vizient

July 31, 2026

Submitted electronically via: https://www.regulations.gov/

The Honorable Dr. Mehmet Oz
Administrator
Centers for Medicare & Medicaid Services
7500 Security Blvd
Baltimore, MD 21244

Re: Medicaid Program; Community Engagement Requirement for Certain Individuals (CMS-2454-IFC)

Dear Administrator Oz,

Vizient, Inc. appreciates the opportunity to respond to the interim final rule with comment period entitled Medicaid Program; Community Engagement Requirement for Certain Individuals (hereinafter, "IFC"). Through the IFC, CMS implements section 71119 of Public Law 119-21, which CMS refers to as the Working Families Tax Cut legislation (WFTC)[1], requiring states to establish community engagement as a condition of Medicaid eligibility for certain adults. While Vizient appreciates the implementation flexibilities CMS provides, additional changes and guidance are necessary to minimize administrative burden, avoid unnecessary coverage losses and prevent disruptions to care. Vizient urges CMS to promptly revise the policies in the IFC consistent with the recommendations below.

Background

Vizient is the nation's largest provider-driven healthcare performance improvement company, provides solutions and services to more than two-thirds of the nation's acute care providers and more than one-third of ambulatory providers. Vizient offers proprietary data and analytics to deliver unique clinical and operational insights and a contract portfolio representing $156 billion in annual purchasing volume enabling the delivery of cost-effective care. With its acquisition of Kaufman Hall in 2024, Vizient expanded its advisory services to help providers achieve financial, clinical and operational excellence. Headquartered in Irving, Texas, Vizient has offices throughout the United States. Learn more at www.vizient.com.

Recommendations

Under section 71119 of the WFTC legislation, applicable individuals must demonstrate community engagement as a condition of eligibility for Medicaid at both application and renewal and states may conduct more frequent compliance verifications for enrolled beneficiaries. As indicated in the IFC, CMS projects that Medicaid enrollment will be reduced by 2.3 million

[1] Pub. L. No. 119-21, § 71119, 139 Stat. 72, 306-315 (2025). CMS refers to the law as the Working Families Tax Cut legislation; it is also commonly referred to as the One Big Beautiful Bill Act.

individuals in FY 2027 and by between 3.1 million and 3.3 million individuals in subsequent years. These coverage losses will increase uncompensated care and shift additional costs to providers as fewer covered individuals, who are likely to delay routine care, will eventually present at provider emergency rooms with more complex conditions. Hospitals are already under significant financial strain and are experiencing year-over-year increases in bad debt and charity care.[2] Vizient urges CMS to prioritize updating several aspects of the IFC to limit disruptions to care while also supporting hospitals.

Assessing Individual Compliance with the Community Engagement Requirement

Specified Excluded Individuals: Individuals Who are Medically Frail or Otherwise Have Special Needs

The WFTC legislation provides nine categories of individuals, referred to as "specified excluded individuals," who do not need to demonstrate community engagement. In the IFC, CMS provides additional information regarding each category of specified excluded individuals, including "individuals who are medically frail or otherwise has special needs." For this medically frail population, and among other requirements, CMS requires the individual to prove their health condition significantly impairs their ability to comply with the community engagement requirement. This additional requirement adds a barrier to qualifying as a "specified excluded individual" which is not included in the WFTC legislation. Had Congress intended to impose these additional requirements, then the legislative text would have reflected them. Therefore, Vizient believes that the proposed policy is inconsistent with congressional intent and should not be implemented.

In addition, placing the burden on the individual to prove their health condition significantly impairs their ability to comply with the community engagement requirement and adds administrative burden for state Medicaid programs and providers. From the provider's perspective, additional documentation – which is not clearly specified – may be needed to support the individual's assertion regarding medical frailty, as claims and encounter data may not establish how a condition affects an individual's ability to perform community engagement activities. Further, this additional information may be difficult to discern from the ex parte review process that CMS describes in the IFC.[3] As a result, individuals who are medically frail will be uniquely challenged in being appropriately identified as a "specified excluded individual" because providers do not routinely document whether an individual's condition significantly impairs their ability to comply with the community engagement requirement and there is no clear mechanism through the ex parte review process to communicate this information. This is likely to lead to individuals later receiving requests for additional information and having to consult their providers again to obtain this information. Providers would then be burdened in evaluating not just the individual's health, but also whether their health impacts their ability to work, which some providers may be hesitant to assert. Based on these concerns, Vizient urges

[2] https://vizientinc-delivery.sitecorecontenthub.cloud/api/public/content/62c8f36c25124e3f9c58426302505e2d

[3] An ex parte review requires the state to use reliable information available to the state before requesting additional information from the individual.

CMS to withdraw the requirement that the individual must prove their health condition significantly impairs their ability to comply with the community engagement requirement.

Also, CMS directs states to verify medical frailty after initially accepting an individual's self-attestation. CMS provides that beginning January 1, 2028, individuals initially approved based on self-attestation must be reverified at their next renewal using available data (e.g., adjudicated claims or encounter data, as relevant to the individual, from the preceding 12 months) before requesting documentation. As CMS is aware, states will have to update systems to meet this requirement, among other changes. While CMS indicates the agency is providing an extra year for system upgrades, CMS does not include information in the IFC to support that an additional year is sufficient. To prevent coverage disruptions, Vizient encourages CMS to provide states with significant flexibility regarding their approach to the medical frailty verification, including allowing self-attestation more frequently and for a longer period.

