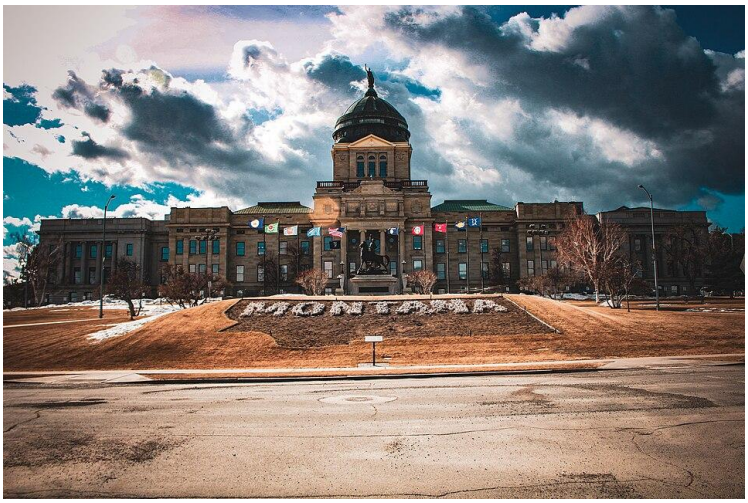
Montana's New Medicaid Work and Community-Engagement Rules: What You Need to Know



Beginning July 1, 2026, Montana introduced new rules affecting some adults who receive health coverage through Medicaid Expansion. These rules are commonly described as "Medicaid work requirements." That description is understandable, but it is incomplete. A person does not necessarily have to hold a paid job to meet the new requirement. Montana officially calls it a "community engagement requirement" because employment, education, workforce training, community service, and nonprofit volunteer work may all count.

It is equally important to understand that the new requirement does not apply to every person receiving Medicaid. It primarily applies to adults between the ages of 19 and 64 who receive coverage through Montana's Medicaid Expansion program and who do not qualify for an exclusion. Children, older adults, many people with disabilities, and people covered through other Medicaid eligibility categories are not necessarily subject to the requirement.

There has been particular confusion concerning Montana Medicaid for Workers with Disabilities, commonly called MWD, a separate Medicaid program that allows eligible people with disabilities to work while retaining Medicaid coverage, subject to the program's existing employment, income, and other eligibility rules. According to the Montana Department of Public Health and Human Services (DPHHS), people already enrolled in MWD are not subject to the new Medicaid Expansion community-engagement requirement. The rules they already follow concerning employment and income remain in place. In other words, MWD participants should continue complying with the requirements of the MWD program, but they do not have to satisfy this new 80-hour community-engagement requirement merely because it took effect in July 2026.

For Medicaid Expansion participants who are subject to the new rule, the basic requirement is 80 hours of approved activities during a month. Eighty hours is approximately 20 hours per week, although the state evaluates the requirement on a monthly basis. A person may meet all 80 hours through one qualifying activity or combine different activities.

Paid employment counts. Community service or volunteer work with a nonprofit organization may also count. Attendance at school can qualify, as can participation in an approved state or federal workforce-training or job-readiness program. A person could, for example, work 60 hours during the month and complete 20 hours of qualifying volunteer service. The combined total would satisfy the 80-hour requirement for that month.

Completing the hours is only part of the process. Medicaid participants may also have to provide proof. Depending on the activity, acceptable documentation might include pay stubs, an official school schedule or transcript, documentation from a workforce program, or a signed record of volunteer hours. Montana may verify some information by matching Medicaid records with information already held by other state programs. When the state cannot verify the information electronically, the participant may need to report it and submit supporting documents.

The timing of the verification depends on whether the person is applying for Medicaid Expansion or renewing existing coverage. A new applicant generally must show that the requirement was met or that an exclusion applied during the month before the application. At redetermination, an existing participant generally must demonstrate compliance for at least three months during the review period. Those three months do not have to be consecutive.

Existing Medicaid Expansion participants did not all have to report 80 hours immediately on July 1. Instead, the requirement is considered as their individual cases reach a scheduled redetermination. Montana also established a temporary “hold harmless” period from July through September 2026. During that period, the state reviews whether applicants and participants meet the new requirement, but it will not deny or terminate coverage solely because of noncompliance with the community-engagement requirement if the person satisfies the other Medicaid eligibility rules. Beginning in October 2026, however, failure to meet the requirement or establish an applicable exclusion may result in denial of an application or termination of coverage.

