

Future Medicaid Cuts and What They Mean for PA



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About PHLP

- Statewide, specialty legal aid organization dedicated to increasing access to publicly-funded health care coverage and services
- A bit of what we do:
 - **Helpline** for client & advocates
 - Free legal advice and representation
 - Community education and self-help materials
 - See our [Resource Library](http://www.phlp.org) at www.phlp.org
 - Monthly Newsletter ([sign up](http://www.phlp.org) at www.phlp.org)
 - Policy advocacy to increase access to quality healthcare coverage & services



Who do we help?

- Kids with disabilities
- Low-income adults
- Older adults
- Social workers, advocates, providers (technical assistance)
- And many more!



There is NO INCOME LIMIT to qualify for PHLP services!

+ All of our services to individuals are free, regardless of income.

Types of Cases we Handle

- Insurance counseling (Do I qualify? How to apply?)
- Medicaid eligibility denials (application denied or coverage terminated by local County Assistance Office)
- Medicaid or CHC Waiver Service denials
 - Home health services (SN or HHA)
 - Durable Medical Equipment (DME) like power wheelchairs, beds, etc.
 - Behavioral Health services (BHRS/Wraparound)
 - Prescription Drugs
 - Dental/Orthodontia
- Accessing care under Medicaid or Waiver
- Coordinating Medicaid coverage with other types of insurance (commercial insurance, Medicare, etc.)

We do NOT Help with:

- Medicare Appeals
- Education or IEP Issues
- Malpractice claims
- SSI/SSD denials
- Criminal law matters
- Involuntary mental health commitments

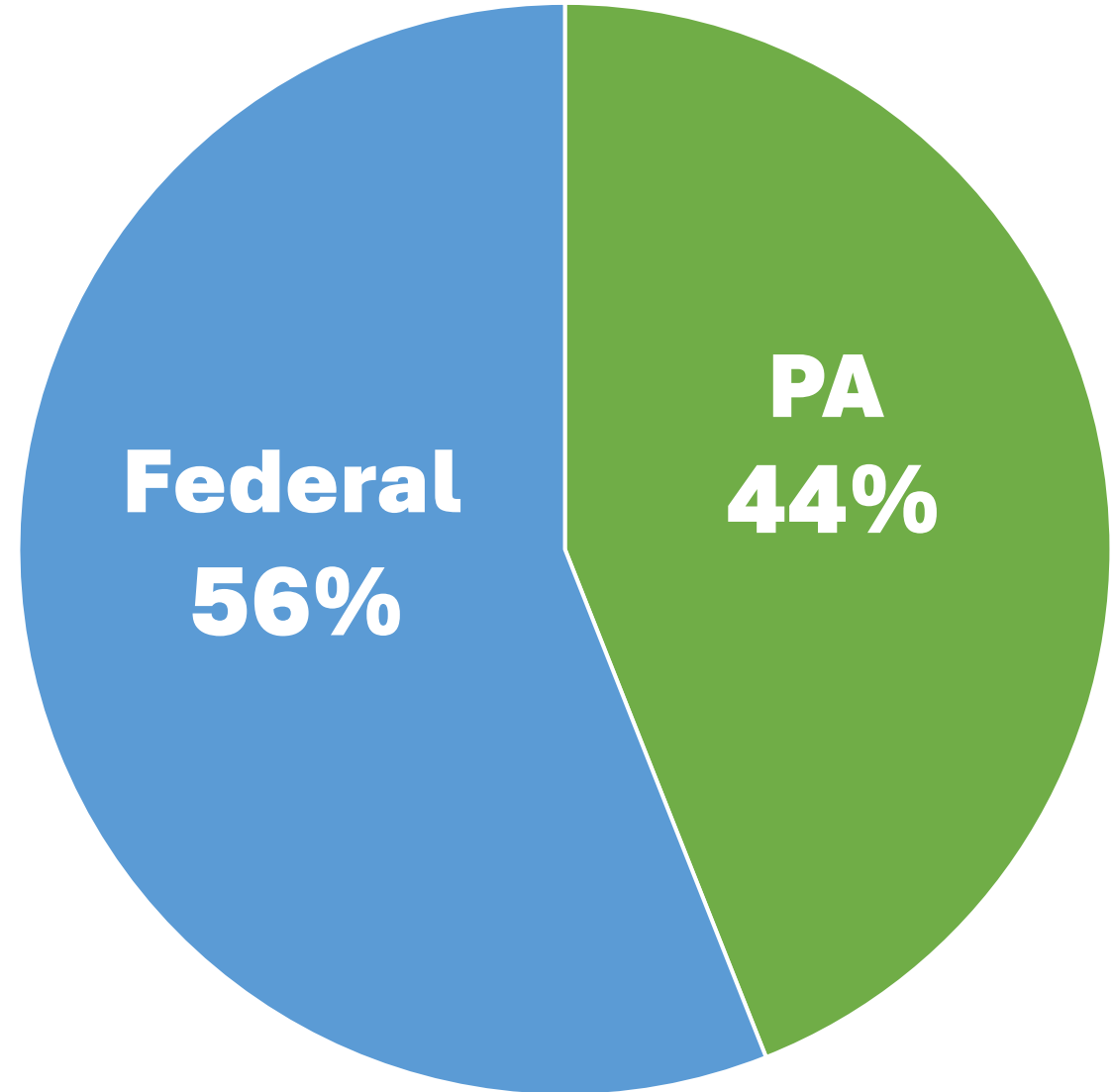
Goals for Today

Have a better understanding of:

- How HR1 will impact Pennsylvania Medicaid Recipients
- How HR1 will impact Pennsylvania financially
- What isn't changing

Medicaid in Pennsylvania

- Public health insurance for people with limited incomes
- Federal-state partnership – paid for by both the federal government and Pennsylvania



Normal Federal Match (FMAP) in PA

3 Million Pennsylvanians are on Medicaid

Nearly 1 in 4
Pennsylvanians is
on Medicaid

39% of PA children
are on Medicaid

48% of PA children
with “special health
care needs” are on
Medicaid

34% of births in PA
are covered by
Medicaid

19% of PA adults age
19-64 rely on
Medicaid

750,000 PA
Medicaid recipients
are in the Expansion
Category



July 4, 2025

**President signed
into law the Budget
Reconciliation Act,
[H.R.1](#)**

What HR1 Does Not Change

- Medicaid / CHIP eligibility for children under 19
- Eligibility for *disability-related* Medicaid categories (SSI, Healthy Horizons, MAWD/Workers with Job Success, Waivers)
- Immigrant eligibility for CHIP and for Medicaid if under 21 or pregnant
- Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Benefit (under 21)



Impact of HR1 on Medicaid

- Largest cut since Medicaid began 60 years ago
- At least 310,000 Pennsylvanians to lose Medicaid
- Increased burden on recipients and eligibility workers
- More medical debt

\$990 Billion
Federal Medicaid
cuts over 10 years

- Increased uncompensated care
- Lower provider reimbursement
- Hospital closures & increased insurance costs for all
- Decreased funding for PA Medicaid
- Potential cuts to eligibility and services

Key HR 1 Medicaid Provisions Timeline

| | | |
|------|-----------|--|
| 2026 | 10/1/2026 | Immigrant Medicaid Access Restrictions |
| 2027 | 1/1/2027 | Work Requirements |
| | 1/1/2027 | Semi-Annual Renewals |
| | 1/1/2027 | Retroactive Coverage Period Limitation |
| | 10/1/2027 | Provider Tax Threshold Reductions Begin |
| 2028 | 1/1/2028 | Grandfathered State Directed Payment Reduction |

Non-Pregnant Adult Immigrant Eligibility Today



Refugees

**Cuban & Haitian
Entrants**

**VAWA
Petitioners**

**COFA
Migrants**

**Granted
Withholding of
Removal**

Asylees

**Green Card
Holders**

**Iraq / Afghanistan
Special
Immigrants**

Parolees

**Human Trafficking
victims/T-Visa holders**

Non-Pregnant Adult Immigrant Eligibility* October 2026



Cuban & Haitian
Entrants

COFA
Migrants

Green Card
Holders

Notes

- H.R. 1 prohibits federal payment for all other immigration status. It does not technically change eligibility.
- Pennsylvania does have a state-funded MA program available to certain **categories** of very low income/asset **lawfully present** adults.

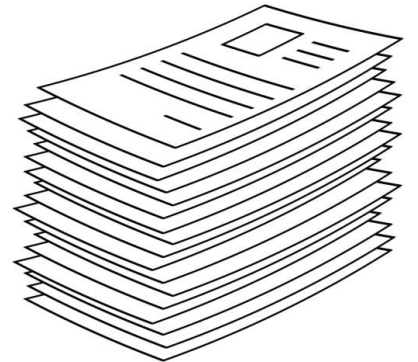
Work Requirements



- Applies to adults ages 19-64 in the expansion category (MAGI Medicaid) who are not pregnant and not receiving/eligible for Medicare
- Work Requirement
 1. At least 80 hours / month work, community service, or work program; or
 2. Attend educational or career training program at least half-time; or
 3. Engage in a combination of the above for at least 80 hours / month; or
 4. Have monthly income equal to at least federal minimum wage x 80 hours (\$580); or
 5. Seasonal worker with average income over prior six months of federal minimum wage x 80 hours (\$580)

Compliance with Work Requirement

- Must meet requirement
 - At application: In 1-3 months immediately prior to month of application (number of months is state option)
 - At renewal: In at least 1 month between last eligibility determination and renewal (number of months of compliance is up to state)
- Consequences of noncompliance
 - Loss of MA eligibility
 - No access to Marketplace subsidies



