GEORGIANS FOR A HEALTHY FUTURE

THE VOICE FOR GEORGIA HEALTH CARE CONSUMERS

July 21, 2026

D'Lawren Hicks
c/o the Board of Community Health
Georgia Department of Community Health
Post Office Box 1966, Atlanta, Georgia 30301-1966
dlawren.hicks@dch.ga.gov

Re: Public Comment on the State Plan Amendment, Medicaid Community Engagement Requirement for Certain Adults

Dear Ms. Hicks:

Georgians for a Healthy Future (GHF) respectfully submits these comments regarding the Department of Community Health's (DCH) proposed State Plan Amendment (SPA)[1] implementing the Medicaid community engagement requirement under H.R. 1 and the CMS Interim Final Rule (CMS-2454-IFC).[2] GHF is a nonprofit health policy and advocacy organization working to ensure all Georgians have access to high-quality, affordable health care. Through policy research and community education and assistance, we work to improve health outcomes, expand coverage, and reduce barriers to care for Georgia's uninsured and under-insured individuals and families.

GHF has engaged with the Georgia Department of Community Health (DCH) about the Georgia Pathways to Coverage program since the introduction of the Patients First Act in 2019 and also employs a full-time enrollment assister who helps Georgians enroll, renew, and troubleshoot their Medicaid applications and coverage, including for the Pathways to Coverage program. Our comments are informed by the experiences of our enrollment assister and our clients, as well as our previous engagements with DCH regarding the Pathways program.

While DCH's proposed SPA largely tracks the requirements set out in CMS's IFR, it omits or is vague on provisions that allow DCH to exercise discretion or that impose beneficiary protections. Our recommendations fall into three groups: correcting the medical frailty lists, publishing the policies the notice leaves undefined, and exercising the Department's remaining discretion to reduce burden and error.

[1]Ga. Dep't of Cmty. Health, Public Notice, "Medicaid Community Engagement Requirement for Certain Adults: State Plan Amendment" (issued July 9, 2026) (hereinafter "Public Notice"), including Attachment A and Attachment B.

[2]Medicaid Program; Community Engagement Requirement for Certain Individuals, 91 Fed. Reg. 33348 (June 3, 2026) (interim final rule with comment period) (CMS-2454-IFC), https://www.federalregister.gov/documents/2026/06/03/2026-11094/medicaid-program-community-engagement-requirement-for-certain-individual

1. Provisions to preserve

GHF applauds DCH's election of the one-month pre-application look-back period, the least burdensome option the IFR permits, and the Department's election of all four optional short-term hardship exceptions. Both choices reduce unnecessary coverage loss and administrative churn for Pathways-eligible Georgians.

GHF recommends that DCH keep these provisions in the final SPA.

2. Medical frailty code lists

The IFR defines a medically frail individual to include a person with a substance use disorder (excluding stable recovery of five or more years), a disabling mental disorder, or a serious or complex medical condition. The medical frailty lists provided in attachments A and B of DCH's Public Notice do not match the requirements of the IFR and exclude other serious illnesses that CMS acknowledged would prevent someone from meeting the community engagement requirement.

Omission of HIV/AIDS

The statutory definition of medical frailty, established by H.R.1, consists of five categories of individuals that are not subject to community engagement requirements, including individuals with "serious or complex medical conditions." In the IFR, CMS names nineteen conditions that States may reasonably treat as serious or complex under the definition of medical frailty. HIV/AIDS is given as an example of a serious or complex medical condition twice in the IFR. However, neither Attachment A nor B of the Public Notice includes HIV/AIDS.

We recognize that CMS paired its list with the caveat that such a condition qualifies only when it significantly impairs the individual's ability to comply with the community engagement requirement, and that this is less likely where the acuity of the condition is not severe.[3] But that caveat governs how a listed condition is evaluated in an individual case. It does not support omitting the condition from the State's lists altogether.

Substance Use Disorder

As noted above, the IFR states that an individual with a substance use disorder ***is*** medically frail unless in stable recovery of five or more years; however, base substance use disorder codes are not found in either attachment A or B of the Public Notice. Attachment B does contain substance use disorder codes, but only when accompanied by an acute crisis, such as intoxication, withdrawal, delirium, psychosis, or an induced mood or anxiety disorder. The dependence and abuse codes that identify the disorder itself appear on neither attachment.