Beginning in January 2027, most affected Medicaid Expansion participants will undergo an eligibility redetermination every six months. During redetermination, the state will review whether the person continues to meet income and other Medicaid eligibility requirements and whether the community-engagement requirement or an exclusion has been satisfied. American Indian and Alaska Native participants generally remain subject to a 12-month redetermination schedule.

The exclusions are a crucial part of the new system. A person should not assume that the rule applies simply because that person is between 19 and 64 or has received a notice concerning Medicaid. Some people are completely excluded from the community-engagement requirement because of their status or circumstances. Others may receive an exception for particular months because of a temporary hardship.

People who may qualify for an exclusion include American Indians and Alaska Natives; former foster youth under age 26 who were receiving Medicaid and in foster care when they turned 18; certain incarcerated individuals; pregnant people and those within the 12-month postpartum period; people participating in drug or alcohol treatment; and veterans with a total, or 100 percent, disability rating. A parent, guardian, caretaker relative, or family caregiver responsible for a dependent child under age 14 or for a person with a disability may also qualify for an exclusion. A parent caring for a person with a disability may qualify regardless of the disabled person's age.

People who satisfy work requirements through Temporary Assistance for Needy Families, or TANF, may also be excluded. Certain people receiving Supplemental Nutrition Assistance Program benefits, commonly called SNAP, may qualify when they are already subject to SNAP work requirements.

Most importantly for the disability community, a person whose physical, mental, intellectual, developmental, behavioral, or other health condition substantially interferes with the ability to work or participate in other approved activities may qualify for a medical exclusion. Montana's public information refers to this in plain language as having "a medical condition or health needs that impact the ability to work or do other community-engagement activities." Federal regulations use the more technical term "medically frail."

A person does not necessarily have to be completely unable to perform any activity to qualify. The relevant question is whether the person has a qualifying condition that significantly impairs the ability to comply with the community-engagement requirement. This may include a physical, intellectual, or developmental disability that significantly affects activities of daily living; a disabling mental disorder; a substance-use disorder; blindness or disability as defined under federal law; or a serious or complex medical condition.

Montana currently accepts provider documentation or a self-declaration to verify medically frail status at both the initial application and redetermination. This is an especially important protection because a person should not lose coverage merely because the state's records do not automatically identify a disability or serious health condition. People who receive Supplemental Security Income, or SSI, or Social Security Disability Insurance, or SSDI, do not have to satisfy the new community-engagement requirement.

Some circumstances are treated as exceptions or short-term hardships rather than permanent exclusions. These may include receiving inpatient medical services, living in

a county covered by an emergency disaster declaration, or having to travel outside the community for treatment of a serious or complex medical condition affecting the participant or a dependent. A person who has recently been incarcerated or who is eligible for Medicare may also be treated as satisfying the requirement for applicable months. Montana has identified high unemployment as a possible exception under federal rules but has stated that it is not presently implementing that exception.

The distinction between a continuing exclusion and a temporary exception matters. A person who qualifies as a specified excluded individual is not subject to the 80-hour requirement while that exclusion applies. A temporary hardship, by contrast, generally counts only for the month or months during which the hardship existed. At redetermination, a person relying on a short-term exception may need to establish that it applied during at least three months of the review period. If it applied for only one or two months, the participant may need to show qualifying activity during additional months.

Medicaid participants should carefully read every notice they receive from DPHHS. They should also keep their mailing address, telephone number, email address, household information, income information, and employment or education status current. A person who believes an exclusion applies should report it and provide the requested form or documentation instead of assuming that the state already has the necessary information.

Changes may be reported through Montana's online Self Service Portal at apply.mt.gov, by calling the DPHHS Public Assistance Helpline at 1-888-706-1535, by visiting a local Office of Public Assistance, or by mailing the information to the Human and Community Services Division, P.O. Box 202925, Helena, MT 59602-2925.

If DPHHS decides that a person is not eligible or has not complied with the community-engagement requirement, the participant should receive a formal Notice of Adverse Action. Medicaid participants have the right to appeal an adverse eligibility decision through the fair-hearing process. The notice should explain the decision, the deadline for requesting a hearing, and the steps required to appeal. Because appeal deadlines are important, a person who disagrees with a decision should seek assistance promptly.

