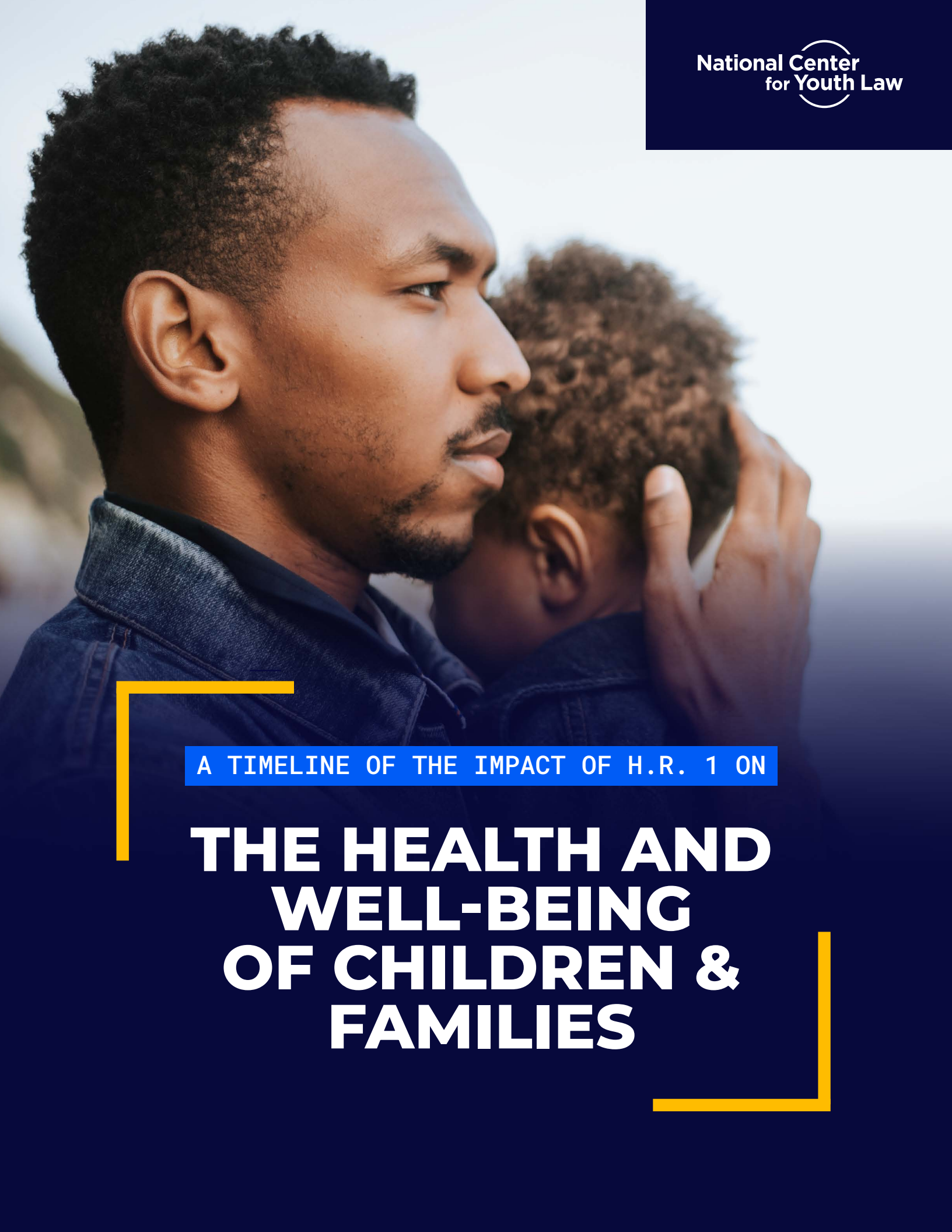
National Center for Youth Law



A TIMELINE OF THE IMPACT OF H.R. 1 ON

# THE HEALTH AND WELL-BEING OF CHILDREN & FAMILIES

# Overview

- In July 2025, President Trump signed H.R. 1, the Budget Reconciliation Bill, into law as P.L. 119-21.
- The budget prioritizes tax breaks for the wealthiest Americans and cuts funding for important public services and benefits, like **Medicaid** (healthcare), **SNAP** (food assistance), and the **Child Tax Credit**.
- Many of the cuts are in the form of red tape, changes in eligibility, and other barriers to accessing support.
- Millions of Americans who rely on these services may lose access to them or face extra hurdles to keep their eligibility.
- These changes will take place over time. Some will happen right away, while others won't take effect for years.

