

MEDICAID SPENDING & ENROLLMENT

- 1. Medicaid Expenditure Growth: FYs 2024-2026.** For each year below, indicate the annual percentage change in Medicaid expenditures for each source of funds. "FY" refers to State Fiscal Year (generally, July 1 to June 30). Exclude CHIP, admin., and Medicare Part D Clawback payments. *Non-federal share includes state general revenues/ state general funds and local or other funds.

Fund Source	Annual Percentage Change	Comments (e.g., significant drivers of differential growth rates between federal and non-federal shares)
a. FY 2024 over FY 2023 Percentage Change of Each Fund Source		
i. Non-Federal*	%	
ii. Federal	%	
iii. Total: All Sources	%	
b. FY 2025 over FY 2024 Percentage Change of Each Fund Source		
i. Non-Federal*	%	
ii. Federal	%	
iii. Total: All Sources	%	
c. FY 2026 over FY 2025 Percentage Change of Each Fund Source (projected/budgeted)		
i. Non-Federal*	%	
ii. Federal	%	
iii. Total: All Sources	%	

- d. Do the growth rates reported in 1.c above (FY 2026 over FY 2025) reflect the assumptions used for your state's adopted budget for FY 2026? <choose one>
- i. If no, please briefly identify the source for the projections in 1.c: _____
- e. Do the growth rates reported in 1.c above (FY 2026 over FY 2025) reflect any proposed federal policy changes related to Congressional budget reconciliation efforts? <choose one>
- i. If yes, please explain: _____
- f. **Non-Federal Share Revenue Sources: FY 2025 and FY 2026.** Indicate the approximate percentage of your state's non-federal share for FY 2025 and estimated for FY 2026 that is made up of:

	Response	Comments
i. FY 2025		
A. State general funds	%	
B. Provider taxes	%	
C. Intergovernmental Transfers (IGTs) and Certified Public Expenditures (CPEs)	%	
D. Other non-state general fund sources I. Please specify other here:	%	
E. Total	100%	
ii. FY 2026		
A. State general funds	%	
B. Provider taxes	%	
C. Intergovernmental Transfers (IGTs) and Certified Public Expenditures (CPEs)	%	
D. Other non-state general fund sources I. Please specify other here:	%	
E. Total	100%	

2. FY 2026 Shortfall.

- a. How likely is a FY 2026 Medicaid budget shortfall given the funding authorized? <choose one>
- b. Additional comments on Medicaid expenditure growth and budget shortfall (Questions 1-2): _____

- 3. Factors Driving Total Expenditure Changes.** What were the most significant factors driving changes in *total* Medicaid spending (all funds) in FY 2025 and projected for FY 2026?

	Factors	Comments
a. Total Medicaid Spending FY 2025		
i. Most Significant Upward Pressures?		
ii. Most Significant Downward Pressures?		
b. Total Medicaid Spending FY 2026 (projected)		
i. Most Significant Upward Pressures?		
ii. Most Significant Downward Pressures?		

c. Additional comments on expenditure drivers (Question 3): _____

4. Change in Total Enrollment.

- a. For each year below, indicate percentage changes in total Medicaid (Title XIX - funded) enrollment. Exclude CHIP-funded enrollees and family planning-only enrollees.

- i. FY 2025 over FY 2024 %
 ii. FY 2026 over FY 2025 (projected) %

- b. Please use the dropdowns to indicate the calendar year and calendar quarter when your state completed or expects to complete unwinding-related redeterminations.

- i. Calendar Year: <choose one>
 ii. Calendar Quarter: <choose one>

- 5. Factors Driving Change in Enrollment.** What were the most significant factors driving changes in total Medicaid enrollment (including policy changes) in FY 2025 and *projected* for FY 2026?

