



UNDERSTANDING H.R. 1

The Federal Work and Community Engagement Requirements for Medicaid and SNAP

**A GUIDE FOR COMMUNITY ORGANIZATIONS, SERVICE PROVIDERS,
FAITH-BASED PARTNERS, AND COUNTY AGENCIES**



**COMMUNITY
ENGAGEMENT**



COMPLIANCE



PARTNERSHIP

What the law says. What is required. Who is exempt. How documentation and verification work. What the New Jersey Reentry Corporation is doing to keep the people we serve enrolled, working, and in compliance.

This guide summarizes federal law, regulations and is provided for informational purposes. It is not legal advice. Eligibility determinations are made solely by the State of New Jersey and the county boards of social services.





Board of Directors

Governor Brendan Byrne
(in memoriam)
Governor Thomas Kean
Governor James Florio
(in memoriam)
Governor James McGreevey
Governor Jon Corzine
Governor Chris Christie
Philip B. Alagia
Reverend Allan Boyer
Tonio Burgos
Thomas Calcagni, Esq.
Father Edwin Chinery
Francine LeFrak
Joseph Hayden, Esq.
Dr. Petros Levounis
Lawrence Lustberg, Esq.
Leslie K. Franks McRae
Wendy Neu
Chief Justice Deborah Poritz
Reverend Al Sharpton
Reverend Dr. Regena Thomas
Cardinal Joseph Tobin

Corporate Office

591 Summit Avenue
Suite 605B
Jersey City, NJ 07306
551.256.9717

Reentry Sites

Bergen
Essex
Hudson
Middlesex
Monmouth
Morris
Ocean
Passaic (IES)
Sussex
Union
Addiction Treatment (IES)
County Corrections (IES)
Institutional Enrollment
Services (IES)

Dear Friends:

This guide explains the new Medicaid and SNAP requirements under H.R. 1, including the 80-hour monthly standard, available exemptions, qualifying activities, and required documentation. It is intended to help community organizations, service providers, faith-based partners, and county agencies support New Jersey residents through these changes.

NJRC is grateful for the leadership of Governor Mikie Sherrill and her Administration in partnering with NJRC to provide critical information to impacted communities. Our Governor has been steadfast in protecting healthcare and food benefits for impacted New Jerseyans.

If you want further information or if you are eligible for NJRC Reentry services to fulfill your H.R. 1 requirements, please visit <https://njreentry.org/h-r-1-reentry-resources/> and complete the form.

Successful implementation will require clear communication, careful exemption screening, access to qualifying work and training opportunities, and reliable documentation.

NJRC remains committed to working with all state, county, and community partners to help eligible residents maintain access to health care and food assistance.

Thank you for your partnership and service.

Sincerely,

Jim McGreevey
Executive Director



WHAT THE LAW SAYS

H.R. 1: The Basics

On July 4, 2025, H.R. 1, Public Law 119-21, also known as the One Big Beautiful Bill Act, was signed into law. Among its many provisions, two directly affect the people served by community organizations across New Jersey: a new **community engagement requirement for Medicaid and expanded work requirements for SNAP**. Both condition continued benefits on documented monthly activity.

1. Medicaid / NJ FamilyCare, Community Engagement

Section 71119 of the law adds Section 1902(xx) to the Social Security Act. It requires adults **ages 19 through 64** who are enrolled in Medicaid through the Affordable Care Act expansion, approximately 540,000 NJ **FamilyCare members**, to demonstrate at least **80 hours per month** of work, education, job training, or community service as a condition of eligibility, unless they qualify for an exemption. The Centers for Medicare & Medicaid Services (CMS) issued a binding Interim Final Rule (CMS-2454-IFC) on June 1, 2026. New Jersey must implement the requirement no later than **January 1, 2027**.

The law also requires most expansion adults to renew their coverage **every six months** instead of annually, beginning with renewals on or after December 31, 2026. State officials project that as many as 300,000 New Jerseyans could lose NJ FamilyCare coverage, most of them not because they fail to work, but because they fail to *document* their employment.

2. SNAP, Expanded ABAWD Work Requirements

Section 10102 amends Section 6(o) of the Food and Nutrition Act governing “able-bodied adults without dependents” (ABAWDs). ABAWDs may receive SNAP for only **three months in any 36 months** unless they work or participate in a qualifying program for at least 80 hours per month. H.R. 1 made three changes that expand who is covered:

- The ABAWD age range rose from 18–54 to **18–64**.
- The caretaker exemption narrowed: it now applies only when a child in the household is under 14 (previously under 18).
- The automatic exemptions for **veterans, people experiencing homelessness**, and former foster youth were eliminated. These individuals must now meet the requirement or qualify for a different exemption.

