CardinalCare
Virginia's Medicaid Program

Impacts of H.R. 1: Medicaid Eligibility

Sara Cariano, Eligibility Policy & Outreach Division Director

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

DMAS

Updated 05/04/2026

H.R. 1 Background

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 work & community engagements, more frequent eligibility renewals for the Medicaid expansion population and eligibility changes for lawfully present noncitizens.
  - **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. CMS has stated that implementing H.R. 1 is their top priority but has released only limited, embargoed guidance.

Medicaid Footprint

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

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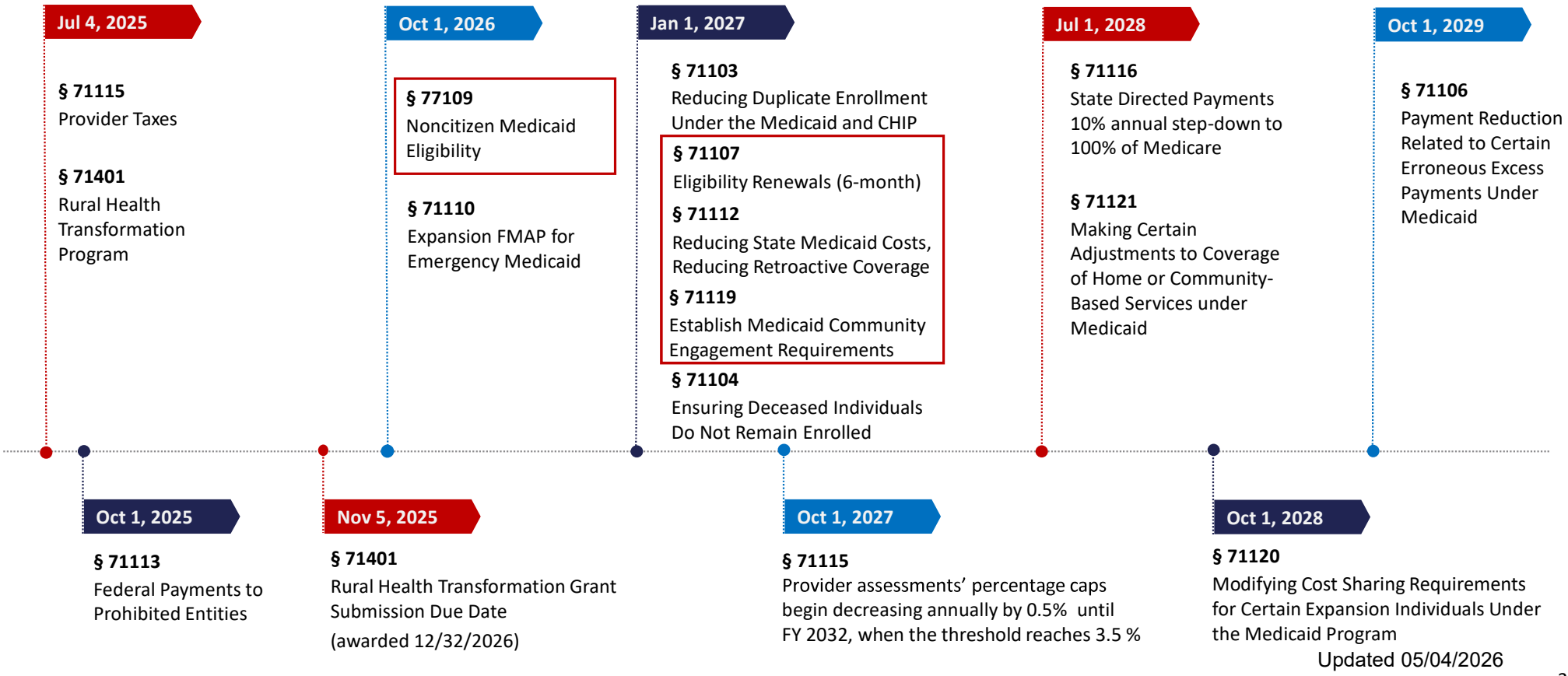
H.R. 1 Requirements & Implementation Dates



