

MHBE Board Meeting

February 17, 2026

FY 2026 IT IDIQ NTE Increase

Implementation of H.R.1 (OBBBA) Policy Changes

Shirelle Green, Procurement Officer

Dr. Venkat Koshanam, CIO

HBX Core Policy Changes

The OBBBA/H.R. 1 introduces several policy changes to Medicaid eligibility and renewal options. To maintain federal compliance, Maryland is required to implement several mandates.

Jan 1, 2027

Work Requirements (Community Engagement)

Oct 1, 2026

Immigrant Eligibility Changes

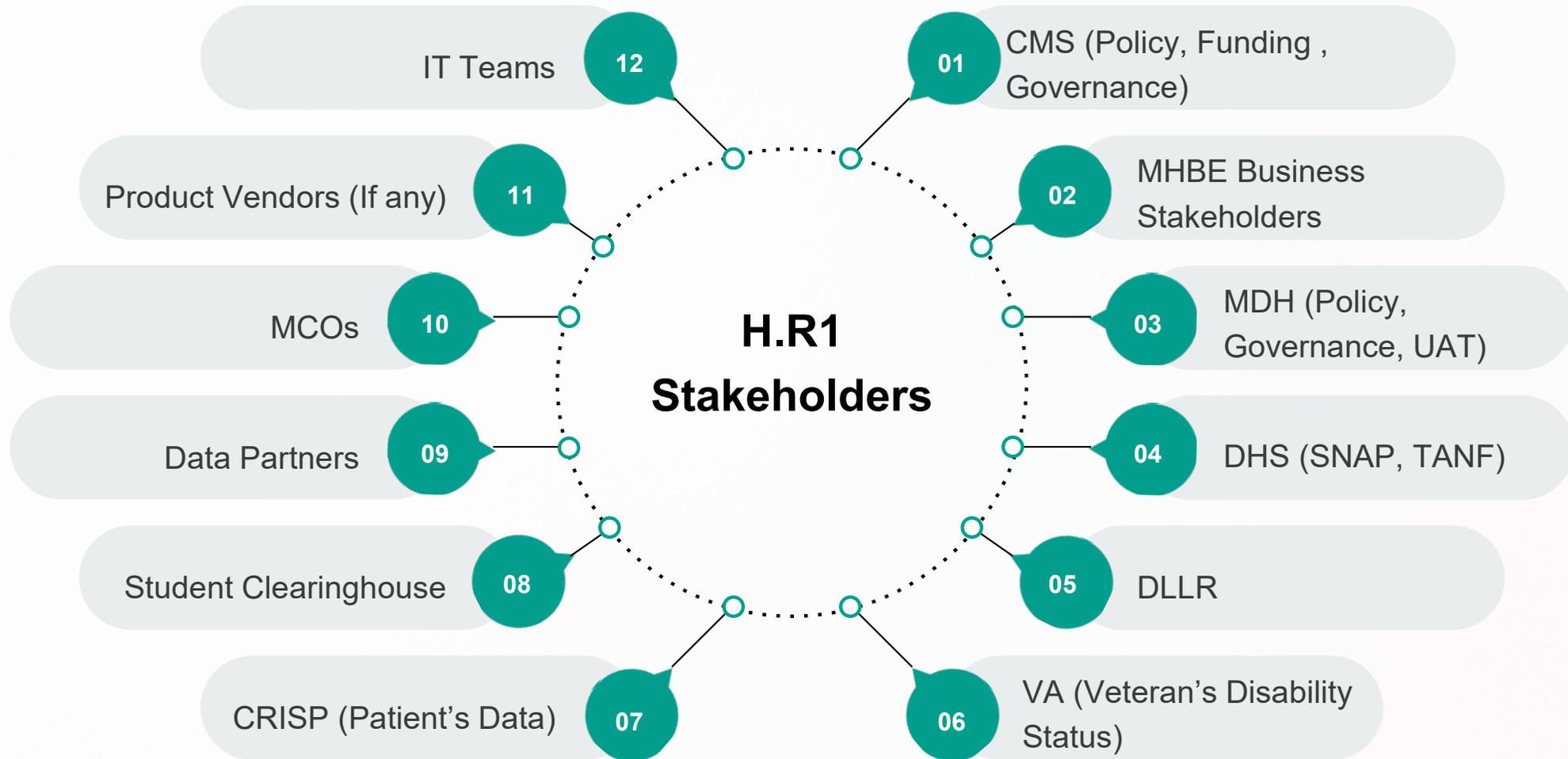
Jan 1, 2027

Shortened Retroactive Coverage Period

Jan 1, 2027

Semiannual Redeterminations

Key Stakeholders



High Level Policy Changes

January 1, 2027

Work Requirements

- Certain Medicaid adults ages 19–64 must meet monthly work or community engagement requirements of at least 80 hours per month or earn income at or above \$580 per month to maintain coverage.
- **Approved activities** include paid employment or self-employment, job search or job readiness programs, education or vocational training, and participation in approved federal or state assistance programs.
- **Exemptions** apply to defined populations, including individuals with disabilities, pregnant individuals, caregivers, and other federally exempt groups.

October 1, 2026

Immigrant Eligibility Changes

- Medicaid eligibility is limited to specified qualified non-citizen categories under federal law.