	Factors	Comments
a. FY 2025		
i. Most Significant Upward Pressures		
ii. Most Significant Downward Pressures		
b. FY 2026 (projected)		
i. Most Significant Upward Pressures		
ii. Most Significant Downward Pressures		

c. Additional comments on enrollment drivers and changes (Questions 4-5): _____

PROVIDER PAYMENTS

- 6. Fee-for-Service (FFS) Hospital and Nursing Facility Reimbursement.** Compared to the prior year, use dropdowns to indicate an "Increase," a "Decrease," "No Change," or "N/A" for FFS base rates and changes to FFS non-DSH supplemental payments. Include only FFS non-DSH supplemental payment methodology changes – e.g., eligible providers or services and not changes solely to payout amounts related to inflation or utilization. *FFS non-DSH supplemental payment types include, for example, UPL, GME, Uncompensated Care Pool, and DSRIP.

	Change	Comments (e.g., % change, if known)
a. Inpatient Hospital		
FY 2025		
i. FFS Base Rates	<choose one>	
ii. Changes to FFS Non-DSH Supplemental Payments*	<choose one>	
FY 2026		
iii. FFS Base Rates	<choose one>	
iv. Changes to FFS Non-DSH Supplemental Payments*	<choose one>	
b. Outpatient Hospital		
FY 2025		
i. FFS Base Rates	<choose one>	
ii. Changes to FFS Non-DSH Supplemental Payments*	<choose one>	
FY 2026		
iii. FFS Base Rates	<choose one>	
iv. Changes to FFS Non-DSH Supplemental Payments*	<choose one>	
c. Nursing Facility		
FY 2025		
i. FFS Base Rates	<choose one>	
ii. Changes to FFS Non-DSH Supplemental Payments*	<choose one>	
FY 2026		
iii. FFS Base Rates	<choose one>	
iv. Changes to FFS Non-DSH Supplemental Payments*	<choose one>	

N/A = if the state does not make FFS payments to hospitals and/or nursing facilities (e.g., for some 100% managed care states) or does not have FFS non-DSH supplemental payments

7. Annual CMS-Required Upper Payment Limit Demonstration. CMS requires states to [annually report](#) total Medicaid payment data for certain provider types, including FFS non-DSH supplemental payments, to demonstrate compliance with the applicable federal upper payment limit (UPL). For most institutional providers (i.e., hospitals and nursing facilities), the UPL is defined as a reasonable estimate of the amount that would have been paid for the same service under Medicare payment principles.

a. Use the dropdowns below for each provider type to indicate the approximate percentage of the Medicare UPL that FY 2025 total Medicaid payments (FFS base-rates and non-DSH supplemental payments) equaled in FY 2025:

- i. Inpatient Hospital <choose one>
- ii. Outpatient Hospital <choose one>
- iii. Nursing Facility <choose one>

b. Use the dropdowns below for each provider type to indicate whether total Medicaid payments (FFS base-rates and FFS non-DSH supplemental payments), as a percentage of the Medicare UPL, increased, decreased or stayed about the same compared to the prior fiscal year.

- i. FY 2025 compared to FY 2024:
 - A. Inpatient Hospital <choose one>
 - B. Outpatient Hospital <choose one>
 - C. Nursing Facility <choose one>
- ii. FY 2026 (projected) compared to FY 2025:
 - A. Inpatient Hospital <choose one>
 - B. Outpatient Hospital <choose one>
 - C. Nursing Facility <choose one>

Additional comments on hospital and nursing facility payments (Questions 6 and 7): _____

- 8. Other Selected Fee-For-Service (FFS) Provider Payment Rates.** Compared to the prior year, use dropdowns to indicate an “Increase”, a “Decrease,” “No Change,” or “N/A” if the state does not set FFS rates for the provider type (e.g., for some 100% managed care states) for FFS rate changes implemented in FY 2025 or planned for FY 2026.