Updated 05/04/2026

Noncitizen Eligibility Changes

October 1, 2026

- Limits eligibility for non-pregnant adults to:
  - Lawful Permanent Residents (aka Green Card Holders)
    - After 5 years unless exception applies (ex: adjusted to LPR from another ‘qualified’ status)
  - 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 Citizen Eligibility, Non-Pregnant Adults

Before October 1, 2026	After October 1, 2026
• 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 • Certain American Indians/Alaskan Natives born in Canada • Legally residing active-duty military/veterans and their spouses and dependent children	• Lawful Permanent Residents • Compact of Free Association (COFA) migrants • Cuban and Haitian entrants ** Amerasian and SIV status automatically receive LPR status and can be treated as such.* Updated 05/04/2026

Limits that Continue to Apply

HR1 did not change the underlying definition of ‘qualified noncitizen’ established under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The following rules still apply:

- LPRs who entered the US after 8/22/1996 have a 5-year bar
  - Exception: LPRs who previously had a qualified status not subject to the 5-year bar (Refugees, Asylees, Deportees with deportation withheld, Cuban or Haitian Entrants, Iraqi and Afghan Special Immigrants, Victims of Trafficking)
- Cuban-Haitian Entrants are ‘qualified’ for only the first 7-years
- Active-duty military, veterans, and their children and spouses do not have a 5-year bar, if an LPR, or 7-year limit, if a Cuban-Haitian Entrant.

Implementation: CR914, June Release

- CR914, June release will modify the eligibility rules for noncitizens (Medicaid & SNAP), effective 10/1/2026
  - Additional updates to the noncitizen screen will also be made.
- Individuals who apply for coverage starting before October 2026 should continue to be reviewed under the current eligibility rules.
- Individuals enrolled in full-coverage with a status that will no longer be 'qualified' will be identified and sent a notice in August.
  - They will have 30 days to provide information about any changes to their immigration status.
  - Their eligibility must be redetermined using information provided or, if no information is provided, based on the data in VaCMS.
  - Individuals who do not respond will be addressed through a batch process.
  - Many will likely be moved to Emergency Services only Medicaid

Reducing Retroactive Coverage

January 1, 2027

Medicaid

- Medicaid Expansion: Retroactive coverage reduced to one month
- Non-Medicaid Expansion Coverage Groups: Reduces retroactive coverage to two months
  - Current exceptions (ex: QMB) still apply

CHIP (FAMIS)

- Reduces optional CHIP retroactive coverage from three to two months
- VA does not provide retroactive coverage through CHIP (remains a state option)
  - Exception: Newborns for whom an application is submitted within 3 months of birth. This will be reduced to 2 months.

Implementation: CR904, August Release

- Changes will limit retroactive coverage to align with the new rules.
- Application will be updated to ask about the medical expenses from the previous 2 months (versus 3 months).
- Renewals submitted during the reconsideration period will be limited to retroactive coverage under the new rules.
  - This will result in a gap in coverage for Medicaid Expansion members who submit their renewal in the 3rd month of the reconsideration period.

Example: Medicaid Expansion member is closed at then end of March 2027 for failure to renew. The member returns the form during the reconsideration period and remains eligible.

- Renewal returned in April -> Coverage reinstated April 1, first of the month the renewal is returned
- Renewal returned in May -> Converge reinstated April 1, based on the one allowable month of retroactive coverage.
- Renewal returned in June -> Coverage reinstated May 1, with one month of retroactive coverage, based on the one allowable month of retroactive coverage. The member will have a gap in coverage for the month of April. Could possible be enrolled in Plan First for that month.

