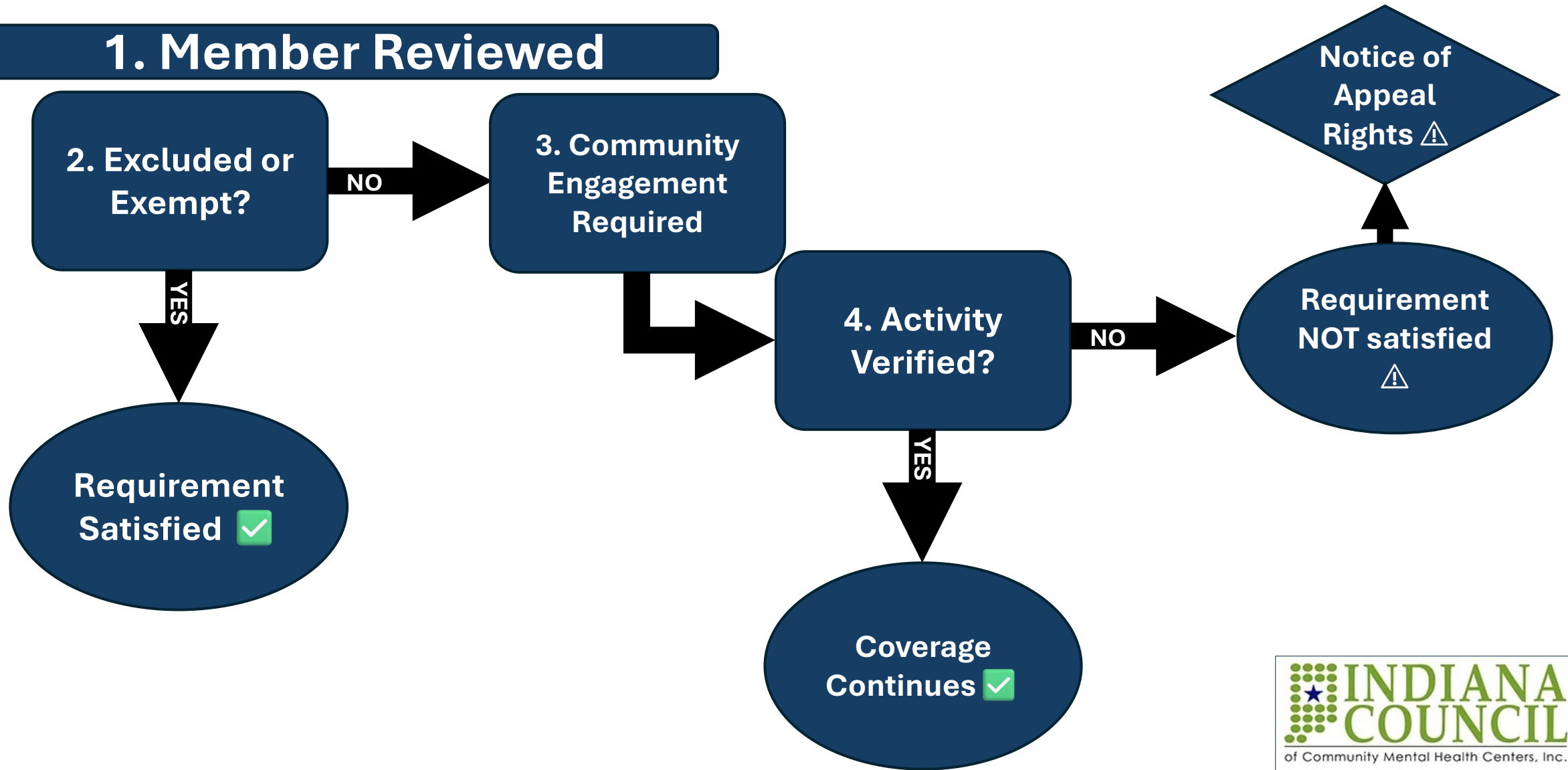
Community Engagement | Work Requirement Timeline



Source: *FSSA SFY26 Q3 Quarterly Financial Review (pg 228) – April 28, 2026*

Community Engagement | Verification Process

1. Member Reviewed



Indiana Medicaid Programs

Indiana Medicaid Programs

- Indiana Medicaid includes Traditional, or Fee-For-Service (FFS) Medicaid and managed care plans through the Managed Care Organizations (MCOs) listed below
 - [Traditional Medicaid](#) or **Fee-For-Service (FFS)**
 - **Managed Care Medicaid**
 - [Healthy Indiana Plan \(HIP\)](#)
 - [Hoosier Care Connect](#)
 - [Hoosier Healthwise](#)
 - [Indiana PathWays for Aging \(PathWays\)](#)