The most important message is that Montana has not imposed a universal work requirement on every Medicaid beneficiary. The new rule applies mainly to non-excluded adults ages 19 through 64 who receive Medicaid Expansion coverage. Even within that group, paid employment is not the only way to comply, and numerous exclusions and temporary exceptions are available. People with disabilities should pay particular attention to the medical exclusion and should not assume that they must work or volunteer when a health condition prevents them from doing so.

The safest course is to read all Medicaid notices, respond before the stated deadline, preserve copies of submitted documents, record qualifying work or volunteer hours, and formally request any exclusion that applies. Understanding the difference between Medicaid Expansion, MWD, approved community-engagement activities, and

exclusions can help people protect their health coverage under this complicated new system.

Important Dates, Deadlines, and Eligibility Criteria

Date or time period	Who is affected	Requirement or criterion	What the person should do
July 1, 2026	New applicants for Medicaid Expansion and existing participants as they approach redetermination	Montana's community-engagement requirement took effect. Affected adults must complete approved activities or qualify for an exclusion.	Determine whether the requirement applies and whether an exclusion or temporary hardship should be reported.
Each calendar month	Non-excluded Medicaid Expansion participants ages 19–64	Complete at least 80 hours of approved activities. Work, nonprofit volunteering, education, and approved workforce training may be combined.	Keep pay stubs, school records, workforce-program documents, or signed volunteer-hour records.
Month before a new application	People applying for Medicaid Expansion on or after July 1, 2026	Show that the 80-hour requirement was met during the preceding month or that an exclusion or exception applied during that month.	Submit the required activity documentation or exclusion form with the application.
At the participant's scheduled redetermination	Existing Medicaid Expansion participants	Show compliance with the community-engagement requirement, or an applicable exception, for at least three months during the review period. The months do not have to be consecutive.	Respond to the redetermination notice by its stated deadline and submit proof for the required months.
August 31, 2026	Existing participants whose redeterminations were due on this date	According to DPHHS, these were the first existing cases required to demonstrate compliance during redetermination.	Follow the individual deadline and instructions stated in the Medicaid notice.
July 1–September 30, 2026	Applicants and existing participants reviewed during this period	Montana's temporary hold harmless period applies. DPHHS reviews compliance but does not	Use this period to understand the requirement, begin documenting

Date or time period	Who is affected	Requirement or criterion	What the person should do
		deny or terminate coverage solely for failure to meet the new requirement when all other eligibility conditions are met.	activities, and submit any applicable exclusion.
October 1, 2026	Applicants and participants subject to the requirement	Enforcement begins. Failure to establish compliance or an exclusion may result in denial or termination of Medicaid Expansion coverage.	Respond promptly to DPHHS requests and submit all supporting documentation before the deadline in the notice.
Beginning January 2027	Most Medicaid Expansion participants	Eligibility redetermination generally occurs every six months. Income, household eligibility, community engagement, and exclusions may be reviewed.	Complete each redetermination and provide updated information and verification.
Every 12 months beginning January 2027	American Indian and Alaska Native participants	These participants generally remain on an annual rather than six-month redetermination schedule and are excluded from the community-engagement requirement.	Complete the annual eligibility redetermination when notified.
During a temporary hardship	Participants experiencing a recognized short-term circumstance	A hardship counts only for the month or months in which it applies. Examples include inpatient treatment, certain disaster-related circumstances, or qualifying medical travel.	Report the hardship and retain documents showing when and why it occurred.
After receiving a Notice of Adverse Action	Anyone whose application is denied or whose coverage is being terminated	The person has the right to request a fair hearing. The applicable appeal deadline will appear in the notice.	Read the notice immediately and file the appeal within the stated deadline.
Whenever personal	All Medicaid participants	Changes in address, household composition,	

Date or time period	Who is affected	Requirement or criterion	What the person should do
circumstances change		income, employment, education, citizenship, or immigration status may affect eligibility.	

Please note that there is no single redetermination deadline that applies to every Medicaid participant. Each person must follow the specific due date printed in the notice sent by DPHHS. People already enrolled in MWD are not subject to the new 80-hour Medicaid Expansion requirement, but they must continue complying with MWD's existing employment, income, and renewal rules.