Six-Month Eligibility Redeterminations

January 1, 2027

- Conduct eligibility redetermination (aka renewal) for Medicaid Expansion members every 6 months (currently done every 12 months).
- ACs 100, 101, 102, 103, 108 & 112
- Certain American Indians/Alaskan Natives are exempt.
- Effective for:
  - Applications **submitted** on or after January 1, 2024
  - Renewal **initiated** on or after January 1, 2024

Implementation: CR926, October Release

- Reduce renewal period for Medicaid Expansion to 6 months.
- Emergency Services Medicaid will become closed periods of coverage.
  - AC112, 6-months
  - AC113, 12-months
- Tribal Indicator will be added to VaCMS, CR915 (June release)

Work & Community Engagement

January 1, 2027

Impacted Population

Requirements apply to **Medicaid Expansion**

- **Medicaid Expansion:** Adults aged 19 to 64, with income at or under 138% of the federal poverty level and not eligible for Medicare.
- ACs 100, 101, 102, 103, and 108.
  - Application to AC112 (Emergency Services) pending CMS guidance.
- Interim final rules for the work and community engagement requirements are expected to be released in **June 2026**.

Application

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

Renewal

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

Change

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

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Work & Community Engagement: Compliance

Compliance

To fulfill the requirements, an individual must:

- Work, volunteer, or participate in an education or work program for 80 hours per month or more.
  - Hour threshold can be met through one activity (ex: just work) or a combination of activities.
- Be enrolled in an educational program at least half-time
  - Definition of half-time pending CMS guidance)
- Have a monthly income of at least $580 (federal minimum wage x 80 hours/month
- If a seasonal worker:
  - Worked an average of 80 hours per month over the previous 6 months
  - Earned an average of at least $580 a month over the previous 6 months

Work & Community Engagement: Exclusions

Excluded Populations

- 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
- Individual who is 'medically frail,' defined as an individual with:
  - A substance use disorder
  - A disabling mental disorder
  - A physical, intellectual, or developmental disability
  - A serious or complex medical condition
- 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

Work & Community Engagement: Exceptions

Mandatory Excepted Populations

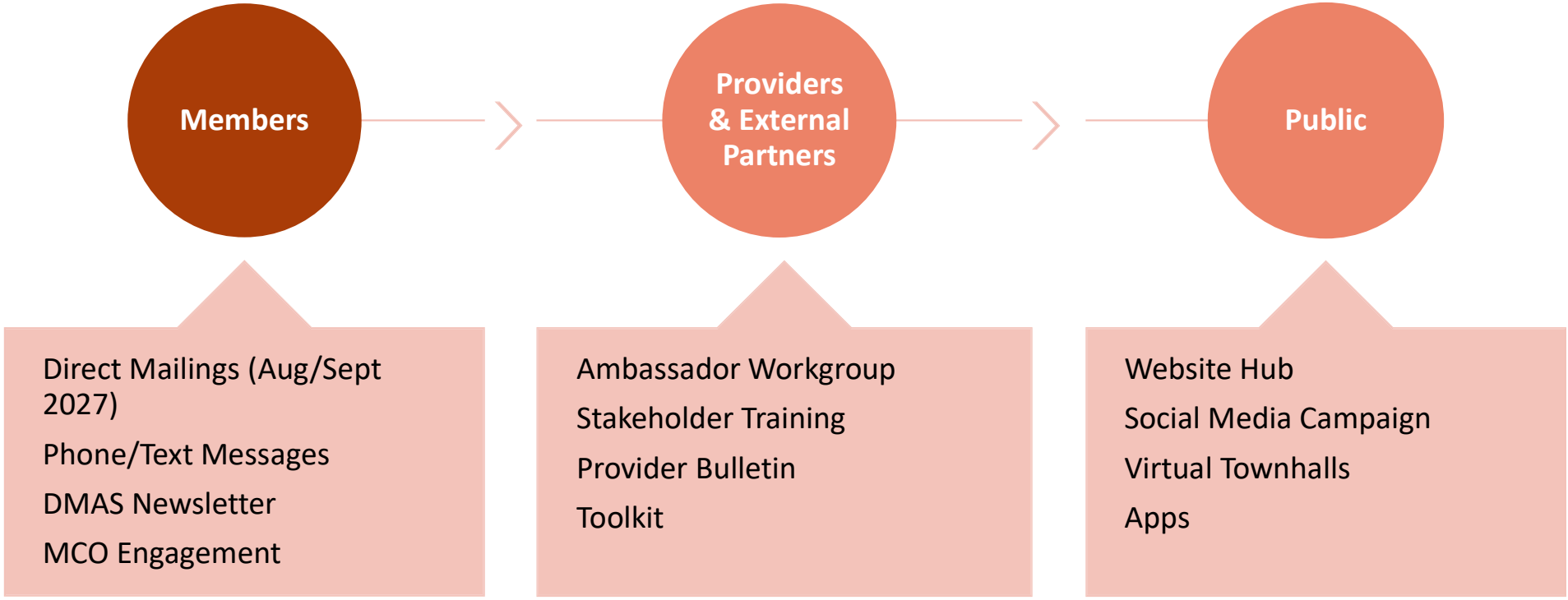
- Age 18 or younger
- Age 65 or older
- Entitled to or enrolled in Medicare Part A and/or B
- Defined in a mandatory Medicaid categorically needy eligibility group (ex: SSI recipient, children, foster care, adoption assistance)
- Released from incarceration in the previous 3 months

