



Medicaid Eligibility Changes

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H.R.1 - Eligibility & Enrollment Changes

Requirements	Effective Date
<p>‘Qualified Noncitizen’ definition and eligibility changes – Amends the definition of ‘qualified alien,’ limiting Medicaid eligibility for noncitizens.</p>	<p>October 1, 2026</p>
<p>Reducing duplicate enrollment under Medicaid and CHIP programs – Requires states to use additional data sources to identify potential out of state individuals (including but not limited to the National Change of Address files and Managed Care data), and in the future, to utilize a federal system implemented by HHS.</p>	<p>January 1, 2027 October 1, 2029 HHS system available</p>
<p>Six-month eligibility redeterminations – Requires states to redetermine the eligibility of Medicaid expansion members every 6 months.</p>	<p>January 1, 2027</p>
<p>Work and community engagement requirements – Requires states to implement work and community engagement requirements for Medicaid expansion.</p>	<p>January 1, 2027</p>

H.R.1 - Eligibility & Enrollment Changes

Requirements	Effective Date
Reducing retroactive coverage – Reduces retroactive coverage for Medicaid from three months to one month for Medicaid expansion and two months for all other covered groups. Reduces optional CHIP retroactive coverage from three to two months. VA has not adopted the CHIP retroactive coverage state option.	January 1, 2027
Ensuring deceased individuals do not remain enrolled – Requires states to utilize the quarterly Social Security Administration (SSA) Death Master File (DMF) in addition to state files to identify deceased members.	January 1, 2028
Payment reduction related to certain erroneous excess payments (PERM) – Expands definition of erroneous excess payment and imposes state fiscal impacts for error rate >3%.	October 1, 2029

Noncitizen Eligibility Changes, October 1, 2026

- Limits eligibility for non-pregnant adults to:
 - Legal Permanent Residents (aka Green Card Holders), after 5 years
 - Cuban/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	After October 1, 2026
<ul style="list-style-type: none">• Legal 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 Special Immigrant• SSI recipients• Certain 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">• Legal Permanent Residents• Compact of Free Association (COFA) migrants• Cuban and Haitian entrants

Six-Month Eligibility Redeterminations

- Conduct eligibility redetermination (aka renewal) for Medicaid expansion members every six months (currently done every 12 months).
- Certain American Indians/Alaskan Natives are exempt.
- CMS guidance was expected by December 31, 2025 – has not been released as of March 2nd.

Projected Impact: Medicaid expansion members (>550,000) will go through the renewal process every six months.

State Implications: System changes, eligibility policy updates, staff training, VDSS/LDSS workload impacts/staff training, possible contract modifications for eligibility and outreach support.

Coordination: DMAS/VDSS/LDSS coordination on workload management, system changes and trainings.

Communication: Communication plan to ensure member, providers, MCOs and other state agencies are aware of the changes.

Work & Community Engagement Requirements, January 1, 2027

Compliance

To fulfill the requirements, an individual must either:

- Work, volunteer, or participate in an education or work program for a total of at least 80 hours per month*;
- Be enrolled in an educational program at least part-time; or
- Have a monthly income of at least \$580 (federal minimum wage x 80 hours/month)*.

*Thresholds can be averaged over a 6-month period for seasonal workers.

Exemptions

Certain populations are exempt from the requirements, including:

- Pregnant or postpartum (12 months) individuals
- People with special medical needs, including substance use disorders, serious or complex medical conditions, or disabilities
- Veterans with a 100% disability rating from the VA
- Parents, guardians, or family caregivers for children under 14 or a person with a disability
- American Indians and Alaska Natives
- People incarcerated or are within 3 months of released

States *may* adopt temporary hardship exemptions for individuals:

- Receiving care in a hospital/psychiatric hospital, SNF, or ICF-IID, or care of similar acuity
- Residing in counties with an unemployment rate greater than 8% or greater than 150% of the national average
- Who experienced a natural disaster
- Who must travel outside of their community for necessary medical care

Work & Community Engagement Requirements, January 1, 2027

Impacted Population

Requirements apply to **Medicaid expansion**

- **Medicaid expansion covers** adults aged 19 to 64, with income at or under 138% of the federal poverty level (about \$21,597/year for an individual), and not eligible for Medicare.
- There are >550,000 individuals enrolled in Medicaid expansion in Virginia.