Managed Care Organization (MCO)	HIP	Hoosier Health Connect	Hoosier Healthwise	PathWays
Anthem	X	X	X	X
CareSource	X		X	
Humana				X
Managed Health Services (MHS)	X	X	X	
United Healthcare		X		X

Indiana Medicaid Programs | Fee-For-Service (FFS)

Fee-For-Service (FFS): Services are reimbursed on a per-service basis, and members can seek services from provider that are enrolled in IHCP

- [Traditional Medicaid](#) – Package A benefits for members that qualify
 - Those eligible for a Home and Community-Based Services (HCBS) waiver, under the age of 60, dully eligible with Medicare/Medicaid, reside in a nursing facility. Those of any age that reside in an intermediate care facility for individuals with intellectual disability (ICF/IID) or in another non-nursing facility institution.
- [590 Program](#)
- [Family Planning Eligibility Program](#)
- [Home and Community-Based Services \(HCBS\)](#) – excluding the PathWays Waiver
- [Medicaid Rehabilitation Option \(MRO\)](#)
- [Medical Review Team \(MRT\)](#)
- [Medicare Savings Programs](#)
- Emergency Services Only (See the [Member Eligibility and Benefit Coverage](#) module)
- [Presumptive Eligibility \(PE\)](#)

Indiana Medicaid Programs | Healthy Indiana Plan (HIP)

Healthy Indiana Plan (HIP): ages 19 to 64 who meet specific income levels

- **HIP Plus** - Members are initially enrolled in HIP Plus, which includes vision, dental and chiropractic benefits. Members pay a monthly POWER account contribution based on income. Copayments are not required, except for non-emergency use of the emergency room.
- **HIP Basic** - Members with household income at or below 100% of the federal poverty level who do not make their POWER account contributions are moved to HIP Basic. Benefits are reduced; essential health benefits are covered, but vision and dental services are not. Members must pay copayments for most services.

Managed Care Entity (MCE)	HIP
Anthem	X
CareSource	X
Managed Health Services (MHS)	X

Indiana Medicaid Programs | Hoosier Care Connect

Hoosier Care Connect: ages 59 and younger, are **not** eligible for Medicare and includes individuals that are;

- Blind
- Disabled
- Receiving Supplemental Security Income (SSI)
- Enrolled in MEDWorks
- Children who are wards of the State, current/former foster children or who are receiving adoption assistance may voluntarily enroll in the program
- *Members will be transitioned from Hoosier Care Connect to another program if;*
 - Individual turns 60 years old or becomes eligible for Medicare
 - Enters a state psychiatric facility, a psychiatric residential treatment facility (PRTF) or an intermediate care facility for individuals with intellectual disabilities (ICF/IID)
 - Becomes eligible for and chooses to enter a Home and Community Based Services (HCBS) waiver program
 - Enters a nursing home for a length of stay (LOS) greater than 30 days

Managed Care Entity (MCE)	Hoosier Care Connect
Anthem	X
Managed Health Services (MHS)	X
United Healthcare	X

Indiana Medicaid Programs | Hoosier Healthwise

Hoosier Healthwise: for children up to age 19 and pregnant individuals

- **Package A** - for children and pregnant individuals, no cost-sharing obligations

- **Package C** - for children up to age 19 that are enrolled under Children's Health Insurance Program (CHIP). Under CHIP, members are required to pay a monthly premium for coverage as well as copays for certain services

Managed Care Entity (MCE)	Hoosier Healthwise
Anthem	X
CareSource	X
Managed Health Services (MHS)	X

Indiana Medicaid Programs | PathWays for Aging

Indiana PathWays for Aging: for older adults, ages 60 and older who receive Medicaid or are dully enrolled in Medicare and Medicaid

- Medicaid benefits are not expanded through PathWays, but a member selects a health plan that will manage their care
- PathWays Dual Care Program launched January 2026, a program developed around a Fully Integrated Dual Eligible Special Needs Plan (FIDE SNP) to ensure that members receive the highest level of integration
 - A FIDE SNP is a type of Dual Eligible Special Needs Plan (D-SNP), and is referred to as PathWays Dual Care in materials
- A care and service coordinator is assigned that assists with developing specialized care and service plans to meet a member’s needs and help access Long-Term Services and Supports (LTSS)