Optional Temporary Hardship Excepted Pops.

- 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 greater than 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

Communication Strategies

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



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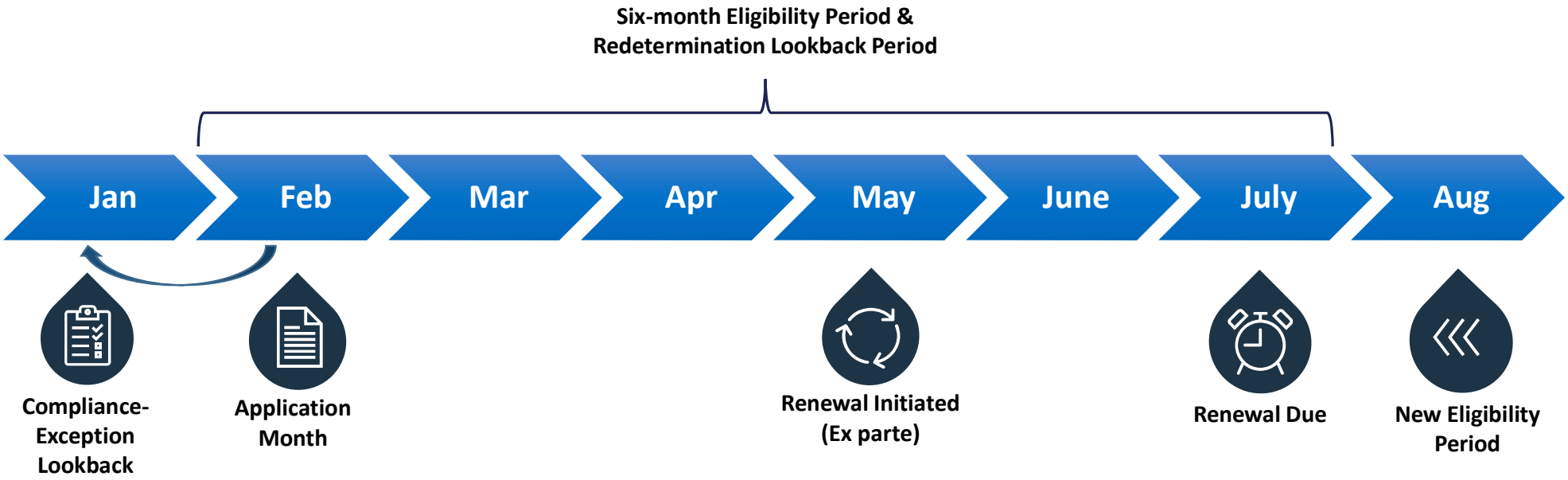
Work & Community Engagement & 6-Month Redetermination Member Timeline