The SNAP changes took effect first: they applied to applications processed on or after **November 1, 2025**, and to existing recipients at their next recertification.

IN PLAIN TERMS

For a non-exempt adult, **80 hours per month, roughly 20 hours per week**, of work, training, education, or structured community service keeps both health coverage and food assistance in place. The hours must be real and documented. Everything else in this guide flows from that single standard.

The 80-Hour Standard

WHAT IS REQUIRED

Both programs use the same monthly threshold. A non-exempt individual satisfies the requirement through any one of the following, or any combination totaling at least 80 hours in the month:

 Work	Paid employment, including self-employment. Under Medicaid, monthly earnings of at least \$580 (80 hours × the \$7.25 federal minimum wage) satisfy the requirement on their own; seasonal workers may average income over the prior six months.
 Work or training programs	Participation in a qualifying employment or training program, including SNAP Employment & Training, WIOA-funded programs, and training listed on New Jersey's Eligible Training Provider List (ETPL).
 Education	Enrollment in an educational program, higher education or career and technical education, at least half-time (Medicaid), or countable education and training hours (SNAP).
 Community service	Unpaid work performed for community benefit within a structured program overseen by a public or nonprofit organization . Informal volunteering does not count; supervised, logged service does.

When Compliance Is Checked

- Medicaid: at application, new applicants must show compliance for at least one month before the month of application (states may require up to three). Existing members must show compliance for one or more months between renewals, and renewals now occur every six months for expansion adults. States may also verify at more frequent intervals.
- SNAP: at application and recertification, with the three-month time limit tracked continuously. Once the three countable months are exhausted, benefits stop until the individual meets the 30-day requirement or becomes exempt.

What Happens on Noncompliance (Medicaid)

- The state will **first check its own data**, payroll and wage records, education enrollment, and Medicaid encounter data before asking the member for anything.
- If the state cannot verify compliance, it must send a **notice of noncompliance** and give the member **30 calendar days** to prove compliance or an exemption. Coverage continues during those 30 days.
- If the member does not respond, coverage is denied or terminated, with written notice and fair hearing rights. Critically, a person disenrolled for noncompliance **cannot receive subsidized Marketplace coverage**. The individual may, however, reapply at any time.

TAKE NOTE

The **30-day letter is the single most important document a client will receive**. Every notice must be answered, with proof of hours, proof of an exemption, or both. Providers should treat an unanswered notice as a coverage emergency.

The Implementation Timeline

KEY DATES AND DEADLINES

H.R. 1 does not take effect all at once. The SNAP changes are already in force; the Medicaid requirement arrives January 1, 2027. The dates below govern every client conversation between now and then.

PATHWAY	WHAT COUNTS
 July 4, 2025	H.R. 1 (P.L. 119-21) signed into law.
 November 1, 2025	New SNAP ABAWD rules applied to applications processed on or after this date; existing recipients became subject at their next recertification. Veterans, homeless individuals, and former foster youth lost automatic exemptions.
 December 8, 2025	CMS issued preliminary implementation guidance to states on the Medicaid community engagement requirement.
 June 1, 2026	CMS issued the binding Interim Final Rule (CMS-2454-IFC) establishing the national framework states must follow.
 July 31, 2026	Public comments on the Interim Final Rule due; rule provisions take effect.
 Fall 2026	NJ FamilyCare begins mailing notices to affected members. Federal rules require outreach at least three months before members must begin demonstrating compliance. Members should confirm their mailing address now .
 October 1, 2026	SNAP cost-sharing shifts begin; New Jersey and its counties assume a larger share of administrative costs.
 December 31, 2026	Six-month renewal cycles begin for NJ FamilyCare expansion adults. Most affected members will now be required to prove eligibility and community engagement twice a year.
 January 1, 2027	The 80-hour Medicaid community engagement requirement takes effect in New Jersey. Compliance will be verified for every application and renewal from this date forward.

THE TWO DEADLINES THAT MATTER MOST

Already in effect: SNAP work requirements (since November 1, 2025); any non-exempt adult 18–64 receiving SNAP is on the three-month clock today. **January 1, 2027:** Medicaid community engagement, every non-exempt NJ FamilyCare expansion adult must be able to document 80 hours per month, or an exemption, beginning with their first application or renewal in 2027.

Who Does Not Have to Comply

EXEMPTIONS

Exemptions are the first screen in every case; they are **identified, documented, and reported** to the county board of social services. The two programs use different lists. The medical, mental health, and addiction exemptions, the largest categories for the people we serve, are treated in depth on the next page.