Attachment A only includes substance use disorder that has already produced a persisting dementia or memory impairment.[4] Under this definition, a Georgian with opioid use disorder is not identified as

[3]IFR preamble discussion of § 435.554(c)(5)(i)(E) ("individuals with HIV/AIDS are medically frail if they are determined to have a serious or complex medical condition that significantly impairs the individual's ability to comply with the community engagement requirement, which is less likely to be the case if the acuity of their condition is not severe").

[4] GHF review of Attachment A and Attachment B. Attachment B lists substance use disorder codes only in combination with intoxication, withdrawal, delirium, psychosis, or an induced mood or anxiety disorder, and Attachment B condidiagnosestions qualify only if combined with another diagnosis under a policy DCH has not yet published. See Public Notice at 5. The uncomplicated codes (for example ICD-10-CM F10.20, F11.20, and the parallel .10 abuse codes) appear on neither attachment. Attachment A includes substance use disorder codes principally in the persisting dementia and amnestic disorder series (for example F10.26, F10.27, F13.27, F18.17, F19.27).

medically frail unless the disorder has produced an acute crisis or permanent cognitive damage. However, the IFR is clear that an individual *with* a substance use disorder is medically frail unless in stable recovery of five or more years.

We recognize that the notice separately excludes individuals who are *participants in a drug or alcohol treatment program*, and we support that exclusion. But the exclusion only benefits Georgians already engaged in formal treatment, while the IFR's frailty definition independently covers *anyone* with a substance use disorder, treated or not.[5] In Georgia's current plan, untreated Georgians with SUD, who are often the most impaired, are left out.

> *GHF recommends that DCH (a) add base substance use disorder codes consistent with 435.554(c)(5)(i)(B) and (b) diagnosis codes for HIV and AIDS (ICD-10-CM B20 or Z21) to the list of conditions considered under the state's medical frailty definition.*

3. Frailty process transparency

The Public Notice describes Attachment B as a list of diagnoses that may meet the criteria for medical frailty "if combined with certain diagnoses." DCH states that it "will develop a policy and process" for determining if an individual is medically frail based on the conditions in Attachment B and for individuals whose condition is not on the list. How DCH designs those policies and processes will have more of an impact on Georgia's implementation of H.R.1's community engagement requirement than most other components. However, those policies and processes do not exist yet and are not out for public comment. Thus, DCH will ask its Board to approve the State Plan Amendment without a clearly defined medical frailty framework. The IFR requires the state's list to be "auditable, justifiable, and consistent" and to include a reasonable process for individuals whose condition is not listed.[6]

> *GHF recommends that DCH publish the Attachment B combination logic and the non-listed-condition process before the August 13 vote, and accept self-attestation of frailty through December 31, 2027, as the IFR permits.*[7]

4. Verification frequency

The notice states that compliance will be checked "during various periods of enrollment." This vague language leaves the door open for DCH to require verification every six months, as Pathways previously did. More frequent mid-year verification is a state option, not a federal requirement.[8] Georgia dropped monthly Pathways reporting in 2025 because it drove procedural coverage loss,[9] and the Government Accountability Office found the program spent far more on administration than on care.[10] Of all the policy choices in this

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[5] Public Notice at 4 (listing "Participants in a drug or alcohol rehabilitation or add a treatment program" among individuals specifically excluded); 42 C.F.R. § 435.554(c). The medical frailty exclusion at § 435.554(c)(5)(i)(B) operates independently and excludes only individuals in stable recovery of five or more years. See Public Notice at 5 n.21.

[6] 42 C.F.R. § 435.554(c)(5)(ii) (state list must be auditable, justifiable, and consistent with the regulatory definitions, revised on a regular basis, with a reasonable process for individuals whose condition is not listed); Public Notice at 5.

[7] 42 C.F.R. § 435.557 (permitting the agency, before January 1, 2028, to accept a statement made under penalty of perjury to establish medical frailty).

[8] 42 C.F.R. § 435.556(a)(2)(ii) (more frequent verification between renewals is at state option); Public Notice at 1.

[9] Ga. Dep't of Cmty. Health, "Important Program Updates: Changes to Georgia Pathways to Coverage Effective October 1, 2025," https://dch.georgia.gov/announcement/2025-10-01/pathways-updates-oct12025.

