

Joint Commission on Health Care H.R. 1 Medicaid Eligibility Changes

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H.R. 1 Medicaid Eligibility Changes

As a result of H.R. 1, enacted July 4, 2025, the below changes are being made to Medicaid eligibility rules:

- **New rules for noncitizen eligibility** limiting coverage for certain non-pregnant adults
- **Limits on retroactive coverage** reducing it from the current 3 months
- **Medicaid work requirement** requiring certain individuals to work, go to school, volunteer, or qualify for an exemption to stay covered.
- **More frequent eligibility renewals** every 6 months instead of 12 months.

Noncitizen Eligibility Changes (Effective Oct. 2026)

- Historically, Medicaid has been available to certain lawfully residing noncitizens, including refugees/asylees, victims of human trafficking, humanitarian parolees, among others.
- **Starting October 1, full-benefit Medicaid will be limited to:**
 - Lawful Permanent Residents
 - Cuban/Haitian Entrants
 - COFA Migrants
- **These changes do not impact:**
 - Children under 19
 - Pregnant individuals, including FAMIS Prenatal
 - CHIP Health Services Initiatives (HSI)
 - Emergency Services Medicaid

What this Means for Virginia:

About **5,800** members were sent a notice in August indicating their coverage could be impacted.

Reducing Retroactive Coverage (Effective Jan. 2027)

Medicaid

- Medicaid Expansion: Retroactive coverage reduced to one month.
- Non-Medicaid Expansion eligibility groups: Retroactive coverage reduced to two months.
- Historically, three months of retroactive coverage has been available to all Medicaid beneficiaries.

CHIP (FAMIS)

- In VA, retroactive FAMIS coverage is only available newborns for whom an application is submitted within 3 months of birth, this will be reduced to within 2 months of birth.
- Providing retroactive coverage to all FAMIS populations is a federal option.

Work Requirement & Six-Month Renewals (Effective Jan. 2027)

Two major changes to eligibility are taking effect next year:

- **New Medicaid work requirements** that mean certain individuals will need to work, go to school, volunteer, or qualify for an exemption to stay covered.
- **More frequent eligibility renewals** every 6 months instead of 12 months.

Work Requirement & Six-Month Renewals

Work requirements and six-month renewals only apply to adults with Medicaid Expansion coverage.

That means adults:

- Ages 19 through 64
- With incomes below 138% of the Federal Poverty Level (\$22,025 per year for an individual)
- Not eligible for Medicare

Other members, including children, those who are pregnant or age 65 or older are not affected.

About **550,000** Virginians count on Medicaid expansion for their health coverage.



These Changes Take Effect in 2027

NEW APPLICANTS

Subject to the new work requirement and six-month renewals beginning **January 1, 2027.**

For example: an individual who applies and is approved for Expansion coverage on January 13, 2027 will have coverage effective January 1, 2027 through June 30, 2027.

EXISTING MEMBERS

Subject to these changes at their first 2027 renewal, starting with those whose renewal is due in **March 2027.**

For example: an individual with coverage effective through March 31, 2027 will have a renewal initiated in January by the state. If the individual is renewed, their coverage will be extended from April 1, 2027 to September 30, 2027.

Exemptions from the Medicaid Work Requirement

- ✓ Former foster care youth (until age 26)
- ✓ American Indians and Alaskan Natives
- ✓ Parent, guardian, or family caregiver of a child under 14 or of an individual with a disability
- ✓ Veterans with a 100% disability rating
- ✓ Pregnant or within 12 months postpartum
- ✓ Medically frail individuals (those with a disability, mental health disorder, substance use or serious or complex medical condition)
- ✓ Meets SNAP or TANF work requirements
- ✓ Participating in a substance use treatment and rehabilitation program
- ✓ Currently or recently incarcerated
- ✓ Living in an area with a federally-declared emergency
- ✓ Living in a locality with a certain unemployment rate
- ✓ Received inpatient (or similar) care
- ✓ Traveled outside your community for your care or that of a dependent

Medically Frail

H.R. 1 exempts individuals who are medically frail if they meet one of the criteria below:

- 1 Blind or Disabled (as defined by SSA)
- 2 Substance Use Disorder
- 3 Serious Mental Illness
- 4 Physical, Developmental or Intellectual Disability
- 5 Serious or Complex Medical Condition

In the June 2026 Interim Final Rule, CMS dramatically narrowed this exemption by requiring the condition also impact a person's ability to work.

- The narrower definition has significant implications for access to coverage and health care providers (particularly in 2028 onward).
- It resulted in the number of projected medically frailty exemptions reducing from 300,000 to 170,000.

On June 29, Virginia joined 25 states* in a federal lawsuit challenging this federal definition.

- Litigation is continuing this fall, with a decision expected by January 1, 2027.
- DMAS is proceeding with implementing medical frailty as defined by CMS under the Interim Final Rule.

