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H.R. 1 & Maryland Medicaid: Impact and Updates

Maryland Health Insurance Coverage Protection Commission

August 25, 2026

Agenda

- H.R. 1 Overview
- Non-Citizen Eligibility Changes
- Work/Community Engagement Requirements
- H.R. 1 Interim Final Rule
  - Verification and Self-Declaration
  - Medical Frailty Exemption
  - Short-Term Hardship Exception
- Maryland Implementation Strategy
- Communications & Outreach: Medicaid Check-In

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H.R. 1 Overview

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Medicaid H.R. 1 Eligibility Provisions (1/2)

- **Non-Citizen Eligibility Changes**
  Effective: October 1, 2026

  Certain non-citizens are no longer eligible for Medicaid. This includes refugees, asylees, immigrants granted parole for at least one year, and certain victims of abuse and trafficking.

  Estimated Impact: As many as **~15,000 non-citizens could lose coverage.**

- **Medicaid Work Requirements**
  Effective: January 1, 2027

  Requires states to implement work requirements as a condition of Medicaid eligibility for ACA expansion adults aged 19 through 64. Applicable to the more than ~320,000 adults in this coverage group.

  Estimated Impact: As many as **~152,000 ACA Adults could lose coverage.**

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Medicaid H.R. 1 Eligibility Provisions (2/2)

- **Increased Medicaid Redeterminations**

  Effective January 1, 2027

  Requires states to conduct eligibility redeterminations once every six months for ACA expansion adults. (Current requirement is annual).

  Impact: Requirement impacts the more than **320,000 adults** eligible under the ACA Expansion.

- **Shortened Medicaid retroactive coverage opportunities**

  Effective January 1, 2027

  Reduces retroactive coverage from three months to one or two months depending on eligibility category.

  Impact: ACA expansion adults are limited to **one month of retroactive coverage**, and all other enrollees are limited to two months retroactive coverage.

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Non-Citizen Eligibility Changes

Effective October 1, 2026

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Changes for Non-Citizen Adults

Effective October 1, 2026, eligibility for Medicaid coverage will be limited to U.S. Citizens and the following Eligible Non-Citizens (ENC):

- Legal Permanent Residents (LPRs or green card holders) who meet or are exempt from the five-year rule,
- Cuban and Haitian non-citizens, and
- Compact of Free Association (COFA) migrants.

There are certain exceptions to these changes for children and pregnant women. Emergency Medicaid and the Healthy Babies Program will not be impacted by H.R. 1.

Work Engagement Requirements

Effective January 1, 2027

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H.R. 1 Target: ACA Adults

Key Statistic

329,280

Marylanders were enrolled in the Affordable Care Act (ACA) expansion group as of March 2026.

Percentage of Medicaid Population

22.12%

This represents 22.12% of Maryland's total Medicaid population.

Estimated % of ACA adults who are working or in school

~65.7%

Why This Group Matters

- The ACA Adult coverage group is the Medicaid population expected to experience the **most significant changes under H.R. 1**.
- Communications prioritize helping these members understand **whether and how the new requirements may affect them**.
- ACA Adult Public Dashboard
  - Interactive map displays the distribution of ACA Adults across the state.
  - Dashboard Link

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H.R. 1 Work Requirements

ACA expansion adults aged 19 to 64 are subject to work requirements.
Note: there are a number of categorical and optional exemptions.

Participants must meet at least 1 of the following criteria in a single month:

- Have income of at least $580/month*;
- 80 hours of work per month;
- 80 hours of a SNAP-defined work program;
- 80 hours of community service;
- At least half-time enrollment in a higher education or vocational training program; or
- A combination of 80 hours of the above.

*This is based on the federal minimum wage of $7.25 per hour multiplied by 80 hours; workers who make the State minimum wage could work less than 40 hours per month and still qualify for Medicaid.