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

Application

1. Be compliant the month before the month that the application is submitted, **or**
2. Meet an exemption in the month that the application is submitted.

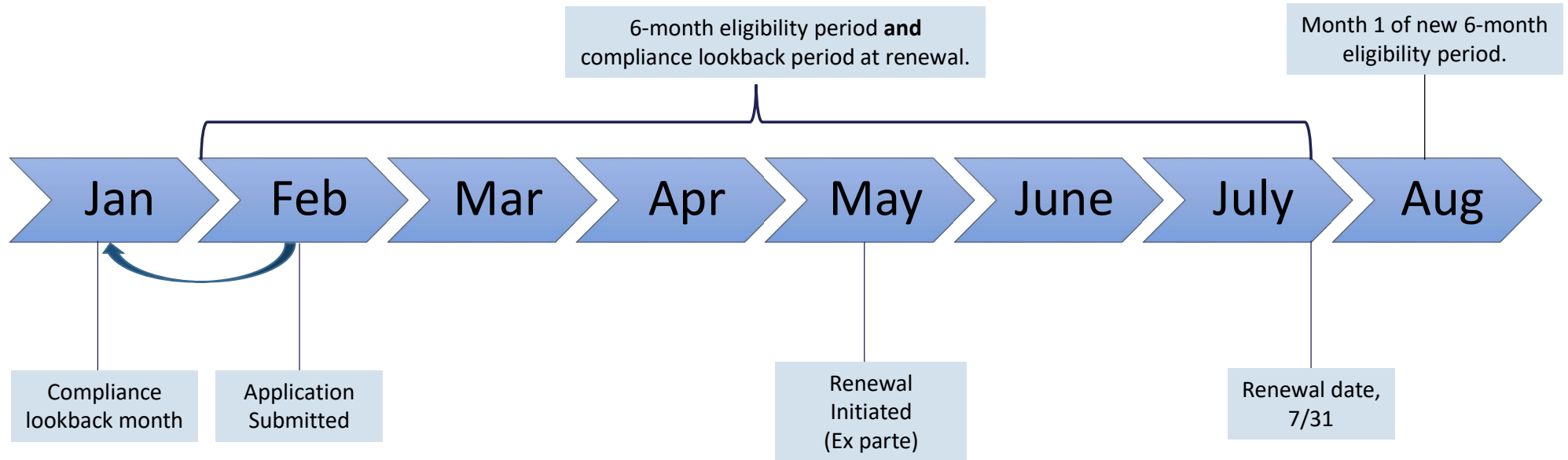
Renewal

1. Have been compliant for at least one month since the last eligibility determination/redetermination, **or**
2. Meet an exemption when the renewal is processed.

Change

Members who meet the work and community engagement requirements at application or renewal are determined to be compliant/exempt for the full 6-month eligibility period.

Member Timeline



Work & Community Engagement Requirements – State Options

1. Medically frail definition – Medical condition that can exempt members from work requirement reporting, as defined by the state and approved by HHS.
2. Self-attestation – States may elect not to require an individual to verify information resulting in deeming an individual exempt from the requirement (*pending CMS guidance*)
3. Compliance – No less frequent than one-month preceding enrollment, or at the states option up to three months.
4. Verification - May occur more frequently than at initial eligibility determination and at redetermination.

Work & Community Engagement Implementation Oversight Structure



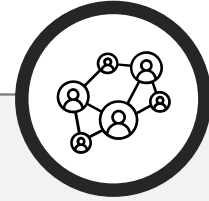
H.R. 1 Implementation Goals



Ensure that **eligible** Virginians maintain **coverage** and access to the care and services they need.



Promote efficiency, effectiveness, and sustainability.



Ensure that our initiatives, programs, and systems promote economic mobility and **connect** those who require additional support to achieve economic mobility to **appropriate resources**.

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.

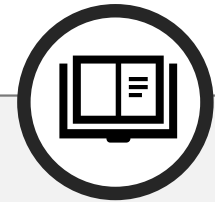


Collaborate

Cross agency coordination and partnership.

Engage Managed Care Organizations to conduct outreach.

Empower, resource and educate external 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.



Work & Community Engagement Implementation Timeline



Systems



Comms. & Outreach



Member Actions