- Eligible groups include lawful permanent residents, certain Cuban/Haitian entrants, and Compact of Free Association (COFA) individuals.
- Individuals without qualifying immigration status are ineligible for Medicaid coverage.

January 1, 2027

Shortened Retroactive Coverage Period

- Reduce the length of retroactive Medicaid coverage.
- Beginning in 2027, expansion adults are eligible for one month of retroactive coverage.
- All other Medicaid and CHIP applicants are limited to two months of retroactive coverage.
- Medical coverage prior to application approval is limited to these revised timeframes.

January 1, 2027

Semiannual Renewals for Expansion Adults

- Increase the frequency of Medicaid eligibility reviews for expansion adults.
- Renewals shift from once per year to every six months, beginning in 2027.
- Continued eligibility requires meeting income, household, and program requirements at each review.
- Failure to complete renewal requirements may result in loss of coverage.

High Level System Changes

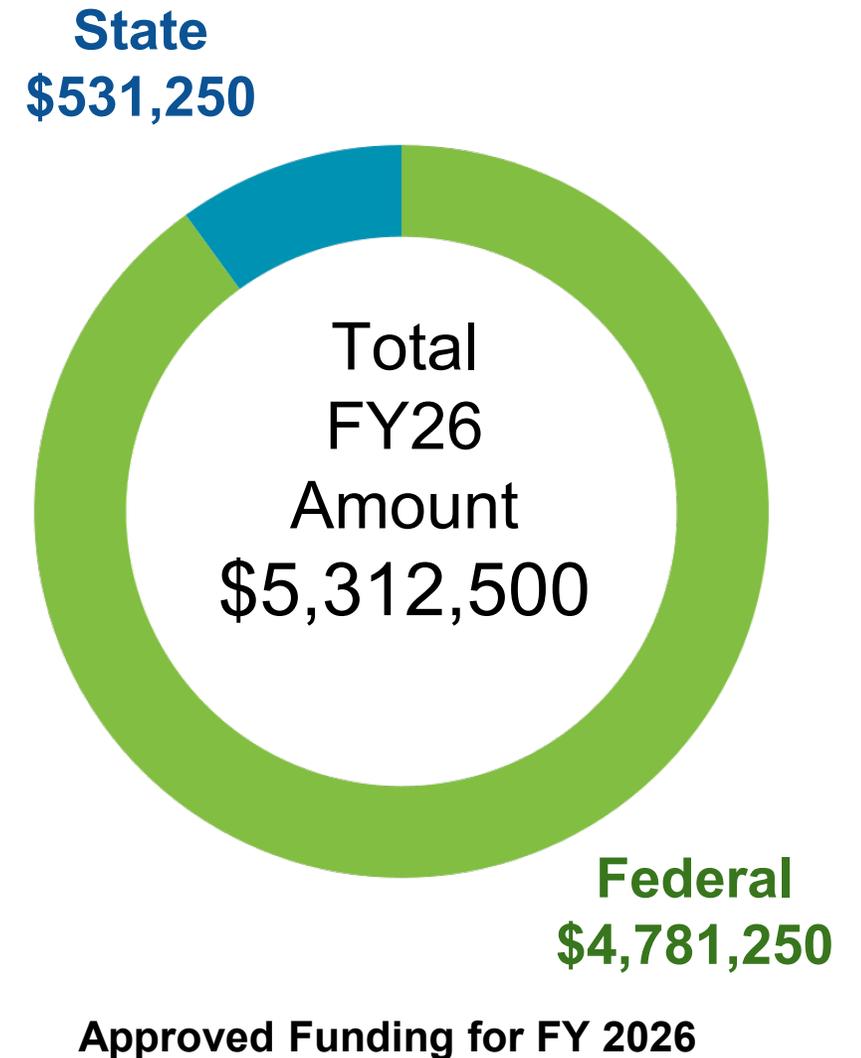
- Integrations:
 - SNAP, TANF, VA, CRISP, DLLR, Student Verification
- Consumer Portal and Worker Portal Changes
- Eligibility Rules Changes, Batch Changes
- AI/RPA solutions for document verification and self-servicing support channels
- Interface Development and System Integration
- Consumer Data Verification and Management
- Infrastructure Changes
- System Security and Audit
- Mobile App Changes
- Data Extraction, Reports, and Notices