NJ FamilyCare / Medicaid, Exempt or Excluded

- Pregnant women and women in the 12-month postpartum period
- Medically frail people, including substance use disorders, disabling mental disorders, significant disabilities, and serious or complex medical conditions (see next page)
- People participating in a drug or alcohol treatment program
- **Veterans with a disability rated as total (100%)** by the Department of Veterans Affairs
- Parents, guardians, caretaker relatives, or family caregivers of a child **age 13 or younger** or of a disabled individual
- Former foster youth under age 26
- American Indians and Alaska Natives
- People already meeting SNAP or TANF work requirements
- People who are incarcerated, and people released from **incarceration within the prior three months**
- Medicare enrollees, and adults under 19 or over 64 (outside the covered ages)
- Short-term hardship (at state option): inpatient or intensive care, required travel for medical care, high-unemployment counties (8%+ or 1.5× the national rate), or declared disasters

SNAP, Exempt from ABAWD Requirements

- Under 18 or age 65 and older
- Medically certified as physically or mentally unfit for employment
- Pregnant
- Receiving disability benefits (SSI, SSDI, VA disability, or similar)
- Caring for a child under 14 in the household, or for an incapacitated person
- Participating in a drug or alcohol treatment and rehabilitation program
- Already working 30 or more hours per week, or earning the equivalent wages

Removed by H.R. 1: the automatic SNAP exemptions for veterans, people experiencing homelessness, and former foster youth age 24 or younger no longer exist. These clients must qualify under one of the categories above, and most can if the documentation is assembled.

Veterans: How the Exemptions Actually Work

- **Medicaid:** a veteran with a 100% (total) disability rating is exempt from the requirement's first day of operation, January 1, 2027, in New Jersey. The VA rating decision letter is the controlling document; it should be placed in the client file before the Fall 2026 notices arrive.
- Veterans with **partial ratings are not automatically exempt** from the Medicaid requirement; screen for medical frailty, caregiver status, or another exemption, or connect to a qualifying 80-hour pathway.
- **SNAP:** the blanket veteran exemption ended and applies beginning November 1, 2025. A veteran remains exempt only on other grounds, VA disability benefits, medical unfitness for work, or age, and each must be documented.

Medical, Mental Health, and Addiction

EXEMPTIONS, IN DEPTH

Medical frailty is the most consequential exemption for the people NJRC serves. The CMS rule imposes a **two-part test**: a qualifying condition alone is not enough; it must also **significantly impair the ability to meet the 80-hour requirement**.

The Five Statutory Categories of Medical Frailty

1		Individuals who are blind or disabled
2		Individuals with substance use disorders
3		Individuals with disabling mental disorders
4		Individuals with a physical, intellectual, or developmental disability that significantly impairs one or more activities of daily living
5		Individuals with a serious or complex medical condition

States may set severity and impairment standards but **may not expand the definition beyond these five categories**, nor read categories out of it.

Mental Health

- Qualifying mental health conditions are generally identified using established clinical frameworks, such as the **DSM-5 or ICD-10**. A coded diagnosis from a treating clinician is the foundation of the file.
- The diagnosis must be tied to function: the clinician's statement should describe how the condition limits the client's capacity to sustain work, training, or service at the 80-hour monthly level. A diagnosis letter that omits functional impact invites denial. Serious or Complex Medical Conditions, CMS's Illustrations

Serious or Complex Medical Conditions, CMS's Illustrations

Generally expected to qualify	Generally not, absent additional severity
Cancer • End-stage renal disease • HIV/AIDS • Significant heart disease • Multiple sclerosis • Parkinson's disease	Diabetes • Asthma • Hypertension • ADHD • Obesity • Anemia, unless documentation establishes severity and functional impairment

Addiction and Recovery

- **Active participation in a licensed treatment program is itself an exemption** under both Medicaid and SNAP, for the duration of treatment. A program letter stating enrollment and dates satisfies it.
- Beyond active treatment, a **substance use disorder generally qualifies as medical frailty** under Medicaid, subject to the same two-part test.
- CMS has indicated that individuals in **sustained recovery for five or more years** may face individualized review. Treatment history, clinical records, and program letters should be preserved from the outset, not reconstructed when the review arrives.

The Self-Attestation Window Is Closing

Where the state cannot verify medical frailty through claims or administrative data, a client may **self-declare**, but only through **January 2028**, and generally only once per continuous enrollment period. After that, clinical documentation controls. Build the file now: the coded DSM-5 or ICD-10 diagnosis; a provider statement of functional impairment addressed to the 80-hour standard; treatment letters with dates; and medication history. The SNAP parallel, "medically certified as unfit for employment", runs on the same paper.