Provider Type/Fiscal Year	Change	Comments: % change (if known), specific provider types impacted, notable methodology changes
a. Primary care providers (e.g., physicians, NPs, PAs)		
i. FY 2025	<choose one>	
ii. FY 2026	<choose one>	
b. OB/GYNs		
i. FY 2025	<choose one>	
ii. FY 2026	<choose one>	
c. Outpatient BH Clinician (e.g., licensed psychiatrists, psychologists, clinical social workers, mental health counselors, marriage and family therapists, etc.)		
i. FY 2025	<choose one>	
ii. FY 2026	<choose one>	
d. Home Health		
i. FY 2025	<choose one>	
ii. FY 2026	<choose one>	
e. Dentists		
i. FY 2025	<choose one>	
ii. FY 2026	<choose one>	
f. HCBS - Specify affected services/ populations in comment box		
i. FY 2025	<choose one>	
ii. FY 2026	<choose one>	

g. Lay Professionals.

- i. Did or is your state planning to add FFS coverage for services provided by one or more types of lay professionals (e.g., community health workers, doulas, peer support workers, lay midwives, etc.) in:
 - A. FY 2025? <choose one>
 - I. If yes, please briefly indicate the lay provider type(s): _____
 - B. FY 2026? <choose one>
 - I. If yes, please briefly indicate the lay provider type(s): _____
- ii. Compared to the prior year, use the dropdown to indicate an “Increase”, a “Decrease,” “No Change,” “Mixed Changes” (if varies by lay provider type) or “N/A” (if the state does not set FFS rates for any lay professional provider type) for FFS rate changes implemented in FY 2025 or planned for FY 2026. If “Mixed Changes,” please briefly describe the changes made or planned.
 - A. FY 2025: <choose one>
 - B. FY 2026: <choose one>

h. Additional comments on other FFS provider payments (Question 8): _____

9. State Directed Payments for Hospital Services. Does your state have or plan to have at least one State Directed Payment (SDP) in place for hospital services (other than/excluding an SDP requiring a FFS payment floor):

- a. In FY 2025? <choose one>
 - i. If yes to 9.a, as a percentage of total Medicaid hospital reimbursement in your state (under both FFS and managed care arrangements), did SDPs for hospital services (excluding SDPs requiring a FFS floor) increase, decrease, or stay about the same in FY 2025 compared to FY 2024? <choose one>
 - A. If "increase," please generally describe the nature of the increase: _____

- ii. If yes to 9.a, was at least one hospital SDP structured so that, when combined with base Medicaid payments and any applicable pass-throughs or other SDPs, total reimbursement for eligible hospitals exceeded the corresponding Medicare payment level? <choose one>

A. If yes, please describe payment levels, including whether you pay up to the Average Commercial Rate payment ceiling: _____

b. In FY 2026? <choose one>

- i. If yes to 9.b, as a percentage of total Medicaid hospital reimbursement in your state (under both FFS and managed care arrangements), do you expect SDPs for hospital services (excluding SDPs requiring a FFS floor) to increase, decrease, or stay about the same in FY 2026 compared to FY 2025? <choose one>

A. If "increase", please generally describe the nature of the increase: _____

- ii. If yes to 9.b, do you expect at least one hospital SDP to be structured so that, when combined with base Medicaid payments and any applicable pass-throughs or other SDPs, total reimbursement for eligible hospitals will exceed the corresponding Medicare payment level? <choose one>

A. If yes, please describe payment levels, including whether you expect to pay up to the Average Commercial Rate payment ceiling: _____

10. Rural Payment Adjustments. Please briefly describe any Medicaid payment adjustment or enhancement in place for FY 2026 designed or intended to promote access to hospitals or other providers in rural areas (e.g., base rate differentials, wage index adjustments, service-specific adjustments, targeted supplemental payments, etc.): _____

PROVIDER TAXES / ASSESSMENTS

11. Provider Taxes / Assessments. For each provider type listed below, use the dropdowns to indicate state provider taxes in place in FY 2025, new taxes or changes for FY 2026, the approximate size of each tax as a percentage of net patient revenues as of July 1, 2025, and the primary use of the provider tax revenues.