Preliminary Schedule

March '26	April '26	July '26	October '26	December '26
Dashboard Changes 	Supplemental Nutrition Assistance Program (SNAP) Integration 	Veteran Affairs (VA) Integration 	Consumer and Worker Portal Changes 	Enable the Work Requirement Changes <input checked="" type="checkbox"/>
MHC Screener Changes 	Temporary Assistance for Needy Families (TANF) Integration 	Chesapeake Regional Information System for our Patients (CRISP) Integration 	Eligibility Changes 	Enable the Retroactive Medicaid Changes <input type="checkbox"/>
		Student Verification Integration 	Notice Changes 	Enable the Semi-Annual Renewal Changes <input type="checkbox"/>
		Maryland Department of Labor (DLLR) Integration 	AI and RPA Changes 	
		Notice Changes 	Retroactive Medicaid Changes 	
		Revised Immigrant Eligibility Rules 	Semiannual Renewals for Expansion Adults 	

Project Funding

- **Work Requirement Changes:** CMS approved **\$4,576,250** for the Design, Development, and Implementation (DDI) of Work Requirement changes (FFY 2026)
- **Non-Work Requirement Initiatives:** CMS approved funding request totaling **\$1,873,881** for the Non-Work Requirement changes (FFY 2026)
- State Funding (FY26) amount of **\$531,250** has been included as an FY26 Deficiency Appropriation in the Governor's Proposed Budget



IDIQ Budget for FY 2026

Project/Work Category	Federal/ State	Federal Amount (\$)	State Amount (\$)	Total Amount (\$)
Development, Enhancements, PMO	90/10	14,929,200	3,920,800	18,850,000
System Support, Maintenance, Operations & Security	75/25	9,768,000	5,032,000	14,800,000
SHOP Implementation	100% State	-	500,000	500,000
Unified Benefits Integration with HBX	90/10*	360,000	40,000	400,000
Approved FY26 IDIQ NTE (current)		25,057,200	9,492,800	34,550,000
H.R. 1 (OBBBA) Medicaid Changes Implementation	90/10*	4,781,250	531,250	5,312,500
FY26 IDIQ NTE Requested (new)		29,838,450	10,024,05	39,862,500

*Note: The 90% federal participation applies to the 100% of the total amount

Request for Approval

MOTION: I move to [approve/defer/reject] the following [as presented] *or* [as amended]:

- (1) Increase the FY 2026 Not-to-exceed (NTE) amount of the IT Indefinite Delivery Indefinite Quantity (IDIQ) budget by \$5,312,500 to \$39,862,500, with a total Federal Financial Participation amount of \$29,838,450 and State participation amount of \$10,024,050.

- (2) Increase the IDIQ Task Order NTE amounts for 38 Task Orders by a
total amount of \$451,500.