**Please Note:** This resource highlights key impacts and timing of H.R. 1 on child and family health and well-being. It is not intended to be comprehensive, and does not constitute legal or financial advice. Many provisions have clauses leaving discretion for exact timing and implementation up to individual states; consult your state's authority for the most accurate information for your community.

**Last updated: December 17, 2025**

# Healthcare: Medicaid, CHIP & Marketplace Plans

## What are Medicaid, CHIP and Markeplace Plans?

Medicaid and CHIP (the Children's Health Insurance Program) provide free or low-cost health coverage to eligible low-income adults, families, and children. Medicaid is funded by both federal and state funds. Each state runs its own Medicaid program, subject to federal rules and approvals.

Your state might use a different word to refer to its Medicaid program. For example, California's state Medicaid program is called "Medi-Cal," and Tennessee's is called "TennCare."

The "Health Insurance Marketplace" or "Health Insurance Exchange" is a government-run system through which families who are not eligible for Medicaid and do not have insurance coverage through their jobs can "shop" for and purchase private insurance plans.

## What major changes are coming?

- **Less federal funding:** The federal government has made changes that will cut more than a trillion dollars of Medicaid funding. States will have to find ways to make up the difference or make changes to their Medicaid programs to cut costs.
- **Work requirements:** The federal government is imposing work requirements as a condition for having Medicaid coverage. There is an exemption for parents and caregivers of children age 13 and younger or a disabled individual.
- **More process requirements to keep eligibility:** Those who are eligible for Medicaid through "expansion" provisions (added under the 2010 Affordable Care Act) will be subject to more frequent eligibility determinations (every 6 months), creating a paperwork burden that may result in loss of coverage.
- **Fewer people will be able to access Medicaid:** Some immigrant and expansion populations (who qualified for Medicaid coverage due to the Affordable Care Act) will lose their coverage.
- **Loss of school-based health services for vulnerable children:** Many schools rely on Medicaid reimbursements for services like speech therapy, mental health counseling, and nurses. Stricter eligibility and reduced reimbursements could force schools to cut these services.
- **Higher costs for Marketplace insurance plans:** H.R. 1 failed to extend enhanced premium tax credits (ePTCs), which are refundable credits that help eligible families cover the cost of premiums for coverage they purchase through the Marketplace, past the end of 2025. Because of this, out-of-pocket costs for plans purchased through the Marketplace will increase and coverage will become less affordable.

# What will happen and when?

## 2025

### Effective July 2025

- H.R. 1 says that states cannot establish any new "provider taxes" or increase rates of existing provider taxes, with some exemptions (e.g., nursing facilities). States have up to 3 years to transition their existing arrangements. *"Provider taxes" are fees that states impose on health care providers (such as hospitals). The money that states get from provider taxes allow the states to increase Medicaid funding and could be used to help replace a loss of federal Medicaid dollars. By prohibiting states from replacing federal Medicaid cuts through means like state provider taxes, H.R. 1 is forcing states to reduce overall Medicaid spending, which will mean decreasing coverage, eliminating benefits, or reducing provider payments in upcoming years.*
- H.R. 1 also changes the conditions under which states can get waivers from certain rules about existing provider taxes. This means that some already existing provider taxes that states use to increase Medicaid funding won't be permitted going forward. States may be given up to 3 years to transition existing arrangements that are no longer allowed.
- H.R. 1 begins a 10-year moratorium (suspension) on the mandatory implementation or enforcement of rules that were finalized during the Biden Administration. These rules were intended to simplify enrollment in Medicaid and CHIP and thereby increase access. These policies remain optional; states may choose whether or not to follow them.
- H.R. 1 imposes a ban on Medicaid reimbursement for 1 year for all services to essential community providers that are primarily engaged in family planning and reproductive health, if they offer abortion services and received $800K in Medicaid funds in 2024. *In other words, clinics that primarily provide reproductive healthcare, including abortion, are prohibited from participating in Medicaid, so if you got your preventive healthcare services or cancer screenings at such a clinic, you can no longer do so using Medicaid insurance. This directly impacts Planned Parenthood clinics and patients.*[1]

[1]As of Nov 20, 2025, there is an active lawsuit challenging the legality of the ban: https://dockets.justia.com/docket/circuit-courts/ca1/25-1755. A federal appeals court is deliberating whether the law can remain in effect while there are pending legal challenges.