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Updated 05/04/2026

Decisions Pending CMS Guidance

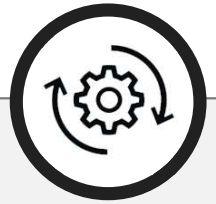
- Medically frail
  - Definition
  - Verification sources
  - Duration
  - Screening at application and renewal
- Level of attestation acceptable for year 1 and for future years.
- Exception/exclusion/compliance hierarchy
- Operational details of optional hardship exemptions
- Federal reporting requirements
- Treatment of members during transitions (ex: turning 19, end of 12-month postpartum period)

Implementation:

- DMAS is establishing a Work and Community Engagement Portal
  - Receive data from VaCMS
  - Determine compliance, exception, exclusion
  - Send results to VaCMS
  - Enable members to report compliance activities and/or exclusion and exception through portal
- VaCMS releases in June and October
- Due to the delay in guidance, additional system changes will be likely after initial implementation.

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.

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.

Updated 05/04/2026

Resources

- H.R. 1 Full Text: 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

Impacts of H.R.1 SNAP Eligibility

Monica Moore

SNAP Home Office Consultant

Updated 05/04/2026

H.R. 1 Background

Impact of H.R. 1

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

These changes include, in part:

- **New eligibility requirements**, including eliminating eligibility for certain noncitizen groups, updated work requirements, and limitations on the receipt of the Standard Utility Allowance (SUA)
- **Addition of a matching funds requirement,** requiring states to pay a percentage of SNAP benefit allotments based on SNAP Quality Control Payment Error Rate (PER).

SNAP H.R.1 Requirements and Implementation Dates

11/1/2025

- Standard Utility Allowance (SUA) changes
- Work Requirement exemption changes

12/1/2025

Immigrant guidance changes

Note that the SNAP expense verification requirements enacted on October 1, 2025 were implemented as a result of Executive Directive 13 issued by the Governor of Virginia and are not a requirement of H.R.1.

Changes to the receipt of LIHEAP to apply the Standard Utility Allowance (SUA)

November 1, 2025

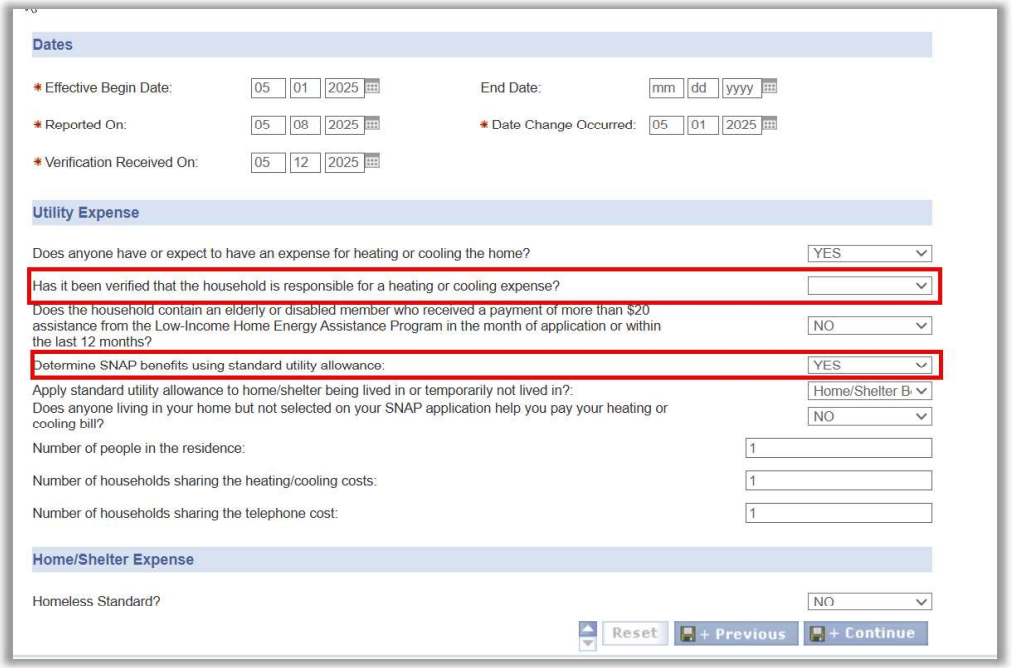
- The provision that allows households to have the utility standard applied as a shelter deduction changed if the only attachment to the standard is because of the household's receipt of energy assistance (LIHEAP).
- Households eligible for the standard solely because of this LIHEAP provision must now be comprised of at least one elderly (60 or older) or disabled member, as outlined in Definitions.