Because the programs discussed below have different purposes and eligibility rules, receiving one benefit does not automatically mean that a person receives or qualifies for another. It may, however, affect whether the new Medicaid Expansion community-engagement requirement applies.

Programs and Benefits Mentioned in This Article

Program	Plain-English definition	Principal eligibility criteria	Relationship to the new Montana requirement
Medicaid	A joint federal-state health coverage program for eligible people with limited income and for certain other eligible groups. Medicaid includes several separate eligibility categories and programs.	Eligibility depends on the person's income, household, age, disability, pregnancy, and other circumstances. The applicable criteria depend on the particular Medicaid category.	The new community-engagement requirement does not apply to everyone receiving Medicaid. It primarily affects certain adults covered through Medicaid Expansion.
Montana Medicaid Expansion, **also called the HELP Program**	Medicaid coverage created under the Affordable Care Act for eligible adults who may not qualify under another traditional Medicaid category.	Generally, covers Montana adults ages 19–64 with household income up to approximately 138% of the federal poverty level, subject to citizenship, residency, and other Medicaid requirements.	Non-excluded participants ages 19–64 must generally complete 80 hours of approved activities per month or establish an exclusion.

Program	Plain-English definition	Principal eligibility criteria	Relationship to the new Montana requirement
Montana Medicaid for Workers with Disabilities (MWD)	A Medicaid program that allows eligible people with disabilities to work and retain Medicaid coverage. An eligible participant may be required to pay a monthly cost-share fee.	Generally requires the person to be at least 16; meet Medicaid's applicable nonfinancial requirements; have a qualifying disability or satisfy the program's disability-related criteria; be employed or self-employed; remain within the applicable income and resource limits; and pay any required monthly cost-share fee. Montana's published policy identifies an income limit of 250% of the federal poverty level, subject to the program's income-counting rules.	People already enrolled in MWD are not subject to the new 80-hour Medicaid Expansion requirement. They must continue following MWD's existing employment, income, resource, reporting, and cost-share rules.
Supplemental Security Income (SSI)	A federal program administered by the Social Security Administration that provides monthly payments to eligible people with very limited income and resources.	Generally available to people who are 65 or older, blind, or disabled and who meet strict income, resource, citizenship, residency, and other requirements. SSI is based on financial need, not a person's prior work history.	Montana states that people receiving SSI disability payments do not have to satisfy the new community-engagement requirement.
Social Security Disability Insurance (SSDI)	A federal insurance program that pays benefits to eligible workers with qualifying disabilities and, in some circumstances, eligible family members.	The person generally must have worked long enough and recently enough in employment covered by Social Security and must meet Social Security's definition of disability. The condition must generally prevent	Montana states that people receiving SSDI disability payments do not have to satisfy the new community-engagement requirement.

Program	Plain-English definition	Principal eligibility criteria	Relationship to the new Montana requirement
		substantial work and be expected to last at least 12 months or result in death.	
Medicare	A federal health insurance program primarily serving people age 65 or older and certain younger people with qualifying disabilities or medical conditions.	Eligibility commonly results from reaching age 65, receiving qualifying Social Security disability benefits for the required period, or having certain conditions such as end-stage renal disease or amyotrophic lateral sclerosis. Different rules apply to different parts of Medicare.	Medicare eligibility may serve as an exception for applicable months under Montana's community-engagement rules. A person should still report Medicare eligibility when completing a Medicaid application or redetermination.
Temporary Assistance for Needy Families (TANF)	A federal-state program providing temporary financial assistance and employment-related services to eligible families with children. Montana administers its TANF program through DPHHS.	Eligibility generally depends on household income and resources, family composition, the presence of an eligible child, residency, and compliance with program requirements. Certain adult participants must complete TANF work activities.	A person who is already meeting applicable TANF work requirements may qualify for an exclusion from the separate Medicaid community-engagement requirement.
Supplemental Nutrition Assistance Program (SNAP)	A federal nutrition-assistance program, formerly called food stamps, that helps eligible households purchase food. Montana administers SNAP through DPHHS.	Eligibility generally depends on household income, allowable deductions, household composition, and other federal and state requirements. Some adults are subject to SNAP work or training requirements, while others are exempt.	A SNAP participant who is subject to SNAP work requirements may qualify for an exclusion from the separate Medicaid community-engagement requirement. Receiving SNAP by itself does not necessarily establish the exclusion; the person's

Program	Plain-English definition	Principal eligibility criteria	Relationship to the new Montana requirement
			SNAP work-requirement status matters.
Medicaid Presumptive Eligibility (PE)	A temporary Medicaid coverage process that allows certain qualified organizations to make an initial eligibility determination while the person's full application is pending.	The person must appear to qualify for an eligible Medicaid category based on preliminary information. DPHHS later reviews the full application and verifies eligibility.	Beginning July 1, 2026, qualified entities assess Medicaid Expansion applicants for community engagement using the applicant's statement. DPHHS may verify the activities or exclusion during the full application process.

