

H.R. 1 – Medicaid Impacts

June 25, 2026

Trinity Wilson, Medicaid Director

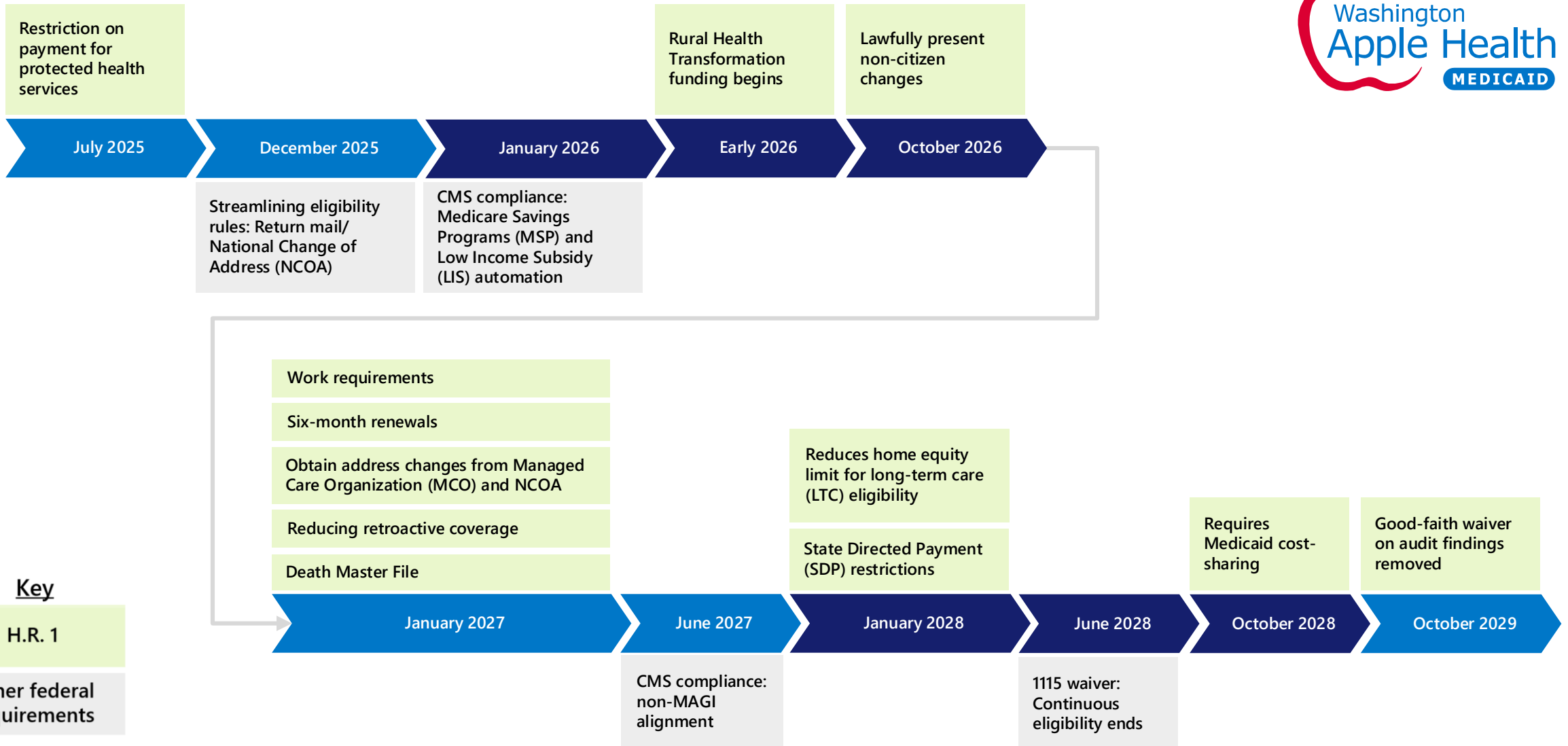
Agenda

- ▶ Overview of H.R. 1 Medicaid Provisions
 - ▶ Noncitizen eligibility changes
 - ▶ Work requirements
 - ▶ Six-month redeterminations
 - ▶ State directed payments
- ▶ Outreach and communications
- ▶ Next steps and resources

Overview of H.R. 1 Medicaid provisions

- ▶ Apple Health (Medicaid) eligibility provisions include changes to:
 - ▶ Eligibility for non-U.S. citizens
 - ▶ Apple Health for Adults, including:
 - ▶ Increased redeterminations
 - ▶ Establishing work requirements
 - ▶ Cost-sharing
 - ▶ Retroactive coverage periods
- ▶ Other provisions include:
 - ▶ Investments in Rural Health Transformation
 - ▶ Restricting the use of state directed payments (SDPs)