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Work Requirements - Excluded Individuals

- Parents/Caretakers of Children or Disabled Individuals
- Medically Frail Individuals
- Incarcerated or Recently Released from Incarceration
- Pregnant/Postpartum Women
- Active Substance Use Disorder (SUD) Program Participants
- Entitled to Medicare Part A or Enrolled in Medicare Part B
- Former Foster Youth Under Age 26
- American Indians and Alaska Natives
- Disabled Veterans
- Subject to SNAP/TANF Work Requirements

- Optional: “Short-Term Hardship” Exception:
  Recent acute care | Travel for medically complex & necessary care
  County emergency or disaster | High county-level unemployment

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H.R. 1 Interim Final Rule

Effective July 31, 2026

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H.R. 1 Interim Final Rule (IFR)

- **On June 1, CMS released its interim final rule (IFR)** on community engagement (CE) requirements and provided a comment period.
- The IFR goes **beyond a plain read of H.R.1 statute and introduces additional challenges to operationalizing CE requirements.** The IFR makes systems changes more complex and increases administrative burden on states.
- A **multitude of questions remain unanswered** and without further guidance, the State must make decisions based on the information available.
- Due to the IFR requirement changes from H.R.1, enrollment projections are changing.*
  - **Total loss (July 2026 – June 2028): 152k participants (higher number due to IFR)**
  - Previously, Maryland had expected 115,000 ACA participants to lose coverage as a result of CE requirements and increased redeterminations.

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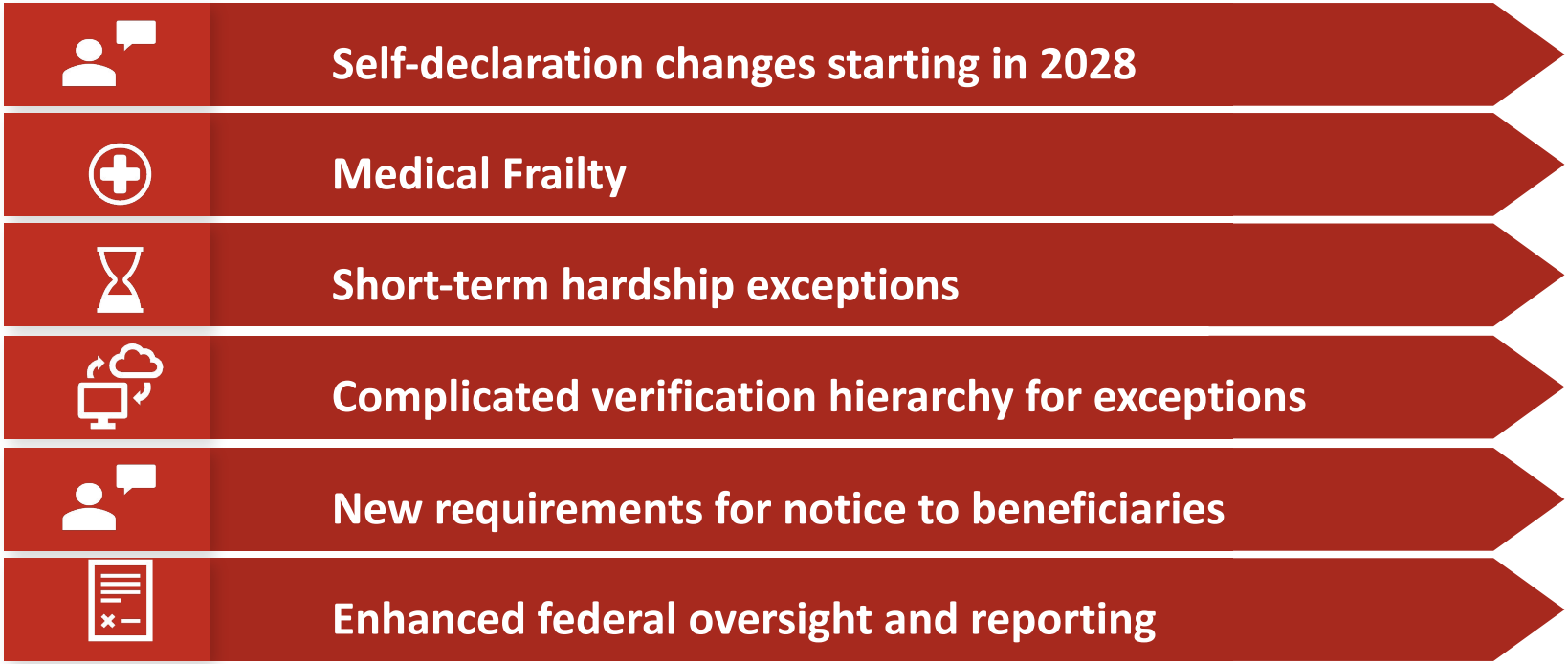
IFR High Level Summary - Challenges