The article also uses several technical terms that are not separate benefit programs:

Important Administrative Terms

Term	Meaning	Basic criterion
Community-engagement requirement	The new participation condition applying to certain Montana Medicaid Expansion adults.	Complete 80 hours in a month through employment, qualifying nonprofit volunteer service, education, approved workforce training, or a combination of these activities, unless excluded.
Specified exclusion	A status or circumstance that removes a person from the community-engagement requirement while the exclusion applies.	The person must fall within an approved category, such as having qualifying health needs, being pregnant or postpartum, being an eligible caregiver, or belonging to another recognized excluded group.
Medically frail exclusion	The technical name for an exclusion available to certain people whose physical, mental, behavioral, intellectual, developmental, or other health condition significantly interferes with compliance.	The condition must fit an approved medical category and significantly impair the person's ability to meet the requirement. Montana accepts provider documentation or self-declaration at application and redetermination.

Term	Meaning	Basic criterion
Exception or short-term hardship	A circumstance treated as satisfying the requirement only for the month or months in which it exists.	Examples include receiving inpatient services, certain qualifying medical travel, or living in a county covered by an emergency disaster declaration. Documentation may be required.
Redetermination	DPHHS's periodic review of whether a Medicaid participant remains eligible.	The participant must provide requested information about income, household circumstances, and other eligibility factors. An affected Medicaid Expansion participant must also establish community-engagement compliance or an exclusion.
Hold harmless period	Montana's temporary introductory period during which DPHHS reviews the new requirement without denying or ending coverage solely because of noncompliance.	Applies from July 1 through September 30, 2026, when the person meets all other Medicaid eligibility requirements. Enforcement begins October 1, 2026.

Legal Authorities, Official Guidance, and Additional Resources

The information in this article is based primarily on federal law, federal regulations, and official publications issued by the Montana Department of Public Health and Human Services. Because administrative guidance and forms may be revised, readers should confirm that they are using the most recent version.

Federal legal authorities

1. **Public Law 119-21, H.R. 1, approved July 4, 2025.**
   This federal reconciliation law established the Medicaid community-engagement requirement. The relevant provisions amended the federal Medicaid Act, including section 1902 of the Social Security Act. The complete enacted law is available from the U.S. Government Publishing Office: Public Law 119-21.
2. **Social Security Act § 1902(xx), 42 U.S.C. § 1396a.**
   This provision supplies the principal statutory framework for the community-engagement requirement, including the people potentially subject to it, qualifying activities, exclusions, and state responsibilities. The current federal Medicaid statute may be consulted through the U.S. House Office of the Law Revision Counsel.

3. **Medicaid Program; Community Engagement Requirement for Certain Individuals, Interim Final Rule with Comment Period, CMS-2454-IFC.** Issued by the Centers for Medicare & Medicaid Services in June 2026, this rule implements the federal law and explains such matters as qualifying activities, excluded individuals, short-term hardships, verification, notices, noncompliance procedures, and implementation. The rule was scheduled for publication as Federal Register document 2026-11094 and became effective July 31, 2026. The complete interim final rule and a CMS plain-language summary are available online.
4. **42 C.F.R. §§ 435.550–435.563.** These federal regulations contain the detailed community-engagement rules. They define an "applicable individual," establish acceptable ways to demonstrate community engagement, identify mandatory exceptions and specified excluded individuals, authorize certain short-term hardship exceptions, prescribe verification and noncompliance procedures, and regulate state implementation. The current provisions are available in the Electronic Code of Federal Regulations.

