July 20, 2026

Dr. Mehmet Oz
Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
200 Independence Ave, SW
Washington, DC 20201

RE: Comments on the Medicaid Community Engagement Requirement for Certain Individuals Interim Final Rule with Comment Period (CMS-2454-IFC)

Dear Administrator Oz & State Medicaid Directors,

The National Partnership for Healthcare and Hospice Innovation (NPHI) is pleased to submit the following comments on CMS-2454-IFC, the U.S. Department of Health and Human Services (HHS) Medicaid Community Engagement Requirement for Certain Individuals Interim Final Rule with Comment Period (CMS-2454-IFC) to the Centers for Medicare and Medicaid Services (CMS) and state Medicaid directors nationwide.

NPHI is a collaborative of over 130 nonprofit, community-integrated hospice, palliative, and serious illness care providers dedicated to ensuring patients and their families have access to care that reflects their individual goals, values, and preferences. Representing providers from across the nation, NPHI and its members help design innovative and effective models of care, advocate for comprehensive and community-integrated care customized to meet each person's unique needs and build collaboration between national thought leaders and policy makers.

The interim final rule (IFR), issued by CMS on June 1, would implement the statutory requirements established by Congress related to Medicaid Community Engagement Requirements for the Medicaid expansion population and support CMS's stated objective of ensuring that individuals who are genuinely unable to meet community engagement requirements due to medical circumstances retain access to insurance coverage.

However, we are concerned that the rule does not sufficiently address how states should identify and exempt individuals receiving hospice or palliative care services. ***We urge CMS and state Medicaid agencies to provide explicit guidance clarifying that individuals receiving hospice care and individuals with serious illness who are actively receiving palliative care services qualify for an exemption from community engagement requirements.***

NPHI recognizes the important and timely changes made in the IFR and values the opportunity to offer the unique perspective of nonprofit providers with respect to these specific proposals. We offer additional details and comments below.

Ensuring Appropriate Treatment of Hospice and Palliative Care Patients During Implementation

As CMS and state Medicaid agencies move forward with implementation of community engagement requirements, NPHI strongly encourages policymakers and regulators to ensure that individuals receiving hospice and palliative care services are appropriately identified and excluded from populations expected to satisfy reporting, verification, or community engagement obligations.

Hospice and palliative care patients frequently experience advanced illness, significant symptom burden, functional limitations, caregiver dependence, and rapidly changing medical circumstances. While many such individuals will qualify for existing exemptions based on disability, medical frailty, or serious health conditions, implementation decisions made at both the federal and state levels will ultimately determine whether these beneficiaries experience unnecessary administrative burdens or interruptions in coverage.

Accordingly, NPHI urges CMS and state Medicaid agencies to adopt implementation approaches that proactively identify hospice and palliative care patients and ensure they are not inadvertently subjected to community engagement requirements.

Hospice Patients

Individuals receiving hospice services represent one of the most medically vulnerable populations served by Medicaid. These beneficiaries have been certified as having a terminal illness with a life expectancy of six months or less, if the disease runs its normal course. They are receiving interdisciplinary care focused on comfort, symptom management, and quality of life.

NPHI strongly encourages CMS and state Medicaid agencies to ensure that enrollment in hospice serves as a clear indicator that a beneficiary should not be expected to comply with community engagement reporting requirements. States should leverage existing eligibility, claims, encounter, and provider data systems to identify hospice beneficiaries and exclude them from reporting populations whenever possible.

At a minimum, hospice enrollment should trigger streamlined processes that prevent beneficiaries and family caregivers from being required to navigate additional administrative requirements during an already challenging period.

Palliative Care Patients

Many Medicaid beneficiaries receiving palliative care services face serious, complex, or life-limiting illnesses that substantially limit their ability to participate in work or community engagement activities. These patients often experience fluctuating health status, recurrent hospitalizations, significant treatment burdens, and substantial functional impairment despite not yet qualifying for hospice services.

NPHI encourages CMS and state Medicaid agencies to carefully consider how serious illness and palliative care populations are identified during implementation. States should establish clear operational pathways to ensure that individuals receiving specialty palliative care services or living with serious illnesses are appropriately evaluated for existing exemptions and are not unintentionally subjected to reporting obligations that are inconsistent with their medical circumstances.

Recommendations for CMS and State Medicaid Agencies

To promote consistent implementation and protect medically vulnerable beneficiaries, NPHI recommends that CMS and state Medicaid agencies:

- Utilize existing Medicaid claims, encounter, eligibility, and provider data to proactively identify hospice and palliative care patients to support the development of implementation protocols that exclude them from populations expected to satisfy community engagement requirements.
- Establish clear guidance regarding how beneficiaries with serious illnesses, advanced chronic conditions, and specialty palliative care needs should be assessed for applicable exemptions.
- Minimize documentation and reporting burdens for beneficiaries receiving hospice and palliative care services and their family caregivers.
- Ensure that beneficiaries are not subject to coverage loss while exemption determinations or medical reviews are pending.
- Engage hospice and palliative care providers during implementation planning to ensure policies accurately reflect the realities of caring for individuals with serious and life-limiting illness.

Conclusion

NPHI appreciates the efforts of CMS and state Medicaid agencies to ensure appropriate compliance with relevant statutes while maintaining appropriate beneficiary protections. As implementation proceeds, it is essential that hospice and palliative care patients are not inadvertently included among populations expected to satisfy community engagement requirements. We encourage both CMS and state Medicaid agencies to adopt operational approaches that recognize the unique circumstances of seriously ill beneficiaries and preserve uninterrupted access to the care and services on which they depend. As always, NPHI appreciates the opportunity to provide insight and commentary into how various proposed regulatory, compliance, and quality reporting changes may impact the nonprofit hospice and palliative care provider community. If you have any questions concerning these comments or would like to discuss these issues further, please contact NPHI's Senior Policy Director, Ethan McChesney, at ethan@nphihealth.org.

Sincerely,

Tom Koutsoumpas
Founder and CEO
NPHI

CC: National Association of State Medicaid Directors