	Response	Comments:
a. Hospitals		
i. In place in FY 2025	<choose one>	
ii. Changes in FY 2026	<choose one>	
iii. Size of tax as a percentage of net patient revenues (as of July 1, 2025)	<choose one>	
iv. Primary use of provider tax revenues	<choose one>	
b. ICF/ID		
i. In place in FY 2025	<choose one>	
ii. Changes in FY 2026	<choose one>	
iii. Size of tax as a percentage of net patient revenues (as of July 1, 2025)	<choose one>	
iv. Primary use of provider tax revenues	<choose one>	
c. Nursing Facilities		
i. In place in FY 2025	<choose one>	
ii. Changes in FY 2026	<choose one>	
iii. Size of tax as a percentage of net patient revenues (as of July 1, 2025)	<choose one>	
iv. Primary use of provider tax revenues	<choose one>	
d. MCO (Include an MCO tax if it is specifically used to fund Medicaid. Exclude broad-based MCO taxes not dedicated to funding Medicaid.)		
i. In place in FY 2025	<choose one>	
ii. Changes in FY 2026	<choose one>	
iii. Size of tax as a percentage of net patient revenues (as of July 1, 2025)	<choose one>	
iv. Primary use of provider tax revenues	<choose one>	

e. Ambulance		
i. In place in FY 2025	<choose one>	
ii. Changes in FY 2026	<choose one>	
iii. Size of tax as a percentage of net patient revenues (as of July 1, 2025)	<choose one>	
iv. Primary use of provider tax revenues	<choose one>	
f. Other		
i. Describe provider type		
ii. In place in FY 2025	<choose one>	
iii. Changes in FY 2026	<choose one>	
iv. Size of tax as a percentage of net patient revenues (as of July 1, 2025)	<choose one>	
v. Primary use of provider tax revenues	<choose one>	
g. Other		
i. Describe provider type		
ii. In place in FY 2025	<choose one>	
iii. Changes in FY 2026	<choose one>	
iv. Size of tax as a percentage of net patient revenues (as of July 1, 2025)	<choose one>	
v. Primary use of provider tax revenues	<choose one>	

h. Additional comments on provider taxes/assessments (Question 11), including implications (for future years) of proposed federal policy changes (e.g., moratorium on new or increased provider taxes, reducing the “safe harbor” limit, Closing a Health Care-Related Tax Loophole proposed rule): _____

BENEFITS

12. Benefit Actions. Did or is your state planning to implement benefit changes during FY 2025 or FY 2026? *(Please exclude changes impacting eligibility, telehealth benefit actions, HCBS benefit actions, and benefit actions taken to comply with federal requirements.)* <choose one>

If yes, describe benefit change(s) below. For each implemented or planned benefit change, use the second line to provide a summary of the change and use dropdowns to indicate the benefit type, nature of the change from the beneficiary’s perspective, and fiscal year when the change becomes effective, and in the remaining lines enter the eligibility group(s) affected, and a link to a policy bulletin or other documentation describing the change (if available).

	Response	Comments
a. Benefit Change #1		
i. Benefit Type	<choose one>	
ii. Description of benefit change		
iii. Nature of change	<choose one>	
iv. Fiscal Year	<choose one>	
v. Eligibility group(s) affected		
vi. Link to policy bulletin, SPA, etc.		
b. Benefit Change #2		
i. Benefit Type	<choose one>	
ii. Description of benefit change		
iii. Nature of change	<choose one>	
iv. Fiscal Year	<choose one>	
v. Eligibility group(s) affected		
vi. Link to policy bulletin, SPA, etc.		

c. Benefit Change #3		
i. Benefit Type	<choose one>	
ii. Description of benefit change		
iii. Nature of change	<choose one>	
iv. Fiscal Year	<choose one>	
v. Eligibility group(s) affected		
vi. Link to policy bulletin, SPA, etc.		
d. Benefit Change #4		
i. Benefit Type	<choose one>	
ii. Description of benefit change		
iii. Nature of change	<choose one>	
iv. Fiscal Year	<choose one>	
v. Eligibility group(s) affected		
vi. Link to policy bulletin, SPA, etc.		
e. Benefit Change #5		
i. Benefit Type	<choose one>	
ii. Description of benefit change		
iii. Nature of change	<choose one>	
iv. Fiscal Year	<choose one>	
v. Eligibility group(s) affected		
vi. Link to policy bulletin, SPA, etc.		