**The 26 plaintiffs include: Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Washington, and Wisconsin.*

Qualifying Activities

Work

- Paid employment
- Self-employment
- In-kind work
- Unpaid work (unpaid internships, trial-period work, and certain caregiving activities)

Volunteering

Unpaid work for public or nonprofit entities, such as:

- Volunteer work for charitable organizations, schools, food banks, or shelters
- Community improvement projects
- Court-ordered community service

Education

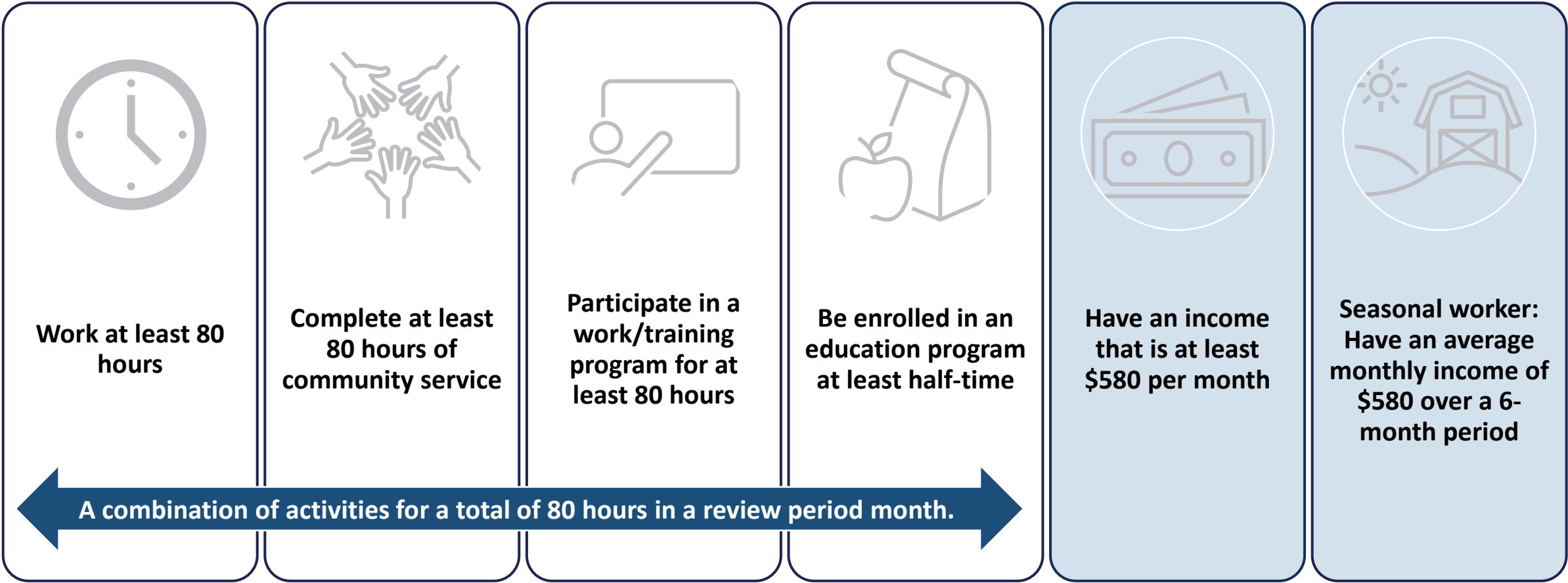
- High school or state-approved GED program
- Higher education (e.g., college, graduate, and doctorate programs)
- Career and technical education programs

Work Training

- Workforce Innovation and Opportunity Act (WIOA) authorized programs
- State-approved employment and training programs
- Veterans' employment and training programs
- Apprenticeship and pre-apprenticeship programs
- Among others

Meeting the Work Requirement

An individual must do at least one of the following in a given month to be compliant with the requirements.



