

H.R. 1 – Medicaid Eligibility Impacts

June 11, 2026

Information included in this document is based on the state's current understanding of the new requirements. Additional forthcoming federal guidance may result in changes.

H.R. 1 Medicaid Changes That Require Immediate Implementation Action

Impact of H.R. 1

Enacted on July 4, 2025, H.R. 1 made major changes to Medicaid eligibility and financing.

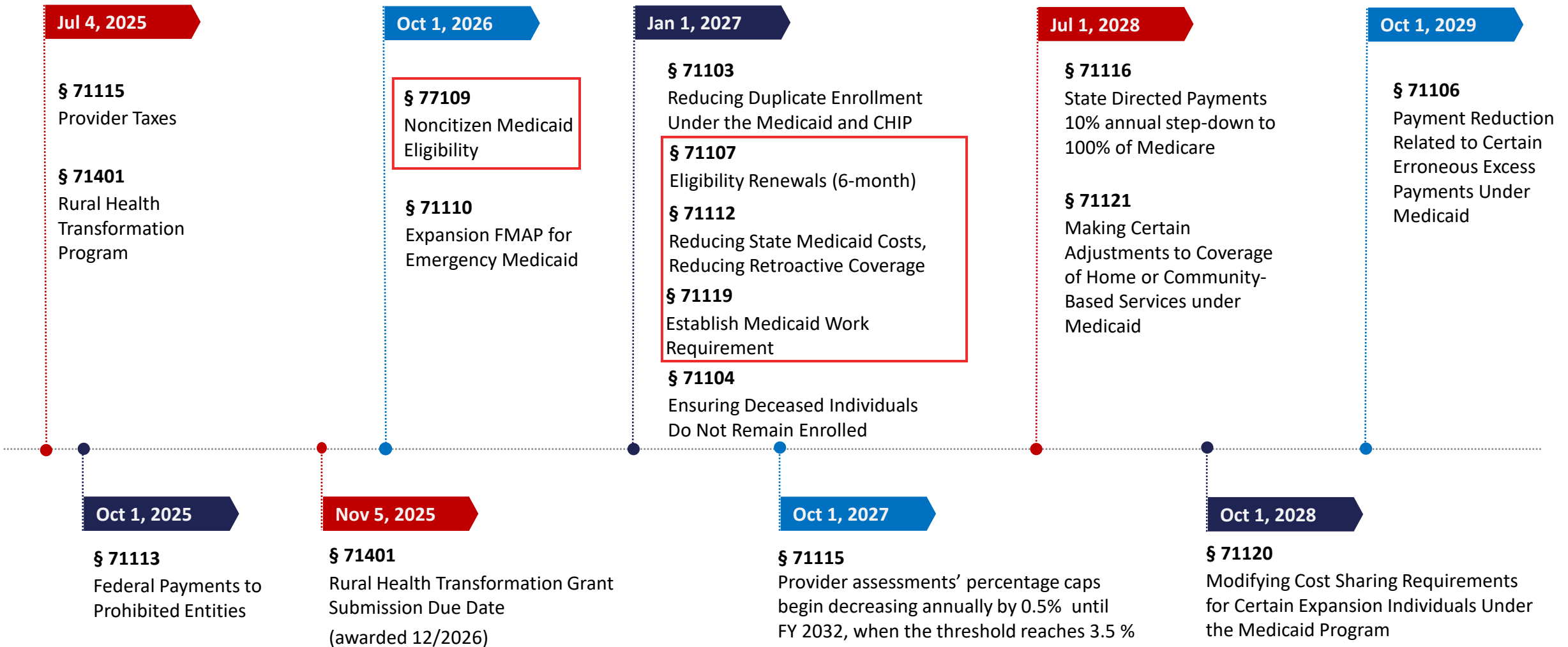
- These changes include, in part:
 - **New eligibility requirements**, including a federal work requirement and more frequent eligibility renewals for the Medicaid Expansion population and eligibility changes for lawfully present noncitizen adults.
 - **Changes to state financing of their share** of Medicaid costs including copayments and reimburse health providers.
- H.R. 1's new policies require states to modify their systems and undertake significant changes to Medicaid operations. Virginia has begun implementation to meet the deadlines outlined in H.R. 1.
- CMS released interim final rules for the work requirements on **June 1, 2026**.

Medicaid Footprint



About **1.8 million Virginians** count on Medicaid for their health coverage (**22%** of the state's population).