[10] U.S. Gov't Accountability Office, report to congressional requesters on Georgia's Pathways to Coverage section 1115 demonstration (released September 2025), finding that the demonstration had incurred approximately $54.2 million in administrative costs compared with approximately $26.1 million in medical assistance spending as of April 2025. GAO-25-108160.

SPA, this one will have the largest impact on whether current Pathways enrollees can maintain their coverage.

GHF asks that DCH explicitly state that it will verify at application and annual renewal only, with no mid-year checks in the SPA.

5. Ex parte verification

The IFR requires DCH to verify exclusions and compliance from data it already holds before contacting applicants.[11] The notice does not sufficiently address this requirement, and names no data sources. Maximizing ex parte verification is the single most effective way to reduce administrative burden and unnecessary coverage loss simultaneously.

At the same time, ex parte verification is only as reliable as the underlying data, and we urge DCH to plan for the cases where that data is wrong, incomplete, or out of date. Wage records lag by a quarter or more and will not reflect a recent job loss or a change in hours. Claims and encounter data may not capture a newly diagnosed condition, or any condition for which a person has not recently sought care. SNAP and TANF status can change between the date of the data pull and the date of the determination. If DCH treats a negative ex parte result as conclusive, eligible Georgians will be found noncompliant on the strength of stale data. The IFR's "reasonably compatible" standard exists precisely to prevent that outcome, and it requires the agency to reconcile conflicting information rather than resolve it against the individual.[12]

GHF recommends that DCH publish its verification plan and commit to checking existing data (claims and encounter data, Georgia Department of Labor wages, SNAP and TANF data, college enrollment, VA disability ratings, and corrections data) before contacting beneficiaries; and that the plan state how DCH will identify and handle data that is outdated, incomplete, or inconsistent with information the individual provides, including the date-currency standards it will apply to each source.

6. Identity of the "designee"

The notice states that "DCH or its designee" will determine compliance but does not name the designee. Pathways members are enrolled with care management organizations, and federal rules bar MCOs, PIHPs, PAHPs, and other service-arranging contractors from this role.[13]

GHF recommends that DCH identify who will make compliance determinations and confirm the arrangement complies with 42 C.F.R. § 438.58.

7. Automatic hardship exceptions

The IFR prohibits requiring people to request the disaster and high-unemployment exceptions; the state must apply them automatically.[14] The Public Notice describes all four exceptions as request-based. With the

[11] 42 C.F.R. § 435.557 (requiring the agency to use reliable information available to the state, including information from electronic data sources, other state and local agencies, payroll data, and adjudicated claims and encounter data from the preceding 12 months, and to document its policies and procedures in the state's verification plan).

[12] See 42 C.F.R. § 435.952 and § 435.557 (reasonable compatibility; the agency must not deny or terminate eligibility solely because an individual cannot produce documentation that does not exist or is not reasonably available, and must accept other information in such circumstances).

[13] 42 C.F.R. § 438.58 (prohibiting a state from using an MCO, PIHP, PAHP, or other contractor to determine a beneficiary's compliance with the community engagement requirement unless that entity is not responsible for providing or arranging covered services for the beneficiary).

[14] 42 C.F.R. § 435.555(d)(2)-(3), (e) (the agency may not require an individual to request an exception for a presidentially declared emergency or disaster, or for residence in a county meeting the unemployment threshold); Public Notice at 6.

unemployment threshold set at the lesser of 8 percent or 1.5 times the national rate, multiple rural Georgia counties are likely to qualify in a given month.

GHF recommends that DCH apply the disaster and high-unemployment exceptions automatically, confirm CMS-approval status for both, and refresh the qualifying-county list on a published schedule.

8. Due process, including the right to correct data inaccuracies

The IFR requires continued coverage pending determination, a receipt-based 30-day timeframe, screening for other coverage before termination, fair hearing rights, and a MAGI reconsideration period.[15] The Public Notice reflects only the 30-day window, and mentions fair hearing rights once, in a footnote.

This section is also where the data-accuracy problem described above must be resolved. A beneficiary cannot meaningfully rebut a noncompliance finding without knowing what information produced it. If DCH determines from a wage record, a claims history, or a SNAP file that an individual is noncompliant or no longer excluded, the notice of noncompliance should explicitly describe the issue in plain language, so the enrollee has the opportunity to correct an error rather than guess at what is missing. The IFR already requires the notice to include "a clear statement of the specific reasons" for the finding. It separately provides that the agency must accept information other than documentation where documentation is not reasonably available, and may not deny or terminate eligibility solely because an individual cannot produce a document that does not exist. Making the underlying data source visible in the notice is what allows those protections to function.

