

# Navigating the Implementation of H.R. 1 Across States

**NLADA Litigation and Advocacy Leaders Conference**

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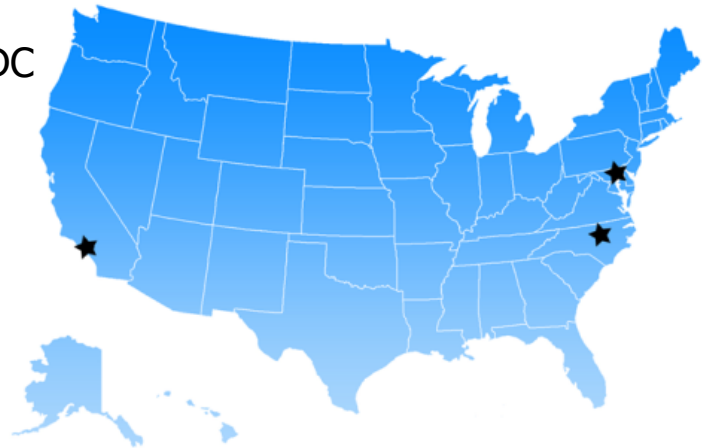
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# About the National Health Law Program

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- National non-profit legal organization committed to improving health care access, equity, and quality for underserved individuals and families
- [NHeLP's Litigation and Enforcement Work](#)
- State & Local Partners:
  - [Health Law Partnerships](#) – 24+ states and PR
  - Disability rights advocates – 50 states + DC
  - Poverty & legal aid advocates – 50 states + DC
- [www.healthlaw.org](http://www.healthlaw.org)
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# Magnitude of the Cuts

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- \$1 trillion in cuts to Medicaid
- Elimination of health care coverage of 10 million people by 2034
- With expiration of enhanced premium tax credits and other changes, at least 15 million losing health care.
- Unprecedented—biggest cut in Medicaid history
- Theme: Extra hurt for Medicaid expansion states
- Cruelly targets immigrants

# Medicaid Cuts: Eligibility

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- Eligibility redetermination every 6 months for Medicaid expansion enrollees (Effective date: 1/1/27; CMS guidance by 12/31/25)
- Cutting the retroactive eligibility period from 3 months to 1 month (for expansion enrollees) and 2 months (for non-expansion) (Effective date: 1/1/27)
- Reducing Home Equity Limits (Effective date: 1/1/28)
- Provisions in eligibility and enrollment rules blocked for ten years (Date of enactment through 9/30/34)

# Medicaid Cuts: Financing

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- Provider Tax Cuts
  - No new or increased provider taxes in any state (7/4/25)
  - Current expansion states taxes reduced from 6-3.5% (FY2028 and beyond)
- New caps on State Directed Payments
  - Caps apply to new SDPs (7/4/25)
  - Existing SDPs reduced by 10% per year (1/1/28 and beyond)
- Temporary “Rural Hospital Transformation Fund” (FY 2026- FY 2030)
  - Equivalent to roughly 5% of \$1 trillion in cuts
  - Subject to significant HHS discretion

# Summary of Work Requirement Provision

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- Applicable to **adults enrolled in Medicaid expansion**, and nonpregnant working age adults, not entitled to Medicare, not limited benefits, and are enrolled in an eligibility group authorized by 1115 expenditure authority
- Nationwide and non-waivable
- At least 80 hours of qualifying activities per month or satisfactory monthly income
- Must show compliance with prior month at application, with state option lookback up to 3 prior months
- Various exemptions
- Implementation deadline no later than 1/1/2027; Secretary may grant “good faith” waiver to delay up to 12/31/2028

# Interim Final Rule (IFR)

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- CMS's interpretation of work requirements
- [IFR](#) covers:
  - Who is subject to work requirements
  - **Scope of exemptions and exclusions**
  - Compliance and documentation requirements for applicants and enrollees
  - Due process and notice requirements
  - State reporting of outcome metrics to CMS
- Comments due July 31, 2028

NHeLP Webinar Series Recordings – contact [somers@healthlaw.org](mailto:somers@healthlaw.org)