Compliance timeline



4 Note: There are unknown future state regulatory impacts not captured on this timeline. Last updated in January 2026.

Implementation approach

- ▶ Build and update systems focusing on:
 - ▶ Least-burdensome processes for clients
 - ▶ Client experience
 - ▶ Continuity of coverage
 - ▶ Administrative efficiency
- ▶ Establish a collaborative communication plan with partner organizations
 - ▶ Includes state agencies, providers, Tribes, hospitals, Community Based Organizations (CBOs), and others

Non-U.S. citizen definition change

- ▶ Beginning October 1, 2026, eligibility for lawfully-present non-U.S. citizens changes
 - ▶ Limited to lawful permanent residents, certain Cuban/Haitians, and Compact of Free Association (COFA) islanders
- ▶ Expect roughly 14,000 individuals to lose Medicaid, including 1,700 individuals receiving long-term care or developmental disability services
- ▶ Received guidance from the Centers for Medicaid & Medicare Services (CMS) in April
 - ▶ Requires states to redetermine eligibility for all impacted lawfully present noncitizens by October
 - ▶ Letters go out to impacted clients in July

Work requirements

- ▶ Beginning January 1, 2027, adds a new eligibility criteria for all individuals applying for or renewing Apple Health for Adults
 - ▶ Individuals will need to either meet work requirements or qualify for an exemption
- ▶ Work requirements do not apply to any other Apple Health programs
- ▶ CMS published rules on June 1, 2026

Work requirements criteria

- ▶ Work requirements are met when an individual meets **one** of the following:
 - ▶ Has an average monthly family income of at least \$580
 - ▶ Enrolls in an educational program at least half-time
 - ▶ Participates in a work program at least 80 hours per month
 - ▶ Completes at least 80 hours of community service
 - ▶ Has a combination of hours of work, community service, work program, or educational program totaling at least 80 hours per month

Work requirement exemptions

- ▶ Individuals who do not meet work requirements may be eligible for Apple Health for Adults when they meet an exemption.
- ▶ Exemptions include:
 - ▶ Under age 19
 - ▶ Foster youth or former foster youth under age 26
 - ▶ Pregnant or in postpartum period
 - ▶ Parent/caretakers of children under 14
 - ▶ Parent/caretaker of individual with disability
 - ▶ Tribal members
 - ▶ Incarcerated or within 90 days post-release period
 - ▶ Household member on SNAP (food assistance) or TANF (cash assistance)
 - ▶ Entitled to Medicare Part A or B
 - ▶ Disabled veteran with 100% total disability
 - ▶ Medically frail
 - ▶ Alcohol or Substance Use Disorder treatment (AUD/SUD)
 - ▶ Short-term hardship

Six-month redeterminations

- ▶ Beginning January 1, 2027, Apple Health for Adults certification period is reduced from 12 months to 6 months
- ▶ Additional burden for individuals who must manually renew their coverage
 - ▶ Today, approximately 20% must manually renew
 - ▶ Expecting this percentage could grow with work requirement rules
- ▶ Expecting a significant increase in call volumes and CBO engagement