GHF recommends that DCH state the full protections of 42 C.F.R. § 435.558 in the SPA, including continued coverage pending determination, the receipt-based clock, screening for other coverage, fair hearing rights, and MAGI reconsideration.

GHF additionally recommends that notices of noncompliance are issued in plain language; identify the specific data source and finding relied upon; confirm the individual's right to submit correcting or more current information; and state that self-attestation or other information will be accepted where documentation is not reasonably available.

9. Outreach plan

The IFR requires outreach to begin around October 1, 2026, and to explain exclusions, exceptions, and the effect of noncompliance.[16] The Public Notice describes no outreach plan, timeline, or budget.

GHF recommends that DCH publish the outreach plan, timeline, notice templates, and language-access approach. We encourage DCH to partner with trusted community organizations and navigators, including specific efforts to work through the Georgia Gateway Community Partner network administered by the Division of Family & Children Services, whose umbrella organizations and assisted service sites are already trained, hold Gateway portal access, and serve as a front door for many Georgians applying for or

[15] 42 C.F.R. § 435.558 (noncompliance procedures, including the 30-day response period running from receipt, deemed five days after the date of the notice; continued coverage until an ineligibility determination; consideration of all other bases of eligibility; written notice with a clear statement of the specific reasons; fair hearing rights; and no restriction on reapplication).

[16] 42 C.F.R. § 435.561 (outreach must begin three months plus the number of months specified under § 435.556(a)(1) before the implementation date, and must address exclusions, exceptions, verification frequency, and the effect of noncompliance on Medicaid and on advance payments of the premium tax credit).

renewing benefits.[17] *Building on that existing infrastructure is faster and less costly than standing up a parallel outreach channel. DCH should consider directing funds to Gateway Community Partner organizations to support their community-based outreach and assistance efforts.*

10. Fiscal transparency

The notice projects that the Pathways program will cost $181.4 million for SFY2027, including $60.6 million in state costs, without any explanation of how DCH determined the projection.[18]

GHF recommends that DCH provide a public breakdown of the $181.4 million among systems, administrative, and benefit costs, and include the estimated number of enrollees subject to the H.R. 1 community engagement requirement on which the projection is based.

11. Public data reporting

The IFR requires DCH to report enrollment and determination outcomes to CMS, but the notice makes no commitment to public transparency.[19] Public reporting protects Pathways applicants and members and the state alike, and it is the only way stakeholders will be able to tell early whether implementation is working as intended.

GHF recommends that DCH publish enrollment, exclusions by category, and disenrollments by reason on a public dashboard, disaggregated where possible by race and county, with data kept current on a quarterly basis. We further recommend that DCH report application processing times, with Pathways and community engagement applications disaggregated from other Medicaid applications, so that processing delays specific to this population are visible rather than masked by overall Medicaid averages.

Conclusion

GHF appreciates the opportunity to comment and the Department's work to implement a complex federal mandate on a compressed timeline. The recommendations above are offered to help DCH implement the community engagement requirement in a way that is accurate, administratively sustainable, and protective of eligible Georgians' coverage. We would welcome the opportunity to discuss any of them directly.

Respectfully submitted,

Whitney Griggs
Director of Health Policy
Georgians for a Healthy Future

Laura Colbert
Executive Director
Georgians for a Healthy Future

[17]Ga. Dep't of Human Servs., Div. of Family & Children Servs., "Georgia Community Partners," https://dfcs.georgia.gov/services/georgia-community-partners. Registered umbrella organizations and assisted service sites hold Georgia Gateway Community Partner portal access, complete mandatory DFCS training, and have a dedicated DFCS point of contact for case issues.

[18]Public Notice at 1 (projecting $181,400,000 total, comprising $60,642,020 in state funds and $120,757,980 in federal funds, for SFY2027).

[19]42 C.F.R. § 435.562 (requiring states to submit data to CMS on enrollment totals, application and renewal processing and timeliness, outcomes of determinations and redeterminations, and counts of individuals subject to and complyGeorgiansing with the requirement).