Application of the New SUA Rules

- If the household qualified for the SUA at certification prior to November 1, 2025, the SUA will continue to apply until recertification, as long as the household still has the expense that was established at certification.
- Households that qualify for the SUA because they incur a heating or cooling expense are still eligible for the SUA if they can verify the household's responsibility for paying the expense. Households are also still able to deduct actual direct utility expenses, when appropriate, and if verification is provided.
- System changes were implemented to retain the SUA for these households until the first recertification that occurs after November 1, 2025.

Reminder: Review the SNAP Expenses – Standards Screen

- When making changes to ongoing cases and processing recertifications in VaCMS, always review the *SNAP Expenses – Standards* screen, which was updated effective 11/1/2025 with fields relevant to the new SUA guidance.
- If the questions are left blank or retain old information, the SUA may not be applied even if the recipient qualifies for the standard.



Changes to Work Requirement Exemptions

November 1, 2025

- Raised the upper age limit for individuals exempt based on age to 65
- Lowered the age of children in the SNAP household that allows adult household members an exemption to 13 years old
- Established a new exemption for individuals defined in the Indian Health Care Improvement Act and the Alaska Native Claims Settlement Act
- Eliminated the work exemptions for:
  - Homeless individuals*
  - United States veterans
  - Individuals age 18-24 that have transitioned out of foster care
- Limited work requirement waivers to only be permissible if an area has an unemployment rate above 10% and removes the ability for waivers to be based on lack of sufficient jobs. As a result, there are no exempt localities.

**An existing exemption for chronic homeless as an indicator of unfitness for work remains valid.*

Application of the New Work Requirement Rules

- If an individual qualified for one of the newly-eliminated exemptions prior to November 1, 2025 and was exempt for one of the following reasons, the exemption continues to apply until the next recertification.
  - Individuals between age 55-64
  - Adults with a dependent child in the SNAP household age 14-17
  - Veterans
  - Individuals experiencing homelessness
  - Individuals age 18-24 that have transitioned out of foster care
- System changes were implemented to retain individuals in these categories who were active on a SNAP case as of November 1, 2025.

Noncitizen Eligibility Changes
December 1, 2025

- Limited SNAP eligibility to those who reside in the United States and are:
  - A U.S. citizen/U.S. national
  - Lawfully admitted for permanent residence with no intention of abandoning their residence in a foreign country
  - Cuban and Haitian entrants
  - Allowed to live and work in the US under the Compacts of Free Association (COFA).
- Removed eligibility for refugees and those granted asylum, as well as any others not explicitly included in the above.
- Required that all non-eligible, non-citizen financial resources in any SNAP household be included in eligibility and benefit determination, even for those who are not receiving benefits.

