Wellpoint

SURVEY FINDINGS: NEW JERSEY STAKEHOLDER PERSPECTIVES ON IMPLEMENTATION OF HR-1 MEDICAID WORK REQUIREMENTS AND SEMIANNUAL ELIGIBILITY REVIEWS

SUMMARY

In anticipation of federal budget reconciliation law (HR-1) Medicaid work requirements and twice-yearly eligibility redeterminations, Wellpoint New Jersey conducted a community survey among service providers, advocates, and community-based organizations serving Medicaid members. This survey was open for responses from January 9, 2026, to February 15, 2026.

Survey responses indicate stakeholder concerns regarding operational feasibility, member compliance capacity, and the potential for unintended coverage loss. Three primary themes related to implementation challenges were identified:

- Transportation barriers;
- Confusion regarding work requirements and exemptions; and
- Technology access and digital literacy gaps.

Approximately 68 percent of respondents identified transportation as a moderate to extreme barrier to compliance, 70 percent cited significant gaps in understanding the new program requirements and exemptions, and 58 percent reported meaningful technology-related barriers affecting members' ability to comply. Respondents anticipated the possibility of elevated procedural disenrollments, a disproportionate impact on rural and disabled populations, and increased administrative strain on community partners.

There was strong consensus among respondents that Medicaid managed care plans are expected to play an active role in education, coordination, and navigation support. Respondents indicated that without targeted mitigation strategies, HR-1 implementation may function as a structural eligibility barrier rather than as a policy lever tied to promoting greater workforce engagement.

BACKGROUND

Under the federal budget reconciliation law (HR-1), states are required to implement Medicaid work/community engagement requirements for certain adult members. Federal guidance from the U.S. Department of Health and Human Services is expected by June 1, 2026, with state implementation required by December 31, 2026.

Most affected adults must complete at least 80 hours per month of qualifying activities, including employment, job training or workforce programs, education, community service, or a combination of these activities. The requirements apply to adults ages 19 through 64 enrolled in Medicaid through the Affordable Care Act (ACA) expansion, unless the individual qualifies for an exemption.

In addition, individuals enrolled in NJ FamilyCare who are part of the Medicaid expansion population, including childless adults, will be required to renew their benefits twice per year. This six-month renewal cycle will increase administrative demands for members, supporting organizations, and the state agency responsible for processing renewals.

Although the stated policy objective centers on workforce participation and accountability, respondents emphasized that operational execution will depend heavily on member

engagement, documentation capacity, transportation access, digital infrastructure, and state operational capacity.

Survey Findings

Identified Risks

Survey respondents identified transportation as a significant challenge related to compliance. Approximately 68 percent of respondents rated transportation as moderately to extremely challenging in relation to work requirement compliance. Stakeholders described limited or nonexistent rural transit infrastructure, bus routes that do not connect to employment hubs, transit systems operating on highly limited schedules, and the prohibitive cost of car ownership or ride services. Coordination challenges between childcare and transportation were also cited.

Respondents indicated that in rural and transit-limited communities, work requirements could function less as an engagement incentive and more as a geographic barrier to maintaining eligibility.

Confusion regarding requirements and exemptions represents a second major risk domain. Seventy percent of respondents reported that gaps in understanding work requirements and exemption criteria would have a moderate to extremely significant impact on compliance. Areas of confusion include medical frailty or disability exemption criteria, documentation standards, distinctions between Modified Adjusted Gross Income (MAGI) and Aged, Blind, and Disabled (ABD) enrollment categories, implementation timelines, and frequency of exemption verification.

Notably, respondents reported confusion not only among members but also among healthcare providers and community-based organization professionals. Survey participants emphasized that members must understand which Medicaid eligibility category they are enrolled in and whether they are required to demonstrate compliance every six months. Respondents indicated that this dynamic creates both a member-level risk of inadvertent noncompliance and potential provider-level administrative challenges.

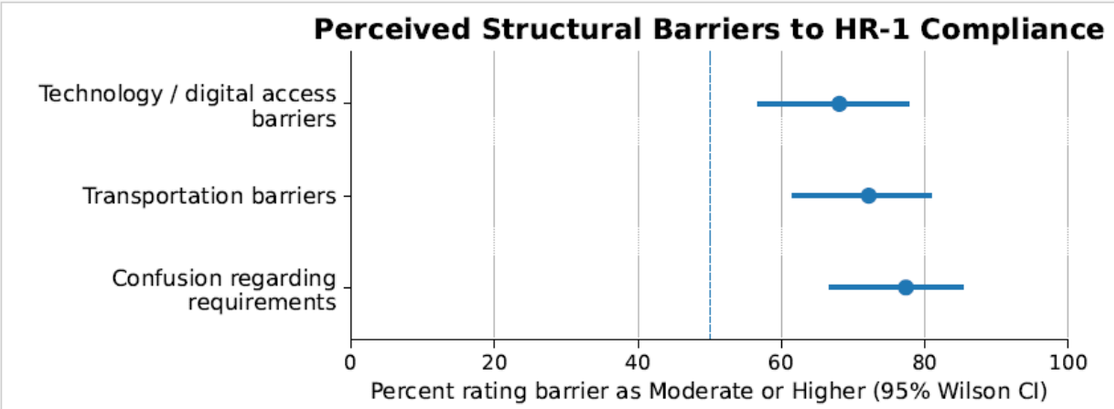

Figure 1. Stakeholder perceptions of structural barriers to HR-1 compliance. Points represent the percentage of respondents rating each barrier as moderate or higher. Horizontal lines indicate 95% Wilson confidence intervals. Percentages are calculated among respondents who answered each item.