H.R. 1 Requirements & Implementation Dates



Noncitizen Eligibility Changes

October 1, 2026

- Limits eligibility for non-pregnant adults to:
 - U.S. citizens and nationals
 - Lawful Permanent Residents (aka Green Card Holders), after 5 years
 - 5-year bar waived continue to be waived for certain LPRs (see next slide)
 - Cuban and Haitian Entrants, 7-year limit
 - Compact of Free Association (COFA) migrants
- Does NOT impact the eligibility rules for:
 - Legally residing children under 19 and pregnant individuals
 - FAMIS Prenatal, pregnancy coverage regardless of status
 - CHIP Health Services Initiatives (HSI)
 - Emergency Medicaid

Noncitizen Eligibility Changes, Non-Pregnant Adults

| Before October 1, 2026 | On or After October 1, 2026 |
|---|--|
| <ul style="list-style-type: none">• Lawful Permanent Residents• Compact of Free Association (COFA) migrants• Parolees• Conditional Entrants• Battered noncitizen• Refugees• Asylees• Amerasians*• Cuban and Haitian entrants• Deportees whose deportation is withheld• Victims of trafficking and their spouse, child, sibling or parent• Iraqi and Afghan with Special Immigrant Visas (SIVs)*• SSI recipients• American Indians/Alaskan Natives born in Canada• Legally residing active-duty military/veterans and their spouses and dependent children | <ul style="list-style-type: none">• Lawful Permanent Residents• Compact of Free Association (COFA) migrants• Cuban and Haitian entrants <p>* Amerasian and SIV status automatically receive LPR status and can be treated as such.</p> |

Reducing Retroactive Coverage

January 1, 2027

Medicaid

- Medicaid Expansion: Retroactive coverage reduced to one month.
- Non-Medicaid Expansion eligibility groups: Retroactive coverage reduced to two months.

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.

Six-Month Eligibility Redeterminations

January 1, 2026

- Review the eligibility of Medicaid Expansion members every six months
 - American Indians and Alaska Natives are exempt and will continue to be renewed every 12 months
 - Individuals enrolled in other types of Medicaid will continue to be renewed every 12 months
 - Pregnant members will continue to be renewed at the end of their protected postpartum coverage period
- Effective for **applications submitted** on or after January 1, 2027
- Effective for **renewals initiated** on or after January 1, 2027
 - Members with March 2027 renewal dates will have their renewal initiated in January 2027

Example:

October 2026 -> Member is enrolled in Medicaid Expansion with a 12-month eligibility period. Their renewal date is *September 2027*.

July 2027 -> Renewal initiated.

October 2027 -> Member's new 6-month eligibility period begins (if still eligible). Their new renewal date is *March 2028*.

Medicaid Work Requirements

January 1, 2027

- Requirements apply to **Medicaid Expansion** only
 - Adults aged 19 to 64, with income at or under 138% FPL and not eligible for Medicare.
- Individuals must either be compliant, be a specified excluded individual, or meet an exception to remain or be found eligible for Medicaid Expansion.
- Effective for:
 - **Applications submitted** on or after January 1, 2027
 - **Renewals initiated** on or after January 1, 2027

Work Requirement Review

January 1, 2027

Application

To be eligible for Medicaid Expansion at application a person must:

- Be an 'specified excluded individual' in the month that they apply, or
- Have been compliant, met an exception, or been a 'specified excluded individual' in the month before the month that they apply.

Renewal

To remain eligible at renewal, a person must have been compliant, a 'specified excluded individual', or met an exception for at least one month between their most recent determination (application or renewal) and the end of their current period of coverage (identified by the current renewal date).

Change

Members who are compliant or met an exception at application or renewal are determined to be compliant/excepted for the full 6-month eligibility period.

Individuals who lose their status as a 'specified excluded status during their eligibility period must be re-evaluated.

Mandatory Exclusions

Specified Excluded Individuals

- Former Foster Care Youth
- Certain American Indians and Alaskan Natives
- Parent, guardian, caretaker relative or family caregiver of a dependent child age 13 or under
- Parent, guardian, caretaker relative or family caregiver of an individual with a disability
- Veteran with a 100% disability rating
- Medically frail individuals (as specified by H.R. 1 and defined by the state)
- Compliant with state TANF work requirements
- A member of a household that receives SNAP benefits and is not exempt from SNAP work requirements
- Participating in a substance use treatment and rehabilitation program
- Incarcerated
- Pregnant or within 12 months of the end of a pregnancy
- Mandatory Excepted individuals

Mandatory & Optional Exceptions

Mandatory Excepted Individuals

- Age 18 or younger
- Age 65 or older
- Entitled to or enrolled in Medicare Part A or enrolled in Medicare Part B
- Defined in a mandatory Medicaid categorically needy eligibility group (ex: SSI recipient, children, pregnancy, title-IV foster care or adoption assistance)
- Released from incarceration within the previous 3 months

Optional Temporary Hardship Exceptions

- Receiving care in a hospital/psychiatric hospital, SNF, or ICF-IID, or care of similar acuity
- Residing in a locality with an unemployment rate greater than 8% or 150% of the national average
- Residing in a locality in which a federal emergency or disaster has been declared
- Must travel outside of their community for an extended period to get necessary medical care for themselves or a dependent

Compliance

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



Work at least 80 hours per month.