Managed Care Entity (MCE)	PathWays
Anthem	X
Humana	X
United Healthcare	X

Resources and Next Steps

Indiana Medicaid Programs | Resources

- Family and Social Services Administration (FSSA)
 - [FSSA Benefits Portal](#)
 - [IHCP Provider Healthcare Portal](#)
 - [FSSA | HIP: HIP Work Requirements](#)
 - [Information for Members](#)
 - [Partner Toolkit](#)
 - FSSA Indiana YouTube Channel | [HIP Work Requirements Videos](#)
- Federal Legislation: [HR 1](#) (OBBB)
- State Legislation: [SB 1](#)
- CMS Interim Final Rule Medicaid Program: Community Engagement Requirement for Certain Individuals ([CMS-2454-IFC](#))
- National Council for Mental Wellbeing | [H.R. 1 Hub](#)

Community Engagement | Partner Toolkit

ESSA > Healthy Indiana Plan > HIP Work Requirements

HIP Work Requirements



HIP WORK REQUIREMENTS

Information for Members [Click here](#)

Partner Toolkit [Click Here](#)

- [FSSA | HIP: HIP Work Requirements](#)
 - [Information for Members](#)
 - [Partner Toolkit](#)

English



KEEP YOUR COVERAGE!

HIP work requirements take full effect Jan. 2027

WORK REQUIREMENTS EXEMPTIONS

HIP members under Medicaid expansion may not have to complete the work requirements if they meet one of the following exemptions:

- ☐ Are under 26 and were formerly in foster care.
- ☐ Are a member of a federally recognized Tribe.
- ☐ Are a parent or caregiver of a child age 13 or younger.
- ☐ Are a caregiver of a person with a disability.
- ☐ Are a veteran with a total (100%) disability rating.
- ☐ Are pregnant, or it has been 12 months or less since your pregnancy ended.
- ☐ Are in jail or prison or were released in the last 90 days.
- ☐ Are following the work rules for SNAP or TANF.
- ☐ Are in a drug or alcohol treatment program.
- ☐ Are medically frail or have special medical needs. This includes:
 - Being blind or having a disability.
 - Having a substance use disorder.
 - Having a serious mental health condition.
 - Having a serious physical, intellectual or developmental disability.
 - Having another serious or complex medical condition.

Other exemptions may also apply.

Indiana Family and Social Services Administration

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Spanish



KEEP YOUR COVERAGE!

Los requisitos de trabajo de HIP entrarán en vigor por completo en enero de 2027

EXENCIONES A LOS REQUISITOS DE TRABAJO

Es posible que los miembros de HIP bajo la expansión de Medicaid no tengan que cumplir con los requisitos de trabajo si cumplen con una de las siguientes exenciones:

- ☐ Es menor de 26 años y estuvo anteriormente en el sistema de cuidado de crianza.
- ☐ Es miembro de una tribu reconocida a nivel federal.
- ☐ Es padre, madre o cuidador de un niño de 13 años o menor.
- ☐ Es cuidador de una persona con una discapacidad.
- ☐ Es un veterano con una clasificación de discapacidad total.
- ☐ Está embarazada, o han pasado 12 meses o menos desde que terminó su embarazo.
- ☐ Está en la cárcel o prisión, o fue liberado en los últimos 90 días.
- ☐ Cumple con las normas de trabajo de SNAP o TANF.
- ☐ Está en un programa de tratamiento por abuso de drogas o alcohol.
- ☐ Es médicamente frágil o tiene necesidades médicas especiales. Esto incluye:
 - Ser ciego o tener una discapacidad.
 - Tener un trastorno por consumo de sustancias.
 - Tener un trastorno por consumo de sustancias.
 - Tener una discapacidad física, intelectual o del desarrollo grave.
 - Tener otra afección médica grave o compleja.

También pueden aplicar otras exenciones.

Administración para la Familia y los Servicios Sociales de Indiana

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Community Engagement | Next Steps

- Ensure members update their contact information through the benefits portal
- Confirm individuals are in the correct plan or benefit category
 - **Traditional Medicaid, Hoosier Care Connect and Hoosier Healthwise members are not subject to work requirements**
- Establish a process to verify anyone that may meet medically frail, disabling mental disorder criteria or have a qualifying ICD-10 codes for exemption
- Strengthen documentation of SMI, SUD and functional impairments
- Ensure all staff, especially front office and care coordination teams, understand the community engagement requirements and verification process
- Educate patients on requirements, exemptions, deadlines and appeal rights
- Flag members at risk of coverage loss due to reporting or redetermination issues
- Monitor eligibility and exemption issues, terminations and exemption outcomes to inform advocacy

Questions?

INDIANA COUNCIL
of Community Mental Health Centers, Inc.

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50TH ANNIVERSARY