Technology access and digital literacy gaps were identified as additional compliance barriers. Fifty-eight percent of respondents reported moderate to significant technology-related challenges. Reported barriers include lack of smartphones, insufficient phone minutes to complete monthly reporting, inconsistent broadband access, low digital literacy, difficulty navigating reporting applications, reliance on one smartphone per

household without access to a computer, and recurring password reset or NJ FamilyCare account access failures.

Respondents expressed concern that reliance on electronic platforms for verifying work/community engagement requirements could create compliance barriers independent of actual employment status or participation in qualifying activities.

Respondents expressed moderate—but not high—confidence in their organizations' ability to support members through the new requirements. This tempered confidence was attributed to staffing constraints, anticipated administrative burden, and the need for additional training and funding. Community partners expressed willingness to assist but indicated structural limitations due to existing resource constraints.

Respondents frequently indicated support for proactive engagement by Medicaid managed care plans. Respondents most frequently identified coordination with community organizations, development of plain-language educational materials, connection to workforce and social services, consistent reminders and outreach, navigation and case management support, and funding or resourcing of community partners as important plan functions. Only one respondent indicated that plans should play a minimal role. Survey responses indicate that respondents expect managed care plans to function as educators, conveners, and navigators in relation to these policy changes.

Several systemic risks were also identified. Respondents anticipate increased procedural disenrollment resulting from paperwork burden, strain on state Information Technology (IT) systems and call centers, missed deadlines due to lack of awareness, and confusion rather than substantive ineligibility.

Although some members will be excluded from these requirements, respondents reported confusion regarding which populations will be impacted. Individuals identified as potentially at risk of losing coverage include:

- Individuals with intellectual and developmental disabilities (IDD);
- Members residing in rural communities or areas lacking public transportation;
- Members with unstable housing; or
- Members who may qualify for other program coverage categories (such as ABD) but are unaware of that pathway.

Respondents expressed particular concern that IDD members currently enrolled may lose eligibility without transitioning to the ABD category of enrollment. Survey participants noted that these members are often reliant on long-term services and supports.

Respondents further indicated that structural barriers such as transportation and digital access may widen disparities across geography, disability status, and socioeconomic status. Community organizations also anticipated significant stress on administrative operations without corresponding infrastructure investment.

Stakeholder-Recommended Mitigation Approaches

Survey respondents identified several approaches that they believe could mitigate implementation risks.

Respondents emphasized the importance of a comprehensive education strategy. Participants recommended development of clear, plain-language summaries of exemption

criteria, comparison guides explaining differences between eligibility categories, implementation timeline graphics, and visual decision tools to help members determine whether they must comply. Respondents suggested that materials be available in multiple languages, including Spanish, and distributed through multiple modalities such as mail, text messaging, call centers, community partners, broad outreach campaigns, and in-person events.

Expanded access to navigators and other assistance resources was frequently identified as critical. Respondents recommended proactive outreach prioritizing member groups identified as higher risk, including rural and housing-insecure populations. Survey participants indicated that assistance with exemption documentation, pre-deadline compliance check-ins, and embedding navigators within trusted community organizations could support compliance. Respondents suggested that higher-touch support models may be particularly important for subpopulations facing compounded structural barriers.

Strengthening community coordination infrastructure was also frequently cited. Respondents suggested that plans convene regional roundtables, develop centralized databases of job training, volunteer, and community engagement opportunities, provide targeted training to community-based organizations, and consider funding mechanisms or mini-grants to support high-touch partners. Survey responses reflect the view that scalable compliance support may depend on robust local infrastructure.

Respondents recommended exploring pilot interventions to address transportation and technology barriers. Suggested approaches included transit cards, gas vouchers, transportation partnerships, digital literacy workshops, reporting kiosks located in community hubs, and phone-based or paper reporting alternatives. Respondents expressed the view that reducing structural friction could decrease procedural disenrollments and support continuity of coverage.

Survey participants emphasized the importance of safeguards against unintended coverage loss. Respondents indicated that the State may need to strengthen IT infrastructure and staffing to meet the demands of biannual renewals and compliance reviews. Participants also recommended consideration of pre-disenrollment review processes, data flagging for vulnerable populations, and monitoring of procedural termination rates in real time to identify early indicators of harm.

Finally, respondents highlighted the importance of communication framing. Survey participants indicated that messaging should emphasize support rather than enforcement, highlight available assistance and exemptions, provide clear pathways to maintain coverage, and connect members to employment supports. Respondents expressed concern that punitive or fear-based messaging could increase member disengagement and elevate the risk of procedural disenrollment.

CONCLUSION

Overall, survey findings indicate that stakeholders perceive HR-1 work requirements and semiannual eligibility reviews as presenting structural, informational, and technological compliance challenges.

Transportation limitations, confusion regarding new requirements, and digital literacy gaps were identified as key challenges that respondents believe could contribute to procedural disenrollment if not addressed through coordinated implementation strategies.

Stakeholders expect Medicaid managed care plans to assume an active role in education, navigation, and community coordination. Respondents indicated that investment in communication infrastructure, coordination capacity, and barrier mitigation may be important to preventing unintended coverage loss, particularly among individuals with disabilities, rural populations, and members experiencing housing or economic instability.

Survey participants also indicated that investments at the state level in IT infrastructure and call center capacity may be necessary to meet increased operational demands. Respondents expressed concern that without proactive safeguards, coverage disruption related to structural and administrative barriers could occur.

Barriers and Proposed Mitigations

