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PRESIDENT
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CHIEF EXECUTIVE OFFICER
Jennifer Hughes, LCSW

July 30, 2026

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

Re: Comments on CMS-2454-IFC – Medicaid Community Engagement Requirements

Dear Director Oz:

On behalf of NAMI New Jersey, part of the National Alliance on Mental Illness (NAMI), the nation's largest grassroots mental health organization, I appreciate the opportunity to submit comments regarding CMS-2454-IFC on the Medicaid community engagement (CE) requirements. NAMI New Jersey is concerned about the proposed rule, which will create onerous hurdles that put health coverage at risk for many people with mental illness in New Jersey. I urge the Centers for Medicare & Medicaid Services (CMS) to revise this interim final rule to protect the millions of people who rely on Medicaid for life-saving mental health care, including many of the 540,000 New Jerseyans covered by the Medicaid expansion.

NAMI represents people with mental illness and their loved ones, working in our communities to provide the education, support, and awareness that help people affected by mental health conditions build better lives. Through our support groups, educational programs, statewide outreach, and helpline, we frequently encounter stories of people who rely on Medicaid funded services to maintain their mental health and actively participate in their communities. In New Jersey, 1.3 million people live with a mental illness, including 366,000 who have a serious mental illness. For people with any mental illness and those with serious mental illness, the primary pathway to Medicaid coverage is through the Medicaid expansion – in the states that have expanded.

Public Law 119-21 (P.L. 119-21) made significant changes to Medicaid, including a new requirement for individuals ages 19 to 64 who receive their health coverage through Medicaid expansion to comply with CE requirements. The law excludes people who are “medically frail,” including people with a “disabling mental disorder,” from CE requirements. However, the IFC includes new language requiring that people who are medically frail prove that their condition “significantly impairs” their ability to meet CE requirements. In short, it is not enough for someone to have a diagnosed mental health condition; they must also prove that the condition significantly impairs their ability to work. This requirement goes beyond what federal law requires, and NAMI New Jersey is concerned that such requirements will create confusion and added burden for many of the people we serve.

Mental illnesses are chronic and/or episodic health conditions that fluctuate in severity and functional ability over time. To illustrate, one month a person with a mental illness may be functioning well due to mental health treatment they are accessing through Medicaid and are able to work. However, the next



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month, their symptoms may worsen to the point that they are unable to work. They would then need to complete paperwork demonstrating their inability to work at the exact time they are least able to do so.

That will likely require them to get a note from a mental health professional. Requiring providers to determine whether a person with mental illness can work as a condition of them receiving care puts those providers in a high-stakes and compromising position. It could harm their relationships with patients and reduce the time they spend providing care. Many mental health providers lack the training to make a determination as to whether someone with a mental illness can work. For those with deteriorating mental health, making and keeping appointments with providers can be incredibly burdensome. Further, about half of all people with mental illness and a third of those with serious mental illness are not receiving treatment, and thus would not have a provider to make that determination.

Emergency rooms, hospitals, law enforcement agencies, and local communities will ultimately bear the cost of lost Medicaid coverage, and that will leave NAMI families to pick up the pieces to help their loved ones.

I have seen firsthand the difference that Medicaid coverage can make in someone's life. Below are just a few stories from New Jerseyans who benefitted from Medicaid coverage, and who could be hurt by these overly strict rules.

- For **Miguel**, having Medicaid meant being able to return to the workforce through a supported employment program with a dedicated employment coach. Addressing his physical and mental health needs meant that he could hold part-time jobs while pursuing higher education goals.
- For **Cadence**, having Medicaid meant access to dental, medical, and mental health care while she was launching into adulthood and working jobs that did not offer health insurance. Rather than discouraging her from working, having Medicaid enabled her to pursue a career as a therapist, where she now predominately serves clients on Medicaid.
- For **Kathy**, Medicaid means her father, who lives with schizophrenia, is able to get the necessary medications, therapy, and programming he needs to support his wellbeing and livelihood.

People with mental illnesses and substance use disorders need access to life-saving coverage without having to jump through unnecessary hoops. For these reasons, NAMI New Jersey strongly urges CMS to revise CMS-2454-IFC to remove additional hurdles for people with mental illness and instead allow people with mental illness to be excluded from CE requirements so that they may continue to access life-saving care in New Jersey.

Sincerely,

Matthew Camarda
Advocacy & Public Policy Director
NAMI New Jersey

*A New Jersey Non-Profit Corporation
Providing Support, Education and Awareness*