Complete at least 80 hours of community service per month.



Participate in a work/training program for at least 80 hours per month.



Be enrolled in an education program at least half-time.



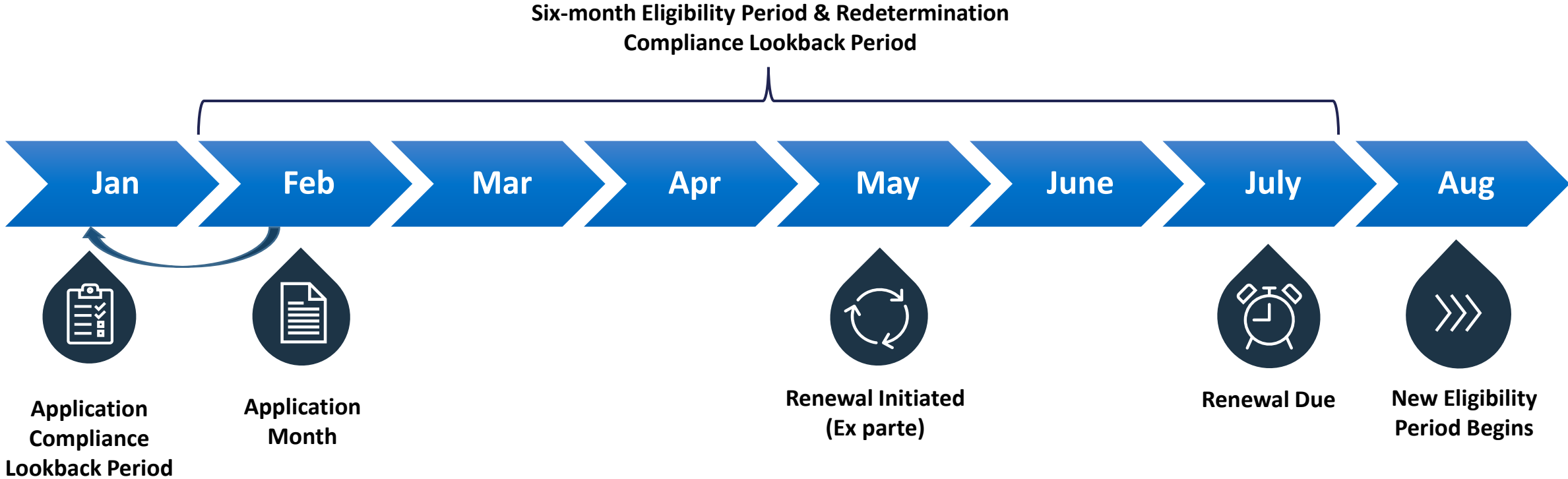
Have monthly income that is at least 80 times the federal minimum wage (\$580 per month).



Seasonal worker: have an average income of \$580 per month or work an average of 80 hours per month over the previous 6 months.

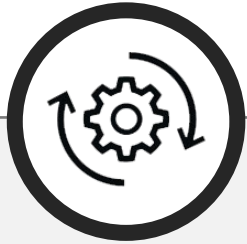
Any combination of these activities for a total of 80 hours per month.

Work Requirement & 6-Month Redetermination Application Timeline



Core Strategies

Virginia is committed to minimizing loss of coverage while maintaining compliance with federal requirements. A strong emphasis has been and will continue to be placed on collaboration with state agency partners and stakeholders, communicating clearly and transparently, and leveraging technology to streamline processes.



Automate

Rely on automation and electronic data sources to minimize administrative burden.

Invest in a Module System to streamline eligibility evaluation.

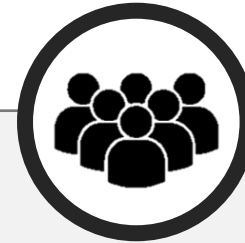


Build Capacity

Enable Cover Virginia vendor to do renewals for Medicaid Expansion members only.