f. Please describe any other notable benefit actions not reflected in the table above if they have a planned effective date of FY 2027 or later (such as those included in a pending or recently approved waiver): _____

g. Additional comments on benefit changes (Question 12): _____

13. Behavioral Health Services

a. **Assertive Community Treatment (ACT).** ACT is an evidence-based practice for treating people with serious mental illness (SMI). ACT uses a multidisciplinary team-based service delivery model characterized by a low staff-to-client ratio (~1:10) and comprehensive supports, including 24/7 crisis response, assertive outreach, medication management and psychiatric care, supported employment and housing assistance, and peer support. For additional details about Assertive Community Treatment (sometimes referred to as ACT or PACT), please see [here](#).

i. As of July 1, 2025, is ACT a covered benefit under FFS for Medicaid adults? <choose one>

b. **Coordinated Specialty Care First Episode Psychosis (CSC-FEP).** CSC-FEP is an early, multidisciplinary team-based approach for individuals experiencing their first episode of psychosis, providing coordinated specialized services, including family education and support, individual and/or group psychotherapy, medication management, supported employment or education, case management, and peer support. For additional details about CSC-FEP, [please see here](#). In October 2023, CMS issued two new HCPCS Codes that can be used to bill a team-based rate for CSC-FEP (H2040, per month, and H2040, per encounter).

i. Did your state provide FFS reimbursement for CSC-FEP codes in FY 2025, or does your state plan to do so in FY 2026? <choose one>

c. **Certified Community Behavioral Health Clinics (CCBHCs).** CCBHCs are a provider type who must meet certain standards, including the delivery of 24/7 crisis services, offering a comprehensive package of mental health and substance use services, and providing care coordination across behavioral health, physical health, and social services. CCBHCs can be supported using federal funding including Section 223 CCBHC Medicaid Demonstrations and SAMHSA CCBHC Expansion grants. For additional details about CCBHCs, please see [here](#).

i. Did your state recognize CCBHCs as a specific enrolled provider type for reimbursement in FY 2025 or plan to add in FY 2026? <choose one>

d. Additional comments on coverage of ACT and CSC-FEP services and/or enrollment of CCBHCs in your state (Question 13): _____

PHARMACEUTICAL COVERAGE

14. MCO Pharmacy Coverage.

- a. If your state uses MCOs to deliver acute care benefits, is the outpatient prescription drug benefit covered under your MCO contracts as of July 1, 2025? <choose one>
- b. Please list or briefly describe any drug products or classes carved out of *either the outpatient prescription drug benefit or medical benefit* as of July 1, 2025: _____
- c. Please describe any full pharmacy carve-outs, partial pharmacy carve-outs, reversals, or other significant changes in how drugs are administered in your state planned for FY 2026: _____
- d. Additional comments on MCO pharmacy coverage (Question 14): _____

15. FFS Coverage of Obesity Drugs.

- a. As of July 1, 2025, does your state provide FFS coverage of *any* weight-loss medications when prescribed for the treatment of obesity? <choose one>
- b. Use the dropdowns to indicate whether your state covers any of the newer generation weight-loss medications (GLP-1 Receptor Agonists) listed below when prescribed for the treatment of obesity as of July 1, 2025.
 - i. Saxenda (Liraglutide) <choose one>
 - ii. Wegovy (Semaglutide) <choose one>
 - iii. Zepbound (Tirzepatide) <choose one>
- c. Is your state planning to make any notable changes to FFS coverage of weight-loss medication when prescribed for the treatment of obesity in FY 2026? <choose one>
 - i. Please describe changes here: _____
- d. Please briefly comment on the key factors contributing to your state's decision to cover, not cover, or change coverage of weight-loss medications when prescribed for the treatment of obesity in FY 2025 or FY 2026 (e.g., cost, potential health outcomes, need for legislative action, etc.): _____
- e. Additional comments on weight-loss medication coverage (e.g., plans to add or change coverage beyond FY 2026) (Question 15): _____