Montana implementation and public guidance

5. **Montana DPHHS, "Changes to Medicaid."** This is the state's principal public-information page concerning implementation of the new rules. It explains who is affected, the 80-hour standard, qualifying activities, exclusions, reporting, notices, appeals, and available forms: Montana Medicaid Changes.
6. **Montana DPHHS, "Frequently Asked Questions."** The FAQs provide important details about implementation dates, the July–September 2026 hold harmless period, redeterminations, disability-related exclusions, SSI and SSDI recipients, MWD participants, caregivers, students, seasonal workers, and verification. They are available at Montana Medicaid Changes: Frequently Asked Questions.
7. **Montana Medicaid State Plan Amendment: Medicaid Expansion Community Engagement Requirements.** The proposed state plan amendment describes Montana's implementation of the federal requirement, including the 80-hour monthly standard, qualifying activities, verification, exclusions, notices, and implementation date. The document is available as a Montana DPHHS State Plan Amendment.
8. **Montana DPHHS, Appendix A: Medicaid Community Engagement Activity Requirements Reporting Form.** This form is used to report qualifying work, education, volunteer service, and other approved activities. Readers should obtain the most recent version from DPHHS: Community Engagement Activity Reporting Form.
9. **Montana DPHHS, Appendix B: Community Engagement Exclusions Form.** This form is used to report an exclusion, including qualifying medical conditions, caregiving responsibilities, pregnancy, participation in treatment, and other

recognized circumstances. It includes the self-declaration process for medical or health-related exclusions: Community Engagement Exclusions Form.

10. **Montana DPHHS Verification Matrix.**
    The verification matrix identifies the kinds of proof DPHHS may request for employment, education, volunteer service, workforce activities, exclusions, and temporary hardships. Because the matrix may be updated, readers should retrieve the current version under "Communications and Resources" on the Montana Medicaid Changes webpage.
11. **Montana DPHHS, ABD Medicaid Manual § 201-6, "Montana Medicaid for Workers with Disabilities."**
    This policy explains the separate MWD program, including disability status, employment or self-employment, income and resource limits, proof of employment, and monthly cost-share fees. It is the principal source for the article's explanation that MWD has its own eligibility rules: Montana Medicaid for Workers with Disabilities Policy.
12. **Montana DPHHS Office of Administrative Hearings.**
    A person who receives a Notice of Adverse Action may request a fair hearing. The individual notice controls the applicable filing deadline and explains how to appeal. Current information is available through the Montana DPHHS Office of Administrative Hearings.

Sources concerning related benefit programs

13. **Social Security Administration, Supplemental Security Income.**
    The SSA explains SSI's disability, age, blindness, income, resource, citizenship, and residency requirements on its Supplemental Security Income webpage.
14. **Social Security Administration, Social Security Disability Insurance.**
    Official information about SSDI's disability definition, insured-status requirements, work credits, and application process is available from the Social Security Disability Benefits webpage.
15. **Centers for Medicare & Medicaid Services, Medicare.**
    Information about Medicare eligibility, enrollment periods, and the different parts of Medicare is available at Medicare.gov.
16. **Montana DPHHS, SNAP, TANF, and Medicaid applications.**
    Montana residents may apply for assistance, report changes, and manage certain benefits through the state's Apply Montana portal. Program-specific eligibility must be determined by DPHHS.

Important qualification

These sources do not all carry the same legal authority. Federal statutes and duly promulgated regulations are controlling legal authorities. Montana's approved state plan and applicable state laws govern Montana's administration of Medicaid within the federal framework. Agency webpages, FAQs, manuals, matrices, and forms provide essential operational guidance, but they may be revised as federal or state policy changes. If a webpage or general explanation conflicts with an official eligibility notice,

the individual should seek clarification and preserve the right to appeal before the deadline stated in the notice.

This article provides general educational information and does not constitute legal advice. Medicaid rules and administrative guidance may change. Current information, reporting forms, and official instructions are available from the Montana DPHHS Medicaid Changes webpage and its Frequently Asked Questions.

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LIFTT is a Montana 501(c)(3) nonprofit Center for Independent Living (CIL) with offices in Billings and Glendive, providing services to aging individuals and people with disabilities in 18 counties across South and Central Eastern Montana: Big Horn, Carbon, Carter, Custer, Dawson, Fallon, Garfield, Golden Valley, McCone, Musselshell, Powder River, Prairie, Richland, Rosebud, Stillwater, Treasure, Wibaux, and Yellowstone.
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