

To the office of U.S. Representative Troy A. Carter

Re: HR 8650 (119th Congress), Medicaid Outreach and Assistance for Communities Act of 2026 • Latest action (2026-05-04): Referred to the House Committee on Energy and Commerce.  
VFA SI Solution #8 • published 2026-05-13 • <https://www.valuesforamerica.com/solutions/8>  
Office of record (Congress.gov): 442 Cannon House Office Building, Washington, DC • (202) 225-6636

# Medicaid Outreach Performance Grants Act

**The measure, as described from the official record:** Increase federal payments to states to support outreach and enrollment efforts in the Medicaid program, aiming to boost enrollment among eligible individuals.

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**THE PROPOSAL**

This Act amends title XIX of the Social Security Act to provide states with performance-based grants for Medicaid outreach and enrollment activities. States receive federal matching funds at 90% FMAP for qualified expenditures on targeted outreach to underserved populations, such as rural residents, low-income families, and non-English speakers, verified by enrollment increases of at least 2% annually.

Grants are allocated via formula based on state uninsured rates and prior enrollment growth, with a national cap. States must submit annual plans to HHS detailing outreach strategies, including partnerships with community health centers and digital tools, and report outcomes quarterly. Funds cannot supplant existing state spending.

HHS awards grants competitively among applicants meeting criteria, prioritizing states with innovative, cost-effective programs. Misuse triggers repayment. The program sunsets after five years unless reauthorized.

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**OPERATIVE PROVISIONS (VFA PROPOSAL)**

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|------------------------------|------------------------------------------------------------------------------------------|
| <b>Funding Source</b>        | General Fund of the Treasury, via annual appropriations                                  |
| <b>Funding Amount</b>        | \$1 billion total cap over 5 years (\$200 million annually)                              |
| <b>Sunset Years</b>          | 5 years                                                                                  |
| <b>Oversight Body</b>        | HHS Office of Inspector General with GAO audits                                          |
| <b>Enforcement Mechanism</b> | Annual performance audits; clawback of funds for noncompliance via administrative offset |
| <b>Effective Date</b>        | October 1, 2025 (start of FY2026)                                                        |

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**CONSTITUTIONAL BASIS**

- Article I, Section 8, Clause 1 (power to tax and spend for general welfare)
- Tenth Amendment (respects state sovereignty via voluntary, performance-based grants without mandates)

**Concerns with the measure as written:**

- Potential coercion of states through conditional spending, risking violation of Tenth Amendment anti-commandeering doctrine.
- Scope of general welfare spending may be questioned without performance metrics or caps to ensure fiscal restraint.

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#### **WHY BOTH SIDES CAN BACK IT (VFA'S ASSESSMENT)**

Honors Democratic priorities of expanding healthcare access for vulnerable populations through higher enrollment; honors Republican priorities of fiscal restraint via hard caps, performance metrics, state flexibility in program design, and automatic sunset to prevent open-ended spending.

Values for America is a nonpartisan, constitution-first SI think tank. This brief is informational. It is a policy proposal, not law, and it does not support or oppose any candidate or party. Full analysis and sources:

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