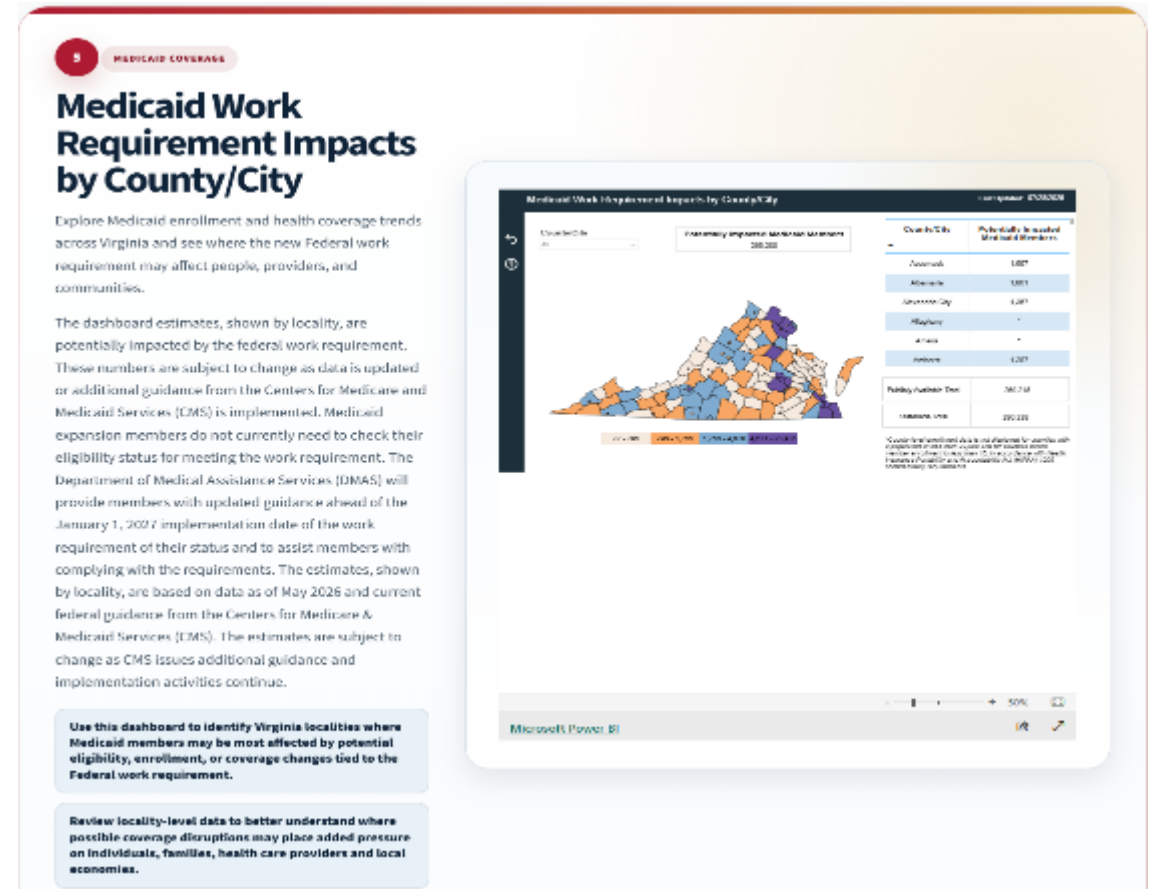
Reporting Exemptions or Qualifying Activities

Our priority is helping eligible Virginians stay covered. DMAS is focused on streamlining these new requirements, reducing paperwork, and automating as much as possible.

- Whenever possible, Virginia Medicaid will use information already available to the state to automatically enroll or renew coverage (called the “ex parte” process).
- In 2027, for most exemptions and compliance activities, **Virginia will rely on information an individual provides in their application or renewal form (i.e., accept “self-attestation”).**
 - Additional documentation requirements will apply in 2028.
- If more information is needed to show compliance or exemption, individuals can share information with Virginia through existing and new channels.

Impact in Virginia

- The Secretary of Health and Human Resources has published dashboards estimating where Virginians may be most affected.
- Of the 550,000 Virginians with Medicaid expansion, as many as 300,000 may be at risk.



Visit these dashboards online:

<https://www.hhr.virginia.gov/hhr-dashboard>

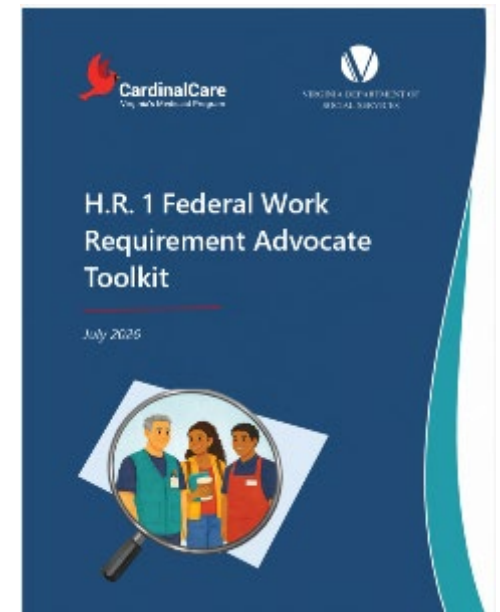
Upcoming Outreach and Engagement

- In August, DMAS began issuing notices to Medicaid expansion members alerting them to these upcoming changes.
- To support member and stakeholder education and engagement, DMAS has prepared:
 - Comprehensive toolkits for members, providers, and community stakeholders.
 - Texts, mailings, and paid advertising such as television, radio, and billboards to members this fall and into 2027.
 - Coordinated outreach via managed care plans.
 - Virtual townhalls for members, providers, and advocates on upcoming eligibility changes.
 - DMAS has significantly bolstered Cover Virginia Call Center and eligibility operations to answer live questions, process renewals, and conduct work requirement determinations. Staffing will be increased by more than 50% to support these operations.
- DMAS and the Virginia Department of Social Services (VDSS) are partnering on 13 regional meetings in September and October to educate stakeholders and help them identify strategies to connect individuals to services/supports.

How General Assembly Members Can Help

Spread the Word: Help keep constituents informed about these upcoming changes to Medicaid.

- DMAS has published toolkits, one pagers, and other materials online to help
- Print materials can be ordered at no cost from [Outreach Materials | CoverVA](#)
- Additional resources for legislators are available at [DMAS Legislative Office Resources](#)



[View the toolkit here!](#)

Thank You!