# What is the expected impact of work requirements?

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CBS projected **5.3 Million** increase in uninsured population

Projected Medicaid funding cut: **\$325 Billion (Federal only)**

Projected reduction in Medicaid expansion enrollment: **30%**

By far the harshest work requirement to date

- Largest age range (19-64)
- Must comply prior to enrollment, with up to 3-month lookback
- Not eligible for Marketplace tax credits

# Medicaid: Additional Cuts

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- Restricting Medicaid eligibility to US citizens, green card holders (after 5 years), Cuban and Haitian Entrants, and people lawfully residing under a Compact of Free Association (Effective date: 10/1/26)
  - States retain flexibility to cover lawfully present pregnant women and children
- Reimbursement for emergency-only Medicaid based on state's regular FMAP, not 90% rate (Effective date: 10/1/26)
- Requires cost-sharing of up to \$35 for some non-exempt services for certain adults above 100% the federal poverty level. (Effective date: 10/1/2028)

# What Cuts Mean for Medicaid Enrollees

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These massive cuts to Medicaid will force states to fill huge budget holes by making changes, such as:

- Cutting eligibility
- Cutting optional benefits and supplemental programs
- Not increasing reimbursement rates → deepens workforce shortages
- Increase uncompensated care costs
  - Closure of hospitals/clinics/maternity wards, particularly in rural and underserved areas, further compounding access issues

# Implementation: Select Medicaid Provisions of OBBBA

| First Wave<br>(7/4/25)                                                                                                                                                                                                                            | Second Wave<br>(1/1/26)                                                                                                                                                              | Third Wave<br>(1/1/27)                                                                                                                                                                                          | Fourth Wave<br>(1/1/28 and beyond)                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>One-year exclusion for certain providers of abortion services</li> <li>Provider tax limits</li> <li>SDP limits</li> <li>10-year rule moratoria</li> <li>Guidance on redeterminations (12/31/25)</li> </ul> | <ul style="list-style-type: none"> <li>Temporary FMAP incentive ends</li> <li>Excludes most lawfully present immigrants (10/1/26)</li> <li>Work Requirements IFR (6/1/26)</li> </ul> | <ul style="list-style-type: none"> <li>Work Requirements</li> <li>6-month redeterminations</li> <li>Reduced retroactive coverage</li> <li>Cuts to existing provider taxes and SDPs begin (10/1/2027)</li> </ul> | <ul style="list-style-type: none"> <li>\$1m home equity limit</li> <li>HCBS waiver changes (7/1/28)</li> <li>Cost Sharing Requirements (10/1/28)</li> <li>New duplicate enrollment system (10/1/29)</li> <li>New standards for “improper payments” (10/1/29)</li> </ul> |

# Ways to engage

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## States

- Holding [Special Legislative sessions](#)
- Create special mechanisms for funding
- [Medicaid Advisory Committees \(MAC\) and Beneficiary Advisory Councils \(BAC\)](#)
- [Interested Parties Advisory Groups \(IPAGs\) re rate setting for certain HCBS](#)

## Administrative Advocacy Strategies

- Building a robust administrative record
- Tracking and responding to forthcoming guidance and rulemaking

## Litigation Strategies

- Ensuring that due process rights are protected during implementation
- Ensuring notices are appropriate

## Accountability Measures

- Op-eds, story collection, tracking coverage losses, hospital closures, service and rate cuts

# NHeLP resources on OBBBA health care cuts

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- Stay informed: [Join Our Health Advocates Listserv](#)
- [Medicaid Access Strategy Hub -](#) private online for updates, questions, spotting trends, and exchanging resources related to the implementation of H.R. 1/OBBBA.
- [Prepare. Enforce. Protect: Medicaid + ACA Defense](#)
  - Fact sheets and analysis:
  - Implementation charts:
    - [Quick Reference on OBBBA Cuts: Medicaid Expansion vs. Non-Expansion States](#)
    - Detailed: [Implementation Dates, Funding, and Administrative Authorities](#)

# Questions?

Connect with National Health Law Program online:



[www.healthlaw.org](http://www.healthlaw.org)



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