Enhance CoverVA self-serve options.

Onboard DMAS staff dedicated to work and community engagement.



Collaborate

Cross agency coordination and partnership.

Engage Managed Care Organizations to conduct outreach.

Empower, resource and educate externals stakeholders.



Train

Update and enhance training for eligibility staff.

Train core stakeholders who engage regularly with Medicaid members/eligible populations.

Communication Strategies

Communicate in a clear, concise, and transparent manner to all stakeholders.





Upcoming Changes to Medicaid Eligibility for Adults

A new federal law made major changes to Medicaid eligibility.

Some changes will begin in October 2026, and others will begin January 2027.

Learn more about how these changes may affect your coverage by visiting dmas.virginia.gov or scanning below.

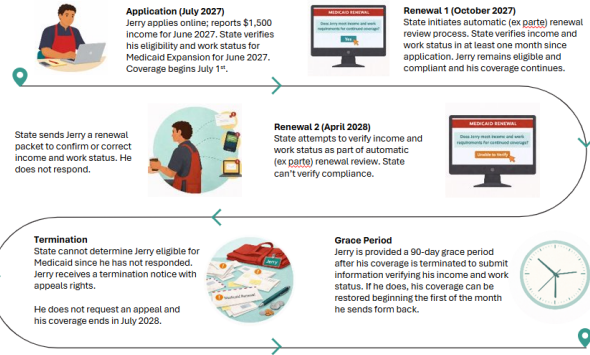


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HR1 Rack Card EN

Federal Work Requirement Member Journey Flow Scenario 1: Compliance With Work Requirements Based on Earned Income



Jerry is 35 years old. He works two jobs that, combined, provide him with a monthly income of \$1,500 in June and July 2027.



New Federal Medicaid Eligibility Requirements Overview



H.R 1 (also known as the One Big Beautiful Bill Act, or OBBBA) was signed into law on July 4, 2025, making major changes to Medicaid eligibility rules. Virginia and other states must implement these changes beginning in October 2026.

Changes to Noncitizen Eligibility

Implementation Date: October 1, 2026

Limits adult noncitizen eligibility for full-benefit Medicaid to Lawful Permanent Residents (LPRs, often called "green card" holders), Cuban-Haitian Entrants, and Compact of Free Association (COFA) Migrants. Individuals who lose eligibility for full-benefit Medicaid due to this change may still be eligible for Medicaid coverage of Emergency Services.

These changes **DO NOT** impact eligibility rules for children or pregnant/postpartum individuals. Lawfully residing noncitizen children, and pregnant members (regardless of immigration status) may still qualify after October 1, 2026.

New Limits on Retroactive Coverage

Implementation Date: January 1, 2027

Reduces retroactive coverage to one month for Medicaid expansion members and two months for all other Medicaid members. Retroactive Medicaid coverage is currently available for up to three months prior to the application month, if the applicant met Medicaid eligibility criteria during those months. Limits the federal option to provide retroactive coverage through the Children's Health Insurance Program (CHIP) to two months. VA does not provide retroactive CHIP coverage.

Six-Month Eligibility Renewals

Implementation Date: January 1, 2027

Requires states to renew coverage for Medicaid expansion members every 6 months instead of once a year. Other populations, including children, will continue to be renewed annually. American Indians and Alaskan Natives are exempt from this change and will continue to have their eligibility renewed annually. Pregnant members will be renewed at the end of their 12-month postpartum period.

Work & Community Engagement Requirements

Implementation Date: January 1, 2027

Requires Medicaid Expansion members to work, volunteer, or participate in a work training or education program, or meet an exemption from this requirement, to be eligible.



Learn More

Scan or visit <http://www.dmas.virginia.gov/news-updates/new-federal-requirements/> for more information. Resources will be updated as additional federal guidance becomes available.

HR1 Stakeholder Factsheet EN

Resources

- H.R. 1 Full Text: [congress.gov/bill/119th-congress/house-bill/1/text](https://www.congress.gov/bill/119th-congress/house-bill/1/text)
 - Medicaid changes: Sections 71101-71121
 - Medicare changes: Sections 71201-71203
 - Health Tax changes: Sections 71201-71308
 - Rural Health Transformation Program: Section 71401
- Working Families Tax Cut Legislation Webpage, CMS landing page for H.R. 1 guidance [medicaid.gov/resources-for-states/working-families-tax-cut-legislation](https://www.medicaid.gov/resources-for-states/working-families-tax-cut-legislation)
- DMAS community-facing materials: [NEW Federal Requirements](#)

Thank You!