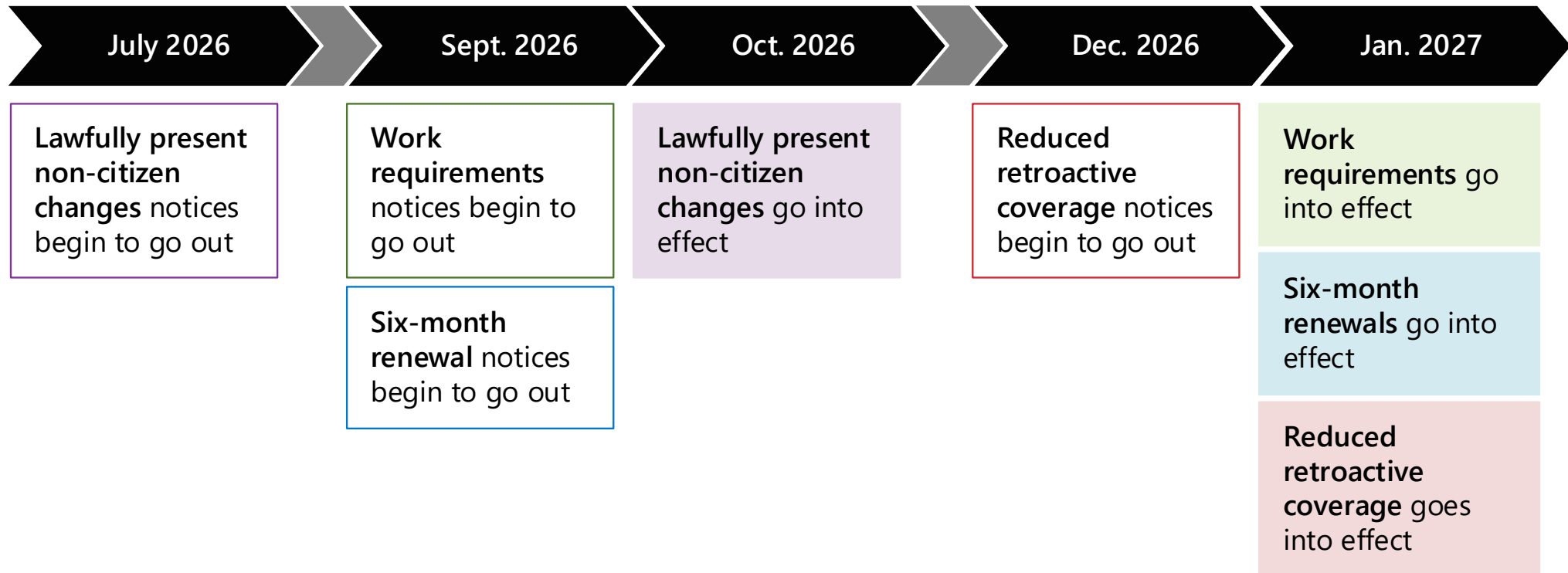
State directed payments (SDPs)

- ▶ Expect ~**\$1.5 billion** impact on hospital reimbursement in Washington because H.R. 1:
 - ▶ Prohibits new SDPs from exceeding Medicare payment levels.
 - ▶ Requires existing SDPs to reduce by 10% per year beginning in 2028 until they reach Medicare levels.
- ▶ In addition, the CMS SDP proposed Final Rule:
 - ▶ Extended caps to Medicaid fee-for-service (FFS) payments
 - ▶ Restricts permitted use of value-based purchasing (VBP) models in managed care
 - ▶ Prevents capitation rates from assuming provider payments above Medicare limits

Customer outreach

- ▶ HCA established Community Connector forums to engage broad external stakeholders. Includes materials distribution and webinars for:
 - ▶ Formally trained Navigators and Assisters
 - ▶ Providers, CBOs, Tribes, and other external partners
- ▶ Finalizing a communications toolkit with outreach materials and common messaging.
- ▶ Desk guide available for legislative offices: [Helping constituents with H.R. 1 changes](#)

Outreach timeline





Questions?

▶ Contacts:

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Resources

Resources on hca.wa.gov

- ▶ [Changes coming to Apple Health](#) (for clients)
- ▶ [H.R.1 impacts](#) (for stakeholders)
- ▶ hca.wa.gov/support-client-changes (for community)
- ▶ Stay connected with us:
 - ▶ [Sign up to receive emails about Apple Health](#)
 - ▶ Select Apple Health programs and eligibility “general information and updates”

Stakeholder webinars

- ▶ HCA holds quarterly stakeholder webinars providing H.R.1 updates.
- ▶ 2026 H.R.1 webinar dates
 - ▶ Session 1: [View the webinar](#) | [Presentation slides](#) | [Session 1 webinar FAQ](#)
 - ▶ Session 2: [View the webinar](#) | [Presentation slides](#)
 - ▶ Session 3: September 3 at 10 a.m.
 - ▶ Session 4: December 3 at 10 a.m.
- ▶ Sign up for GovDelivery to register for future webinars
 - ▶ public.govdelivery.com/accounts/WAHCA/subscriber/new

CMS engagement

- ▶ **Guidance to implement limits on federal financial participation for CHIP and Medicaid noncitizens**
 - ▶ April 8 – [CMS Issues Guidance to Implement New Limits on Federal Medicaid and CHIP Funding for Certain Noncitizens](#)
- ▶ **Medicaid managed care SDPs proposed rule**
 - ▶ May 20 – [Federal Register: Medicaid Program; Medicaid Managed Care State Directed Payments and Medicaid Fee-for-Service Targeted Medicaid Practitioner Payments](#)
 - ▶ July 21 – comment period closes
- ▶ **Interim Final Rule related to Medicaid work requirements**
 - ▶ June 1 – [Federal Register: Federal Register Documents Currently on Public Inspection](#)
 - ▶ July 31 – comment period closes