Proving Compliance, and Who Decides

DOCUMENTATION AND VERIFICATION

How Verification Works

- The state must first attempt to verify compliance through data it already holds, payroll and wage records, education enrollment, training program participation, and Medicaid encounter data, before requesting anything from the individual.
- Where the data is incomplete, the burden shifts to the client: a 30-day notice is issued, and the client must produce proof of hours or an exemption within the window.

 For work	Pay stubs; employer letters stating hours; self-employment income records
 For training/education	Enrollment verification; attendance records; program completion certificates
 For community service	Monthly service logs signed by the supervising nonprofit organization
 For exemptions	Treatment program letters; medical documentation; VA rating decision letters; proof of caregiver status; release documentation for the 90-day reentry exception

The County Boards of Social Services

New Jersey administers both SNAP and NJ FamilyCare eligibility through its **21 county boards of social services** (county welfare agencies). For H.R. 1 purposes, the county board is where the case lives: it processes applications and six-month renewals, makes exemption determinations, checks state data sources, issues noncompliance notices, and receives the documentation that answers them. Three practices protect every client:

- **Know the client’s county board** and route all filings and verification letters to it.
- **Keep contact information current.** Notices arrive by mail; a missed letter is the leading cause of avoidable coverage loss.
- **Answer every notice within the stated deadline;** the 30-day Medicaid window and all SNAP recertification dates are hard deadlines.

NJRC’s Verification Infrastructure: Salesforce

NJRC tracks every participant’s program enrollment, monthly hours, exemption status, and renewal calendar in **Salesforce**, and generates standardized verification letters for submission to the county boards, the same discipline NJRC applied in producing SNAP ABAWD participant verification letters in 2026. The operating rule for partners is simple: **work with your provider**. A client whose hours are logged monthly by a case manager walks into renewal with a complete file; a client reconstructing six months of hours from memory walks into a 30-day notice.

The 30/60/90 Model and Three Pathways to 80 Hours

THE NJRC RESPONSE

NJRC serves over 33,000 individuals returning from incarceration, addiction treatment, and military service. Federal law excepts people **released from incarceration within the prior three months** from the Medicaid requirement, a 90-day compliance runway. NJRC's 30/60/90 model is built to: **SNAP is different:** there is no post-release grace period, ABAWD rules attach immediately.

 DAYS 1–30	Stabilize and enroll. NJ FamilyCare and SNAP applications or reactivation filed with the county board of social services; identification secured; full exemption screening, medical frailty, treatment status, caregiver role, veteran status, completed and recorded in Salesforce.
 DAYS 31–60	Place into a qualifying pathway. Placement into employment, the Reentry Workforce Readiness Program, occupational training, or structured community service, so countable hours accrue before the exception lapses.
 DAYS 61–90	Document and calendar. Verification file completed; monthly 80-hour documentation running; six-month renewal dates calendared. By day 90, the client moves from exempt to compliant without a gap.

1. Reentry Workforce Readiness Program

A structured two-course digital literacy training model developed with Hudson County Community College, with curriculum partners **1Huddle** and **Grow with Google**. NJRC is pursuing Private Career School approval (NJDOE), and placement on the **Eligible Training Provider List** (NJDOL), so participation is recognized statewide as qualifying training. Enrollment, attendance, and completion are logged in Salesforce and certified monthly.

2. Employment

Direct job placement and occupational training that generate countable hours and qualifying income, including HVAC, Welding, and the LeFrak CDL Training Initiative with EZ Wheels Driving School, an eight-week, 160-hour program averaging 80 hours per month, and second-chance hiring partnerships on major infrastructure projects. Earnings of \$580 or more per month independently satisfy the Medicaid requirement.

3. Community Service, Catholic Charities Partnership

For participants not yet ready for employment or training, NJRC arranges structured, supervised community service placements in partnership with Catholic Charities, unpaid work for community benefit within a structured program overseen by a nonprofit organization, with hours logged and certified monthly for submission to the county boards.

Partner With Us

New Jersey Reentry Corporation
www.njreentry.org

Sources: H.R. 1, P.L. 119-21 (July 4, 2025), §§ 10102, 71119; Social Security Act § 1902(xx); CMS Interim Final Rule CMS-2454-IFC (June 1, 2026); CMS Informational Bulletin (Dec. 8, 2025); USDA FNS guidance (Oct. 3, 2025); NJ Department of Human Services, Division of Medical Assistance and Health Services. This guide reflects the law and guidance in effect as of July 2026 and will be revised



591 Summit Ave 6th Floor, Jersey City, NJ 07306
P: 551.256.9717 • F: 201.604.7830

WWW.NJREENTRY.ORG



[@NJ_REENTRY](https://www.instagram.com/NJ_REENTRY)



[/NJREENTRY](https://www.facebook.com/NJREENTRY)