Lastly, CMS requires medical frailty verification on an annual basis and permits more frequent reverification. Individuals with certain long-term conditions who satisfy the medical frailty requirements are unlikely to have significant improvements that would warrant a stringent reverification process. Therefore, Vizient encourages CMS to ease reverification requirements, such as allowing for multi-year or presumed determinations, especially related to their ability to work, for individuals with conditions that are not expected to improve.

Short-term Hardship Exceptions

As provided in the WFTC legislation, states have the option to include in their state plans a "short-term hardship" exception to the community engagement requirement for applicable individuals. Short-term hardship exceptions generally relate to emergencies, disasters and comparatively high unemployment. When evaluating an individual's eligibility for a short-term hardship exception, applicable individuals would be deemed to have demonstrated community engagement during a month in which they meet the criteria for the short-term hardship circumstances (e.g., if an individual was an inpatient in March, then for the month of March, the community engagement requirement would be met). As a result, an individual who received inpatient services in the same month as their Medicaid application would be ineligible despite meeting the short-term hardship exception for the month of their application, since the community engagement requirements need to be met one to three months before an application is filed. Since the benefit of the short-term hardship exception would be significantly limited under this interpretation, particularly for individuals needing coverage, Vizient recommends that CMS clarify that the lookback period does not apply when an individual is granted a short-term hardship exception.

Outreach

In the IFC, CMS requires states to notify Medicaid enrollees who are subject to community engagement requirements before the requirement takes effect on January 1, 2027. CMS provides in the IFC that for states with community engagement requirement effective dates of January 1,

2027, initial outreach notices must be sent between July and September 2026, depending on whether the state requires 1, 2 or 3 months of prior community engagement. Since the IFC was not released until June 1, 2026, there is not enough time for states to identify enrollees subject to the community engagement requirements, develop materials and provide those notices. If states are not permitted sufficient time to develop an outreach strategy, then Medicaid enrollees may receive inaccurate information or confusing notices. While Vizient believes education and awareness regarding community engagement requirements are essential, we encourage CMS to identify opportunities to ease burdens on states. For example, CMS could make clear that that agency will provide Good Faith Exemptions to states that are unable to meet these outreach requirements.

Notifying Individuals About Eligibility Decisions and Changes in Eligibility Requirements

While not included in the WFTC legislation, states are currently required to provide all applicants and beneficiaries with timely and adequate written notice of any decision affecting their eligibility, including approvals, denials and terminations. If a person loses their status as an excluded individual and becomes subject to the community engagement requirement, this change in status could affect their Medicaid eligibility. Should this occur, states must provide at least a ten-day advance notice and offer the individual the right to a fair hearing to challenge this change. The notice must also include clear information about the community engagement requirement, so the individual understands their new responsibilities before the change takes effect. As outlined the IFC, the individual may have limited time to review the notice and ensure their coverage is maintained, particularly as understanding the implications of the community engagement requirements and satisfying those requirements will take additional time. Vizient believes the notification requirements are important but recommends the agency provide additional flexibilities, such as longer eligibility and response periods, to prevent individuals from unnecessarily losing coverage as their circumstances change.

Good Faith Effort Exemption

Consistent with the WFTC legislation, states may receive a temporary good faith effort exemption if they are making strong progress but cannot meet the deadline. CMS will review exemption requests made by states on case-by-case basis and could grant short-term exemptions of up to 6 months, with possible extensions through December 31, 2028, for states that continue to show progress in implementing the requirements. To qualify, states must demonstrate a detailed plan, ongoing efforts, significant barriers and provide regular progress reports. Failure to comply can result in the exemption being revoked and potential corrective action. As drafted, there is significant burden on states to submit additional information at a time when they are already resource constrained. To ease burdens on states and streamline the good faith exemption process, Vizient suggests CMS grant longer-term exemptions and significantly reduce the amount of information a state would need to submit to be granted such an exemption.

Also, since medical documentation requirements associated with the IFC will increase burden on providers and significantly impact Medicaid enrollment, for planning purposes it is important

that providers are notified when a good faith effort exemption request is granted. Vizient recommends that CMS clarify the communications that will occur should a good faith effort exemption be granted or denied.

Monitoring

CMS requires states to provide timely and complete data that is of sufficient quality to monitor enrollment, retention and eligibility processes for community engagement activities that begin January 1, 2027, or an earlier date specified by the state. Failure to properly report data, or data indicating compliance problems, may result in corrective actions, additional reporting requirements or increased outreach to beneficiaries. As a result of this monitoring framework, provider burden may increase as states seek additional documentation from providers to prevent future action from CMS. Vizient is concerned such robust monitoring will shift administrative burden to providers due to CMS oversight concerns. As such, Vizient encourages CMS to ease several of the requirements in the IFC that can add burden for providers, such as those related to medical frailty.

Conclusion

Vizient thanks CMS for the opportunity to comment on the IFC. Vizient's membership includes a wide variety of hospitals ranging from independent, community-based hospitals to large, integrated health care systems that serve acute and non-acute care needs. Additionally, many are specialized, including academic medical centers and pediatric facilities. Individually, our members are integral partners in their local communities, and many are ranked among the nation's top health care providers. In closing, on behalf of Vizient, I would like to thank CMS for providing us the opportunity to comment on this important IFC. Please feel free to contact me or Jenna Stern at jenna.stern@vizientinc.com, if you have any questions or if Vizient may provide any assistance as you consider these issues.

Respectfully submitted,

Shoshana Krilow
Senior Vice President of Public Policy and Government Relations
Vizient