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IFR Challenges - Self-Declaration

Start with ex parte data checks.

2027: States may accept **self-declaration** for several qualifying activities and exclusions.

2028: States must rely on data sources, require documentation when “reasonably available” and can only accept other reliable information as a last resort.

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IFR Challenges - Medical Frailty

1. Definition Narrowed

IFR medical frailty definition is more stringent than H.R. 1:

- Requires a qualifying condition AND **"significantly impaired"** work ability.
- Relies on "lists of qualifying diagnosis codes" combined with other factors to assess the severity of medical frailty.

2. Data Limits

Limits look back periods used by states to verify medical frailty status:

- Must use "adjudicated claims and encounters data" within the past 12 months.
- Allows a 5-year lookback period specifically for SUD.

3. Re-Verification

Sets administrative tracking and verification timelines:

- Re-verify medical frailty status once every 12 months.
- Eliminates separate temporary or permanent classifications.

Medical Frailty: Example Conditions

H.R. 1 indicates that medical frailty includes five categories of conditions:

- Blindness or Disability
- Substance Use Disorders
- Disabling Mental Disorders
- Physical, intellectual, or Developmental Disability
- Serious or Complex Medical Conditions

IFR Challenges - Short-Term Hardship

Inpatient Care	Travel Outside Community for Medical Care	County with Disaster Declaration	County with High Unemployment
Individual must request hardship exception. State may NOT except an individual using available data unless requested.	Individual must request from the state.	State must notify CMS when activating. Must grant for individuals based on residence.	State must request approval from CMS to activate. Must grant for individuals based on residence.

NOTE: Short-term hardship exceptions must be verified in the month PRIOR to application.

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IFR Response

Litigation - Challenging the IFR

Public Comment - Providing feedback

Good Faith Effort Exemption - CMS Temporary Delay

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Maryland Implementation Strategy

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Guiding Principle

Leverage H.R. 1 flexibilities to mitigate coverage losses and maximize exemptions within the guardrails of the IFR.

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Implementation Workstreams

Coordinated Statewide Implementation

Maryland is coordinating implementation of H.R. 1 Medicaid eligibility requirements through a cross-agency team led by:

- **Maryland Department of Health (MDH)**
- **Maryland Health Benefit Exchange (MHBE)**
- **Maryland Department of Human Services (DHS)**

The team is working in partnership with:

Health care providers • Health plans • Community and other stakeholders

Our Objective: Protect healthcare coverage for eligible Marylanders, consistent with federal law and guidance.

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Partner Implementation Initiatives

- **Maryland Health Care Commission (MHCC)**
  - CRISP claims and encounter data for medical frailty/short term hardship
- **Maryland Department of Human Services (DHS)**
  - SNAP/Medicaid enrollment, employment & training
- **Maryland Department of Labor (DoL)**
  - Workforce training programs, community engagement verification
- **Maryland Health Benefits Exchange (MHBE)**
  - Equifax, National Student Clearinghouse, and Veterans Affairs data integration

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Other State Partners

- Maryland Department of Aging (MDoA)
- Maryland Department of Disabilities (MDoD)
- Maryland State Department of Education (MSDE)
- Maryland Department of Veterans and Military Families (MDVMF)
- Local Health Departments (LHDs)