Exemptions from Work Requirements

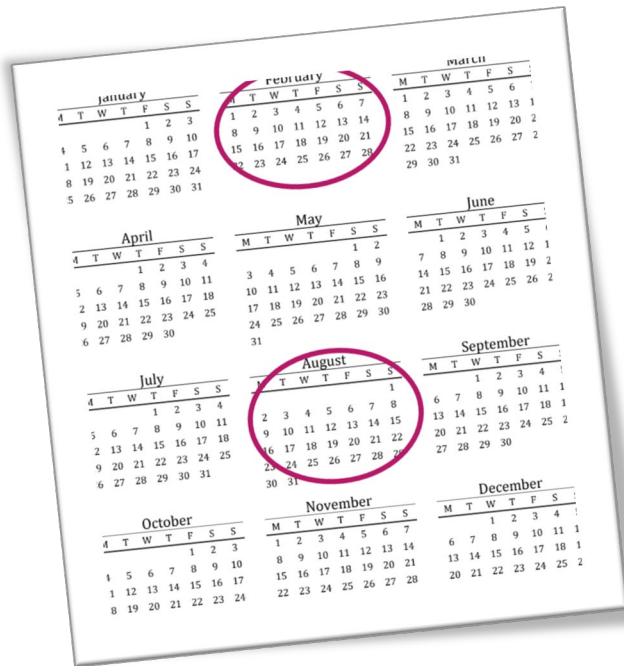
- Parent, guardian or caregiver of a child under 14 or a person with a disability
- Pregnant or in MA postpartum coverage period
- Veterans rated with a total disability
- Participating in substance use treatment program
- Incarcerated currently or within prior 3 months
- Foster youth/former foster youth under age 26
- **“Medically frail” or special medical needs** (as defined by Sec. Kennedy). Includes:
 - Meet Social Security definition of blind or disabled
 - Serious or complex medical condition
 - Disability impairs ability to perform at least 1 activity of daily living
 - “Disabling mental disorder”
 - Substance use disorder
- Compliant with TANF or SNAP work requirement

Work Requirements Will Mean Loss of Coverage

- 200,000 people to lose MA (27% of expansion population)
 - Many will still be eligible, but caught up in red tape
- State Options to Mitigate Coverage Losses/Harm:
 1. Require only 1 month of compliance at application and renewal
 2. No compliance checks between renewals
 3. Exceptions for specified short-term hardship events, e.g., hospitalization, natural disaster, high county unemployment rate
 4. Improve / expand use of external data sources to determine compliance and exemptions automatically
 5. Align with SNAP requirements where possible/appropriate

Semi-Annual Renewals

- Applies to **all adults in expansion Medicaid** (MAGI)
- Must undergo eligibility renewals every 6 months (currently every 12 months)



- 110,000 estimated to lose Medicaid
- Increased burden on eligibility caseworkers will impact all Medicaid recipients

Limits on Retroactive Coverage

- Retroactive MA coverage period reduced from 3 months (current law) to:
 - 1 month for adults in the Medicaid expansion category
 - 2 months for all other Medicaid beneficiaries
- Will particularly harm people facing sudden health crises



Limits on How States Finance Medicaid

- **Provider Tax Limits**

- No new or increased provider taxes (7/4/25)
- Cap on provider taxes reduced by .5% per year until reach 3.5% (10/1/27)

- **State Directed Payments Limits**

Limits to the Medicare rate how much \$\$ states can direct managed care plans to pay hospitals and other critical providers

- Combined Impact

- Restricts a key Medicaid funding mechanism.
Pennsylvania estimates loss of \$20 Billion over 10 years
- Less money to support Medicaid program and health care infrastructure
- Options – find a way to fill gap from general funds or cut optional Medicaid services & eligibility groups

✓ Medicaid is still available – nothing is changing today!

Nothing is changing about Medicaid right now! Any changes resulting from the federal budget bill passed on July 4th will happen over time. You can still apply for Medicaid, renew your coverage, and access healthcare as usual. Be sure to update your contact info with the County Assistance Office to ensure you get important updates and renewal paperwork.

HOW TO
UPDATE
YOUR
ADDRESS



Get Legal Help
Now!

Helpline: 1-800-
274-3258

staff@phlp.org

Email Sign Up

DONATE



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Get Legal Help

Takeaways & Action Steps

 [Update contact info](#) with the County Assistance Office or on COMPASS

 Open and read ALL mail and/or COMPASS messages carefully

 Can request a representative get copies of all notices from the CAO

 Stay engaged – get info about Medicaid changes and developments by [signing up](#) for PHLP's newsletter and alerts

To Learn More

- At Least 310,000 Pennsylvanians Set to Lose Medicaid Under Massive New Federal Cuts, PHLP ([here](#))
- Implementation Dates for 2025 Budget Reconciliation Law, KFF ([here](#))
- Medicaid Cuts and Other Health Provisions in the Budget Reconciliation Law Explained, Georgetown Center for Children & Families ([here](#))
- Full text of H.R.1, Public Law 119-21 ([here](#))
- How to Update Your Address and Phone Number with Medicaid CAOs, PHLP ([here](#))

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Questions?

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