Transition and Phase-Out Plan

Background

MassHealth currently has authority to provide coverage to individuals approved for Temporary Assistance for Needy Families (TANF) and Emergency Aid to the Elderly, Disabled, and Children (EAEDC) programs.

On July 4, 2025, the federal government enacted Public Law 119-21, also known as the "One Big Beautiful Bill Act," which CMS refers to as the "Working Families Tax Cut" (WFTC) legislation. Section 71119 of the WFTC legislation introduces community engagement requirements (also known as work and education requirements) for certain adults enrolled in MassHealth beginning on January 1, 2027. CMS has informed Massachusetts that participants in the TANF and EAEDC Recipients 1115 Demonstration will be subject to community engagement requirements.

However, the application of community engagement requirements to this Demonstration population presents significant challenges. Specifically, the technology infrastructure maintaining eligibility for the Demonstration population is housed within our legacy eligibility system, which is unable to support community engagement requirements as described in the WFTC legislation. As a result, we must reestablish eligibility for this population in our separate Integrated Eligibility System (IES), which is currently undergoing development to reflect the rules necessary to apply community engagement requirements. Additionally, under MassHealth's approved 1115 Demonstration authority, the EAEDC/TANF recipients do not submit the information necessary to determine if they comply with community engagement requirements.

Given these factors, MassHealth is unable to maintain its 1115 Demonstration authority while also meeting the requirements of the WFTC legislation, when community engagement requirements begin on January 1, 2027. To ensure ongoing compliance with federal rules, MassHealth therefore requests termination of its Expenditure Authority 5 and corresponding STC 4.5.

Process to Notify Affected Members in Advance of Terminating Demonstration Authority

- MassHealth provided a 30-day public notice and comment period for members and the public to comment on the proposed transition and phase-out plan.

    - This period ran from June 5, 2026, to July 6, 2026. A summary of comments is attached to this plan in the Cover Letter.
- Prior to MassHealth commencing any transition or phase-out activities, members who are affected will be sent an advance informational notice via U.S. mail, notifying them of MassHealth's intent, subject to CMS approval, to terminate this pathway, what that means for individuals, and steps they can take to prepare for the upcoming renewal process. This notice does not require any action by members, but will encourage members to submit applications in 2026 so that they can be directly enrolled in MassHealth under State Plan authority.
    - The plan is to send this informational notice at the same as the advanced notice for community engagement.
- MassHealth Customer Service and Member Enrollment Centers (MECs) will be provided with talking points and instructions on how to assist members that need to transition.
- Similarly, MassHealth health plans will be provided with talking points and instructions on how to assist members that need to transition.
- MassHealth will explore a possible text, robo-call, and email campaign to provide additional advance notice to the affected population.
- MassHealth will coordinate with partner agencies and organizations, such as the Department of Transitional Assistance (DTA), Certified Application Counselors (CACs), and community-based organizations to provide talking points and resources to inform members about the changes.

Process for Eligibility Renewals and Enrollment Transitions for Affected Members

End Enrollment of New Individuals in the 1115 TANF/EAEDC Demonstration

- In approximately October – December 2026, pending CMS approval, MassHealth will end the enrollment of new individuals in the TANF and EAEDC Recipients 1115 Demonstration.
- TANF and EAEDC recipients newly seeking healthcare coverage will be told how to apply for MassHealth benefits directly.

Renewals for Existing Demonstration Population

- To comply with the requirement to determine eligibility on other bases prior to termination under 42 CFR 435.916, MassHealth will renew existing Demonstration population members' eligibility by sending an application to transitioning members. Renewals will happen on a rolling basis, rather than all at once, to comply with timelines under 42 CFR 435.916.

    - Consistent with 42 CFR 435.916(a)(1), members who have already applied directly and been determined eligible for comprehensive coverage (MEC) outside of the demonstration (i.e. under the State Plan) within the last 12 months before ending enrollment of new members under STC 4.5, will not be subject to an additional renewal. Those members will be renewed based on when they applied directly and were determined eligible.
- If we are unable to verify members' data electronically and/or do not receive necessary manual verifications, we will send a request for information.
- If members respond, we will use the updated information to redetermine their eligibility.
- If members do not respond after the request for information time period expires, we will use the data that is available to us to redetermine their eligibility.

Members who are found ineligible will be provided with a notice with all applicable appeal and hearing rights pursuant to 42 CFR, part 431 subpart E, as well as aid pending appeal where appropriate as required by 42 CFR 431.230. Members who are eligible for MassHealth through their EAEDC/TANF benefits and their coverage results in a downgrade, or termination will receive advanced notice and appeal rights consistent with 42 CFR 431.201.

Member Transition Assistance

- MassHealth will send text, robo-call, and email reminders to members to act in order to avoid losing coverage.
- Call Center staff will be prepared to assist members and process documentation telephonically, which will include a dedicated phone line for members affected by this transition.
- CACs will be available to assist members with renewals.
- Many impacted members are in a MassHealth managed care or integrated care plan, and MassHealth health plans will be provided with talking points and instructions on how to assist members that need to transition.
- MassHealth will coordinate with partner agencies and organizations, such as DTA, CACs, and community-based organizations to provide talking points and resources to inform members about the changes.
- MassHealth and DTA will be able to support members through this transition via warm hand-offs between DTA staff and MassHealth to provide application support.
- The MassHealth Enrollment Centers (MECs) will be provided with talking points and instructions on how to assist members that need to transition.
- Additional strategies to support members through the transition may be considered based on stakeholder feedback and feasibility.

Anticipated Timeline (pending approval by CMS)

June 5, 2026: Post public notice of intent to terminate authority

June 5, 2026 – July 6, 2026: Public comment period

July - August 2026: Review public comments and incorporate into plan as needed; submit notification letter and transition and phase out plan to CMS

September or October 2026: Send advance notice to members about upcoming changes and to encourage members to submit applications so that they can be directly enrolled in MassHealth under State Plan authority

Approximately November – December 2026: End enrollment of new individuals in the Demonstration

January – December 2027: Complete renewals to transition existing Demonstration population to other MassHealth coverage where eligible

December 31, 2027: MassHealth's TANF and EAEDC Recipients 1115 Demonstration Expenditure Authority is terminated