Communications & Outreach Campaign

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Communication Objectives

Build Early Awareness

Prepare members for upcoming 2027 Medicaid changes by clearly explaining:

- **What** is changing
- **When** changes will occur
- **Where** to find trusted information

Inform Without Creating Unnecessary Concern

Use clear, reassuring, and inclusive language that:

- Avoids confusion or alarm
- Recognizes that most Medicaid members will not be impacted
- Uses qualifying language such as “some” and “may” to communicate accurately

Drive Audiences to Trusted Resources

Direct members to dedicated, easy-to-navigate web pages for:

- More information
- Guidance and next steps
- Ongoing updates

Extend the Reach of Trusted Brands

Leverage familiarity with MHC and MDH to create campaign assets that can be:

- Easily adapted by MCOs
- Shared by trusted partners
- Used alongside the broader campaign

Phased Strategy

PHASE 1: EDUCATION
Spring/Summer 2026

PHASE 2: EDUCATION + ACTION
Fall 2026 through 2028

Build baseline awareness and establish trusted information sources

- Launch dedicated information landing pages
- Update the consumer portal and introduce new screening tools
- Develop toolkits for MCOs and trusted partners to amplify messaging
- Begin MCO member communications, including text, email, and robocalls
- Use QR codes and other direct links to connect audiences to additional information

Build understanding, support preparedness, and prompt required action

- Launch renewal-driven communications as key deadlines approach
- Expand paid and earned outreach across digital video, audio, CTV, outdoor, and place-based media
- Coordinate targeted MCO outreach with members approaching renewal dates
- Reinforce calls to action and direct audiences to updated information and next steps

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Digital Toolkit Materials

Resources to support consistent, clear, and coordinated communication

Informational Resources

- Informational one-pagers
- FAQs
- Talking points

Outreach Materials

- Flyers
- Paycheck inserts
- Posters

Multimedia

- Educational videos

More resources will be added as the campaign grows

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Targeted Outreach

Consumers

- Webpage: Resources on work and community engagement requirements.
- Outreach: Digital toolkit • Text messages • Emails • Direct mail • Digital ads (link)

Providers

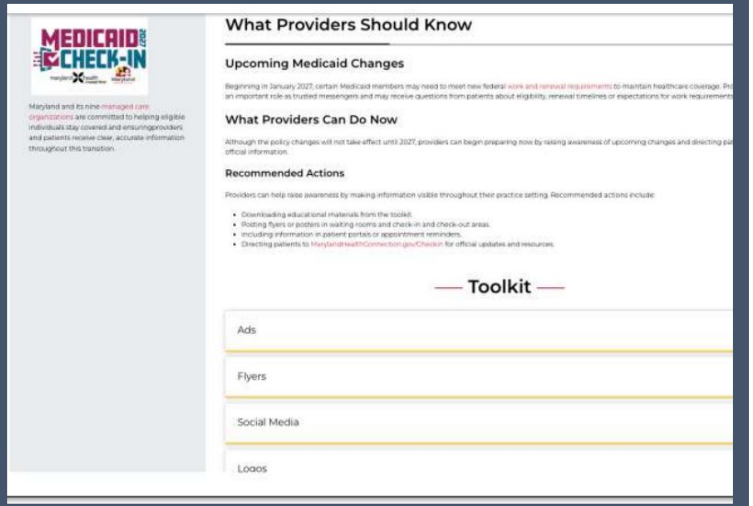
- Webpage: Provider-specific information and training.
- Outreach: Digital toolkit • Digital ads (link)

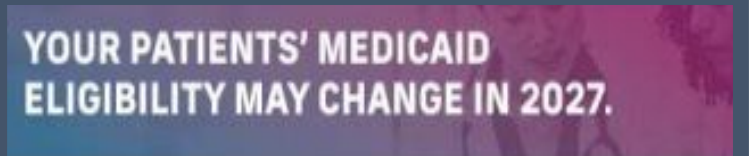
Employers / Partners

- Webpage: Employer and partner specific information.
- Outreach: Digital toolkit • Digital ads (link)

Noncitizens

- Webpage: Immigrant-specific information.
- Outreach: Digital toolkits with regularly updated translated materials • Direct mail (link)





Examples of Medicaid Check-In Digital Materials

Early Digital Campaign Metrics

9.5M

Impressions Delivered

The campaign successfully generated broad statewide awareness, delivering nearly 9.5 million impressions.

