



# Impact of Medicaid Changes in H.R. 1 for Children and Families

## (February 2026)

The Medicaid program was established in 1965 and is the single largest source of health care coverage in the United States. Along with the Children's Health Insurance Program (CHIP), it covers nearly half of all U.S. children. Medicaid is a federal program jointly funded by state governments, who have significant flexibility in administering the program and can determine program eligibility, what health benefits are covered, and other aspects of the program.

H.R. 1 (known as the One Big Beautiful Bill Act) was passed in July 2025 and made significant changes to Medicaid and the Supplemental Nutrition Assistance Program (SNAP). Changes to SNAP are covered in a separate document.

These Medicaid changes are likely to make it harder for many to access affordable health care coverage. The Congressional Budget Office estimates that [10 million people will lose Medicaid access by 2034](#), including around [a million children](#) and [3 in 10 young adults \(ages 18-24\)](#). Some of this potential loss of coverage is also due to [changes to CHIP](#).

States can act to mitigate the harm of these federal changes, such as maximizing allowable exemptions for work requirements and using state funds to protect access. However, it is important that any additional state spending on Medicaid does not come at the expense of other programs that serve children and families.

At a time when we know that family homelessness and housing instability are growing in many communities, limiting access to health care coverage is short-sighted and will compound the hardship that so many families are currently facing. These changes may make it more difficult for Family Promise to address the unmet needs of children and families in the communities where we operate.

## Key Medicaid Stats and Talking Points

- Nearly [half of all children \(almost 36 million\)](#) are enrolled in Medicaid or CHIP.
- The Early Periodic Screening, Diagnostic and Treatment (EPSDT) benefit in Medicaid guarantees that children and young adults under age 21 have access to a comprehensive set of benefits, including preventive, dental, mental health, developmental, and specialty services.
- Medicaid provides coverage for [more than 40% of children with special health care needs](#).
- Medicaid is a [key source of funding for school-based health care](#) for students.

- Children enrolled in Medicaid are [more likely to graduate from high school and complete college](#) compared to children without access to health care.
- [They grow up to be healthier adults](#), with decreased incidence of high blood pressure, hospitalization in adulthood.
- They [also grow up to be more successful adults](#) with higher earnings.
- Homelessness and affordable health care coverage are inextricably linked. [37% of renter households in the US have at least one member receiving Medicaid](#). It is higher for households experiencing a rent cost burden (paying more than 30% of their monthly income on rent or utilities). 45% of those households include a member who receives Medicaid. Losing health care coverage means more of a household's income going to medical care and less money available for housing costs. Adults and children who lose health care coverage are also more likely to skip medical care and experience poorer health, making it harder for parents to maintain employment and afford housing.

## Changes to the Medicaid program in H.R. 1

### Medicaid work requirements

H.R. 1 establishes widespread work requirements for the first time in the Medicaid program. These new work requirements impact adults who became eligible for Medicaid in the [41 states \(including DC\)](#) that expanded Medicaid coverage under the Affordable Care Act. These are adults in households with incomes just above the poverty level, no more than \$40,000 a year for a family of four. Over 20 million individuals are impacted by these new work requirements. The Congressional Budget Office (CBO) estimates that this addition of work requirements for Medicaid coverage will cause more people to lose health care coverage than any other change included in H.R. 1.

- Adults (19-64) who fall into this "[expansion Medicaid](#)" group must now work, volunteer, or participate in an employment or training program for 80 hours each month. A combination of these activities is allowed to reach 80 hours.
- If an individual has a monthly income equal to the federal minimum wage multiplied by 80 hours (currently \$580 a month), that is sufficient to meet the requirement. This could be through self-employment, business ownership, or other means.
- Seasonal workers with less than an average monthly income over 6 months of the federal minimum wage multiplied by 80 hours can meet the work requirement.
- An individual can meet the requirement by being enrolled in an institution of higher education or a career or technical education program for at least half of the month.

*Implementation of work requirements begins January 2027. However, states can request a delay in implementation until January 2029 or may be allowed to begin implementation sooner if they receive permission from the federal government. [State governments are also given some flexibility](#) regarding procedures for verifying compliance with these work requirements.*

## Exemptions to Work Requirements

- Parents with children ages 13 or younger are exempt.
- Adults who are primary caregivers for dependent children or parents with a disability are exempt from work requirements.
- Individuals who are pregnant or receiving postpartum coverage are exempt.
- Foster youth/former foster youth under age 26 are exempt.
- Individuals who are deemed "medically frail" may receive an exemption. This definition is determined by the Secretary of the U.S. Department of Health and Human Services and includes people who meet the Social Security Administration's definition of disability. It also includes people with a "serious or complex" medical condition, or who have a physical, intellectual, or developmental disability that significantly impairs their ability to perform an activity of daily living.
- Individuals with a substance abuse disorder or participating in a substance use disorder program are exempt.
- Some disabled veterans are exempt.
- Individuals who are incarcerated or were released from incarceration within 90 days are exempt.
- Individuals who already meet work requirements in SNAP or the Temporary Assistance for Needy Families (TANF) program are exempt.
- Native Americans, Alaska Natives, and other individuals who are part of a Tribal or Indigenous community are exempt.
- Individuals who are entitled to Medicare Part A or enrolled in Medicare Part B are exempt.

- States also have options to implement temporary hardship exemptions for additional individuals in their state, including:
  - Individuals who were in a nursing facility, an inpatient hospital, an immediate care facility, or an inpatient psychiatric hospital.
  - Individuals who live in a county with a federally declared emergency or natural disaster.
  - Individuals who live in a county with an unemployment rate of at least 8% or 1.5 times the national average.
  - Individuals who traveled outside their community for an extended period of time for medical care for themselves or a dependent.