Eligible Groups beginning December 1, 2025

Eligible Noncitizen Groups	Eligibility Timing
• Non-citizen U.S. nationals • Cuban and Haitian entrants • Compacts of Free Association (COFA) citizens	Eligible immediately, with no waiting period, as long as they meet all other SNAP financial and non-financial eligibility requirements.
• Lawful permanent residents (LPR) (Green Card holders)	Eligible after a 5-year waiting period, as long as they meet all other SNAP financial and non-financial eligibility requirements. LPRs may still be eligible for SNAP without a waiting period if they meet one or more of the following conditions: • Are under 18 years old • Have 40 qualifying work quarters • Are blind or disabled • Were lawfully residing in the U.S. and 65 or older on August 22, 1996 • Have a U.S. military connection • **Are admitted to the United States as an Amerasian immigrant*** • **Are an American Indian born abroad*** • **Certain Hmong or Highland Laotian tribal members *** • **Iraqi and Afghan Special Immigrants (SIV)*** • **Certain Afghan Nationals Granted Parole Between July 31, 2021, and September 30, 2023*** • **Certain Ukrainian Nationals Granted Parole Between February 24, 2022, and September 30, 2024*** • **Refugees*** • **Individuals Granted Asylum*** • **Deportation Withheld*** • **Victims of Severe Trafficking***

***Previously, these groups did not need to have LPR status to be eligible for SNAP.**

Updated 05/04/2026

Groups No Longer Eligible Unless Status Has Been Adjusted to LPR

*Subject to five-year waiting period

**NOT subject to five-year waiting period

- Conditional Entrants*
- Battered Aliens*
- Parolees*
- Admitted as an Amerasian immigrant**
- Recognized as a qualifying American Indian born abroad**
- Identified as a Hmong or Highland Laotian tribal member**
- Iraqi and Afghan Special Immigrants (SIV)**
- Certain Afghan Nationals Granted Parole Between July 31, 2021, and September 30, 2023**
- Certain Ukrainian Nationals Granted Parole Between February 24, 2022, and September 30, 2024**
- Refugees**
- Individuals Granted Asylum**
- Deportation Withheld**
- Victims of Severe Trafficking**

Updated 05/04/2026

Implementation

- These changes were applied to all new applications beginning December 1, 2025, and at recertification for current participants.
- For other changes that occur during the certification period or at Interim Report, recipients will retain their eligibility until the next recertification, as long as they remain eligible under other SNAP program criteria.
- If an individual does not meet one of the eligible groups at application or recertification, they are no longer eligible and must be removed from the SNAP household.

VaCMS Noncitizen Workaround

Ineligible Noncitizens

This workaround/Interim Business Process will be eliminated with the implementation of the VaCMS June 2026 release (CR914)

Interim Business Process for Ineligible Noncitizens Eff. 12/1/2025

In the example below, a refugee parent (non-LPR) is applying for SNAP, TANF and MA for herself and her U.S. citizen child. Per SNAP's updated noncitizen guidance, the refugee parent would no longer be eligible. In scenarios such as this, please follow the interim business process outlined below.

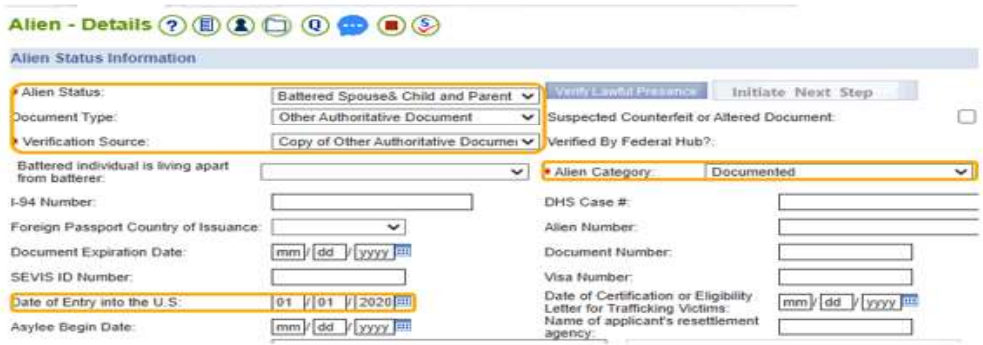
Please note, if TANF is attached to the case, BPS must first obtain all appropriate alien status verifications for TANF before authorizing the case. BPS may need to enter the actual alien status and verification received to ensure the client(s) is/are eligible for TANF. If eligible for TANF, please proceed to enter the IBP for SNAP.