33.5K

Website Sessions

Directed users to trusted info with 33,588 sessions from 26,583 users, achieving a 93% engagement rate.

13%

"Halo Effect" Traffic

More than 4,100 direct website sessions indicate strong campaign exposure and self-directed actions, i.e. Marylanders visited Maryland Health Connection on their own.

Broad Reach

Integrated Strategy

Effectively reached consumers, providers, and employers with consistent engagement across audiences.

56%

of Website Traffic

MCO text message outreach was the strongest driver, generating more than 18,000 website sessions.

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New Tools for Members & Providers

What We Heard

- Members want to understand **who is impacted—and who is not**.
- Focus groups found that many members fear **Medicaid coverage is being eliminated entirely**.
- Many members do not know whether they are an **ACA Adult**.

In Response: ***MDH and MHC developed new tools to help members and providers understand who may be impacted by the new requirements.***

Member Tools

- **MHC Consumer Dashboard Enhancements:** Alerts for ACA Adults
- **Self-Screener Tool:** Helps members understand whether the requirements may apply to them
  - Tool Link
- **Flora Chatbot Enhancements:** Provides additional guidance and answers

Provider Tools

- **CRISP "Redet File" Patient Panel Indicator**
- **Eligibility Verification System**

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Trusted Messengers

Build Critical Awareness

- Providers, employers, and other stakeholders are essential to building awareness of new federal requirements.

Provide Trusted Information

- Medicaid members rely on trusted partners for accurate and reliable information about the Medicaid program and how H.R. 1 requirements may impact them.

Amplify Consistent Messaging

- Consistent messaging and branding across channels strengthens recognition and reinforces trust with Medicaid members.

Help Us Spread the Word

Help us reach Medicaid members and Marylanders who may qualify for coverage. Use the available toolkits and resources to:

- **Encourage members to log in to their account** to see whether they may be impacted.
- **Direct members to the new screener tool** to help them understand whether the changes may apply to them.
- **Remind members to update their contact information** and watch for notices from Maryland Health Connection.
- **Share resources** from the consumer, provider, and employer toolkits.
- **Spread the word about upcoming Medicaid changes** with your networks and communities.
- **Look for translated resources coming soon.**

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Appendix

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About Maryland Medicaid

- **Maryland Medicaid is a joint federal–state program administered** by the Maryland Department of Health, providing comprehensive health coverage to **~1.5 million Marylanders—nearly 1 in 4 residents.**
- The program is a major pillar of the state's health system, covering **40% of births**, nearly **half of all children**, and **80% of nursing home services**, and paying claims to **130,000+ providers.**
- Medicaid differs from Medicare in that it is **means-tested, jointly funded, and state-designed**, while Medicare is federally funded and uniform nationwide; some individuals qualify for both.
- Funding is **shared with the federal government**, with Maryland receiving a 50% federal match for traditional Medicaid and 90% for the ACA expansion population; about **58% of total program costs are federally funded.**
- **In FY26, appropriation was ~$15.4 billion, with 96% projected to be spent on care and services rather than administration.**
- **Recent cost pressures** include pharmacy spending, inpatient utilization, higher-acuity needs post-COVID-19, new benefits, rising provider rates, and increased behavioral health utilization.
- **Most members (85%) receive care through HealthChoice, Maryland's managed care program**; the remaining 15% are served through fee-for-service, with some services administered separately.
- Major federal changes are coming: **New Medicaid requirements under the One Big Beautiful Bill Act (OBBBA) could lead to significant coverage losses** and reduce Maryland Medicaid funding by up to ~$2.7 billion annually in federal funds once fully implemented.