16. Pharmacy Cost Containment Policy Changes. Did or is your state planning to implement new or expanded pharmacy cost containment strategies in FY 2025 or FY 2026, including PBM oversight initiatives and value-based arrangements (but excluding routine updates, e.g., to preferred drug lists or State Maximum Allowable Cost programs)? <choose one>

If yes, please indicate the new/expanded pharmacy cost containment strategies below and include a description of the policies in the Comments column.

	Response	Comments
a. Rx Cost Containment Policy Change/Initiative #1		
i. Change Type	<choose one>	
ii. New or expanded?	<choose one>	
iii. Applicability	<choose one>	
iv. Fiscal Year when implemented	<choose one>	
b. Rx Cost Containment Policy Change/Initiative #2		
i. Change Type	<choose one>	
ii. New or expanded?	<choose one>	
iii. Applicability	<choose one>	
iv. Fiscal Year when implemented	<choose one>	
c. Rx Cost Containment Policy Change/Initiative #3		
i. Change Type	<choose one>	
ii. New or expanded?	<choose one>	
iii. Applicability	<choose one>	
iv. Fiscal Year when implemented	<choose one>	

d. Additional comments on pharmacy cost containment policy changes (Question 16): _____

MEDICAID MANAGED CARE AND OTHER DELIVERY SYSTEM INITIATIVES FOR ACUTE AND CHRONIC CARE

This section collects information regarding managed care programs focused on acute and chronic care. In your responses, please exclude managed long-term services and supports (MLTSS) programs and initiatives for **Questions 17-21**.

17. State Contracted Managed Care Overview. Did your state have state-contracted managed care systems (as defined in 42 CFR §438.2) in place as of July 1, 2025? <choose one>

a. Please indicate from the options below the types of state-contracted managed care systems (as defined in 42 CFR §438.2) in place as of July 1, 2025.

- i. Comprehensive, capitated managed care organizations (MCOs) <choose one>
 - A. Were all geographic areas of the state served by MCOs as of July 1, 2025? <choose one>
- ii. Primary Care Case Management (PCCM) <choose one>
- iii. PCCM Entity <choose one>
- iv. Non-comprehensive prepaid health plan (PHP) (both PIHPs and PAHPs) <choose one>

18. MCO Capitation Rate Development. Did or will your state seek CMS approval for a capitation rate amendment to certified rates to address unanticipated shifts in acuity and/or utilization:

a. For a rating period that began in FY 2025? <choose one>
If yes,

- i. Did (or will) the amendment(s) result in an increase or decrease in capitation rates? <choose one>
 - A. If "varies," please describe: _____
- ii. When did (or will) the change(s) take effect? <choose one>
 - A. If "varies," please describe: _____

b. For a rating period that begins in FY 2026? <choose one>
If yes,

- i. Did (or will) the amendment(s) result in an increase or decrease in capitation rates? <choose one>
 - A. If "varies," please describe: _____
- ii. When did (or will) the change(s) take effect? <choose one>
 - A. If "varies," please describe: _____

- c. Is your state experiencing or do you expect to experience new or notable challenges setting capitation rates for rating period(s) that begin in FY 2026? *<choose one>*

If “yes,” please identify up to three of your biggest rate-setting challenges (e.g., calculating state directed payments, projecting future pharmacy costs, projecting potential impacts of new policies like tariffs or work requirements, estimating enrollee churn rates, accounting for recent changes in programmatic trends, etc.):

- i. Rate setting challenge #1: _____
ii. Rate setting challenge #2: _____
iii. Rate setting challenge #3: _____