Additionally, when processing a joint SNAP/TANF (no MA) case that contains only non-citizens who are no longer eligible for SNAP, but remain eligible for TANF, workers must ensure the Alien screen is completed using the proper Alien Status and verification sources after following the IBP instructions.

For example, if the case contains refugees only, and the worker follows the IBP that was issued for SNAP, they will change the Alien Status to "Battered Spouse & Child and Parent", the case will no longer be eligible for SNAP but will remain eligible for TANF. After SNAP has been closed, the worker will need to put the case into Case Change mode and update the Alien screen to properly reflect the refugee Alien Status and verification used, then run eligibility for TANF.

Within the VaCMS:

1. Navigate to the "Alien – Details" screen and select "Battered Spouse & Child and Parent" as the "Alien Status" type. Select "Other Authoritative Document" as the "Document Type", "Copy of Other Authoritative Document" as the "Verification Source". Then select "Documented" from the "Alien Category" selection. Enter any date as the "Date of Entry into the U.S."



Updated 05/04/2026

VaCMS Noncitizen Workaround

New LPR Categories Now Exempt from LPR Five-Year Waiting Period

This workaround/Interim Business Process will be eliminated with the implementation of the VaCMS June 2026 release (CR914)

Interim Business Process for New LPR Categories Now Exempt from LPR 5-Year Waiting Period Eff. 12/1/2025

In the example below, a Hmong tribal member is applying for SNAP, TANF and MA for herself and her child. Per SNAP's updated noncitizen guidance, the parent would now qualify for SNAP benefits without a 5-year waiting period. In scenarios such as this, please follow the interim business process outlined below.

Please note, if TANF is attached to the case, BPS must first obtain all appropriate alien status verifications for TANF before authorizing the case. BPS may need to enter the actual alien status and verification received to ensure the client(s) is/are eligible for TANF. If eligible for TANF, please proceed to enter the IBP for SNAP.

Additionally, when processing a joint SNAP/TANF (no MA) case that contains only non-citizens who are no longer eligible for SNAP, but remain eligible for TANF, workers must ensure the Alien screen is completed using the proper Alien Status and verification sources after following the IBP instructions.

For example, if the case contains refugees only, and the worker follows the IBP that was issued for SNAP, they will change the Alien Status to "Battered Spouse & Child and Parent", the case will no longer be eligible for SNAP but will remain eligible for TANF. After SNAP has closed, the worker will need to put the case into Case Change mode and update the Alien screen to properly reflect the refugee Alien Status and verification used, then run eligibility for TANF.

Within the VaCMS:

1. Navigate to the "Alien – Details" screen and select "Hmong/Highland Laotians" as the "Alien Status" type. Select "Other Authoritative Document" as the "Document Type", "Copy of Other Authoritative Document" as the "Verification Source". Then select "Documented" from the "Alien Category" selection. Enter "01/01/2020" as the "Date of Entry into the U.S."

Updated 05/04/2026

Important Reminders

Combo Cases and VaCMS Noncitizen Workaround

IMPORTANT NOTE REGARDING MA: For both IBPs below, if MA is attached to the case, you must make the changes below for SNAP and run eligibility for SNAP/TANF ONLY. Once authorized for SNAP, you must go back into the case record, revert the Alien – Details screen back to the applicant's immigrant status for MA and run eligibility for MA ONLY. Failure to run SNAP/TANF separately from MA could result in inaccurate eligibility results for MA.

IMPORTANT NOTE REGARDING TANF: TANF eligibility should not be negatively impacted by either of the IBPs below. If it is, please consult with your TANF Regional Practice Consultant before authorizing eligibility results.

Resources

- H.R. 1 Full Text: congress.gov/bill/119th-congress/house-bill/1/text
- SNAP Forward page on Fusion: fusion.dss.virginia.gov/bp/BP-Home/Strategic-Outcomes/SNAP-Forward

Thank You!