## Research Shows that Work Requirements Do Not Support Family Economic Mobility

In 2024, at least one parent was employed in over 90% of families with children. Attaching work requirements to public benefits has not been found to lead to higher-paying jobs and, in fact, often hinders rather than fosters economic mobility, causing working families to lose assistance due to missed paperwork and other administrative burdens. A 2019 nonpartisan study from the National Academy of Sciences found that “work requirements are at least as likely to increase as to decrease poverty.” Documenting steady work is especially difficult for low-wage workers whose hours may vary week-to-week and often have no control over their schedules.

Previous analysis from the federal government found that Medicaid work requirements were unlikely to increase employment among Medicaid recipients. There are also state examples of the implications of Medicaid work requirements for families. For example, in Arkansas, 18,000 Medicaid enrollees lost their coverage within the first seven months of the state implementing work requirements, before a court order halted the program.

It is important to note that while work requirements are directed at adults, they also negatively impact children. When parents lose access to Medicaid, children often do too. And even if children’s health care coverage remains, when parents lose coverage, it means fewer resources for the entire household. Parents without health care coverage are also less likely to access medical care, leading to them experiencing poorer health with negative implications for their ability to maintain employment and care for children.

## **Increased Copayments for Some Medicaid Recipients**

In addition to the work requirements, [H.R. 1 also requires states to impose copayments of up to \\$35](#) for adults who received Medicaid due to expanded Medicaid coverage through the Affordable Care Act (adults in households with monthly incomes just above the poverty level). Previously, states could only charge nominal copays (\$1 to \$3) for services. States can still choose to charge copayments less than \$35, and some services, such as primary care, mental health treatment, family planning, substance use disorder treatment, emergency care, and others, are exempt from copays. Prescription drug copays are also not impacted. This provision is likely to have the greatest impact on older individuals and those with significant health care needs, such as chronic conditions. This provision goes into effect on October 1, 2028.

## **Other Changes to Medicaid in H.R. 1**

Several other changes to Medicaid may directly impact Medicaid recipients or state budgets. States can no longer use federal funding to provide health care coverage through Medicaid or CHIP for many immigrants, including refugees, asylees, and some trafficking victims. This change is [expected to cause more than one million lawfully present immigrants to lose their health coverage by the end of 2026](#). States [can continue to use federal funding for some children and pregnant individuals](#) who are lawful permanent residents. They can also choose to use state funds to cover all immigrants. In addition, as of January 1st of this year, states that have not expanded Medicaid under the Affordable Care Act option will lose the option for a 5% federal match, which previously provided an incentive for states to expand access to Medicaid. States, especially those that expanded Medicaid, [are also now limited in the Medicaid provider taxes they can levy](#) on hospitals and other medical providers, which are used to fund the Medicaid program.

## **Medicaid State Resources**

- [Medicaid.gov](#) is a government website that has state-specific information on eligibility guidelines, enrollment figures, and contact information for Medicaid state agencies.
- [Health Insurance Coverage of Children under 18](#) — KFF
- [Births Financed by Medicaid by Metropolitan Status](#) — KFF
- [Status of State Medicaid Expansion Decisions](#) — KFF
- [Tracking Implementation of the 2025 Reconciliation Law Work Requirements](#) — KFF

# Weigh-In with Your Lawmakers

Below is sample template language you can use to urge your lawmakers to take action to protect access to Medicaid for children and families. Providing specific data on the impact on your state, county, or local community is super helpful, as are individual stories. Don't hesitate to reach out to Cara Baldari, Director of Advocacy, at [cbaldari@familypromise.org](mailto:cbaldari@familypromise.org) for help in drafting or sending out a note.

Dear **XX**,

*I am writing to you from Family Promise of **XX**, an organization working to prevent and end family homelessness in **XX**, to ask you to act to protect access to Medicaid for children and families in our community.*

*More than **XX%** of children receive health care coverage through Medicaid in our state. Medicaid provides children with access to preventative care and developmental screenings that are critical to ensuring they grow up to be healthy and successful adults. At Family Promise, we see firsthand that affordable health care coverage is also critical in helping families stabilize when they experience homelessness or other hardships. Too often, families find themselves in crisis after parents experience an injury or illness that prevents them from being able to work and leaves the family with unaffordable medical bills. Medicaid is critical to helping families afford medical care and keeping a roof over their heads.*

**Share any specific information or examples on the importance of Medicaid in your community.**

*We remain concerned that federal changes included in H.R. 1, enacted into law on July 4, 2025, will reduce access to Medicaid in **XX** for children and families by making it harder for parents and caretakers to receive and maintain critical health care coverage. Family Promise is already struggling to meet the unmet needs of families experiencing homelessness and housing instability in the region we serve, and we know that limiting access to affordable healthcare in our community will only compound the problem.*

**Share any specific data or information on the negative implications of Medicaid cuts to your community.**

*The changes to Medicaid included in H.R. 1 are not inevitable. We ask that you do everything in your power to stop or mitigate the harm to our community that will result in fewer children and families are able to access healthcare and experience worse health outcomes as a result. This includes supporting efforts to utilize allowable exemptions for new work requirements, reducing administrative burdens, and increasing outreach to Medicaid recipients to minimize coverage loss. In addition, we ask that you support increases in state funding to supplement any gaps in federal Medicaid funding for families and work to ensure that supplemental funding doesn't come at the expense of other critical funding or programs for children.*

*We know that protecting access to Medicaid ensures a brighter future for our community. Thank you for considering our request to prioritize access to Medicaid, and please don't hesitate to reach out with any questions or additional information.*

Sincerely,  
**XX**