- d. Has your state made significant changes to the process for developing actuarially sound capitation rates post-unwinding (e.g., mid-year reviews, significant methodology changes)? *<choose one>*

i. If yes, please briefly describe the changes, including the timing: _____

- e. Comments on MCO capitation rate development (Question 18): _____

19. Medical Loss Ratio (MLR). As of July 1, 2025, does your state:

- a. Have a state required MLR? *<choose one>*

i. If yes, please describe minimum requirement here: _____

- b. Require MCOs that do not meet a minimum MLR to pay remittances? *<choose one>*

i. If “yes--sometimes”, please clarify here: _____

- c. Additional comments on MLR (Question 19): _____

20. Risk Corridors. For MCO contracts in place as of July 1, 2025, is your state using risk corridors as a tool to protect the state and/or MCOs against risk of capitation rates significantly differing from actual experience? *<choose one>*

- a. If “yes”, please describe the of risk corridor(s) in effect (e.g., 1-sided or 2-sided, applicable to all or specific populations or benefit costs): _____

- b. Briefly describe any risk corridor changes or other new or expanded risk mitigation strategies planned for FY 2026 or later: _____

21. Prior Authorization and Artificial Intelligence (AI). Artificial intelligence (AI) is defined in federal statute (15 U.S.C. 9401(3)) as a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments.

- a. As of July 1, 2025, do MCOs with which you contract use AI in their prior authorization processes? *<choose one>*

- b. Does your state require MCOs to disclose the use of AI in prior authorization processes? *<choose one>*

- i. If yes, are MCOs required to disclose to:

A. State Medicaid Agency? *<choose one>*

B. Enrollees? *<choose one>*

C. Providers? *<choose one>*

D. Other? *<choose one>*

I. Please specify here: _____

- ii. Please generally describe when the disclosure is made, what information must be disclosed, and/or other relevant details: _____

- c. In FY 2025 or FY 2026, has your state implemented new or expanded oversight activities (e.g., require state Medicaid agency review or approval to use AI, specialized audits) or adopted other safeguards (e.g., transparency requirements, contract standards) to support appropriate use of AI in MCO prior authorization processes? *<choose one>*

i. If yes, please briefly describe: _____

- d. What are your top two or three (if any) concerns or challenges with the use of AI in MCO prior authorization processes? _____

CONCLUSIONS/OUTLOOK

22. Conclusions/Outlook.

- a. **Preparing for future Medicaid funding cuts and other program changes.** Congressional budget reconciliation efforts and shifting priorities under a new Administration may result in significant changes to the Medicaid program. Please comment on:
- i. Biggest opportunities and/or challenges you expect to face over the next few years (e.g., funding, state budget, implementing federal policy changes like work requirements, MAHA/AHA, addressing IT systems challenges/costs, new ways to address high-cost drugs, etc.): _____
 - A. Please discuss any anticipated challenges if states are required to implement work requirements by end of calendar year 2026, including related systems changes and data matching: _____
 - ii. Whether your state has, or is considering, postponement or cancellation of one or more initiatives/projects given uncertainty at the federal level (e.g., potential rescission of recently finalized federal rules, 1115 waiver policy changes): _____
 - iii. Biggest impacts of health-related funding cuts that have been implemented so far (e.g., HHS staffing reductions, cuts to state and local public health funding, revocations of behavioral health grants, etc.): _____
 - iv. New or enhanced efforts or initiatives that your state is planning to implement in FY 2026 to combat Medicaid fraud, waste, and abuse or improve program efficiency beyond those programs and efforts already in place prior to FY 2026: _____
- b. **Priorities.** What do you see as the top priorities for your state's Medicaid program over the next year? _____
- c. **Other Challenges.** Are there other challenges facing your state's Medicaid program over the next year not identified in 22.a.i. above? _____
- d. **Medicaid Accomplishments.** When you step back and look at your Medicaid program, what is it that you take the most pride in about Medicaid in your state — considering things such as Medicaid's impact in the community and health care insurance market, administration, new policies or initiatives? _____

This completes the survey. Thank you very much!