### Effective December 31, 2025

- By this date, applications will be due to Centers for Medicare & Medicaid Services (federal agency, sometimes called CMS) for Rural Health Transformation Program allotments. These are one-time, five-year grants for states to use between fiscal years 2026 and 2030 for some costs of rural health care efforts. For example, the grants can be used for paying for health care services or expanding workforce, for rural health clinics and community health centers. *This was included in H.R. 1 in response to pushback regarding the massive cuts to healthcare funding included in H.R.1, but only accounts for a little more than a third of the federal funding loss in rural areas*.
- Also by this date, CMS is scheduled to issue guidance on systems to make Medicaid expansion determinations every six months. *H.R. 1 requires states to re-determine enrollees' eligibility for Medicaid every six months, which is a major departure from prior Medicaid eligibility rules and could lead to lost coverage*.

## 2026

### Effective January 1, 2026

- The temporary incentive for states to adopt Medicaid Expansion under the Affordable Care Act (ACA) will be eliminated. States that have not already expanded Medicaid will no longer have an FMAP incentive to do so. *The ACA gave states the option of expanding Medicaid eligibility to include nearly all adults with incomes up to 138% of the Federal Poverty Line. States were incentivized to do this through a higher "FMAP," or "Federal Medical Assistance Percentage," which is the rate at which the federal government contributes to health care costs. H.R. 1's elimination of the FMAP incentive makes it harder for states to continue covering expansion populations.*
- Because H.R. 1 failed to extend enhanced premium tax credits past the end of 2025, the premiums for Marketplace plans will increase. *Enhanced premium tax credits, or ePTCs, are refundable credits that help eligible enrollees cover the cost of premiums for coverage purchased through the Marketplace. Consumers are already seeing these increased costs as they plan for 2026 during the current open enrollment period.*

### Effective October 1, 2026

- Federal matching payments for Emergency Medicaid coverage for immigrants who *would* qualify for expanded Medicaid but

do not due to ineligible immigration status will be limited to the state's regular FMAP. *Emergency Medicaid reimburses hospitals and providers for emergency treatment services that they are legally obligated to provide to this population under the Emergency Medical Treatment and Labor Act. As noted above, FMAP means "Federal Medical Assistance Percentage," which is the rate at which the federal government contributes to health care costs.*

- Non-citizen eligibility for Medicaid and the Children's Health Insurance Program (CHIP) will be narrowed to: lawful permanent residents (green card holders), Cuban and Haitian entrants, people residing under a "Compact of Free Association" with Palau, Micronesia, and the Marshall Islands, and lawfully residing children/pregnant adults in states covering them under Legal Immigrant Children's Health Improvement Act (ICHIA). Coverage will be eliminated for other groups, including refugees, asylees, and people with Temporary Protected Status (TPS) and valid visa holders.

### Effective no later than December 31, 2026 (or earlier at state discretion)

- For renewals on or after December 31, 2026: States will be required to conduct eligibility redeterminations at least every 6 months for Medicaid expansion adults. *More frequent eligibility redeterminations will likely lead to more time spent administering Medicaid, and could rest in loss of coverage for many eligible individuals.*

### Effective December 31, 2026

- Retroactive coverage will be limited to one month prior to application for coverage for expansion enrollees, and two months for traditional enrollees. *Expansion enrollees are those enrolled in Medicaid through the ACA's expansion provisions, which allowed states to cover most adults with incomes up to 138% of the Federal Poverty Level.*

## 2027

### Effective January 1, 2027

- States are required to obtain enrollee address information using reliable data sources, including the National Change of Address Database and managed care entities. *While increased oversight measures such as address verifications are ostensibly*

*intended to improve accuracy and program integrity, they could lead to higher risks of coverage losses for some enrolled, such as those experiencing housing instability or homelessness.*

- Any new Section 1115 Medicaid waiver demonstrations issued after this date (*i.e., situations where the federal government waives certain Medicaid provisions to give states flexibility to design and improve programs*) must be budget neutral.
- (Or earlier at state option) States are required to condition Medicaid eligibility for individuals ages 19-64 applying for coverage or enrolled through the ACA expansion group (or waiver) on working or participating in at least 80 hours per month of qualifying activities (*i.e. "Work Requirements"*). Certain adults, including pregnant women, parents of dependent children ages 13 and younger, foster youth and former foster youth younger than 26, members of Tribes, and the medically frail, are exempt.
  - » Exception: States that apply and are approved for "good faith" waivers may delay implementation until no later than December 31, 2028.

### Effective October 1, 2027

- Provider tax rate reduction phase-in for expansion states begins, reducing state Medicaid funding. Nursing homes and immediate care facilities are exempt. The reduction will happen through lowering of the "safe harbor" limit (a percentage of providers' net patient revenue) incrementally each year, through October 1, 2031.

## 2028

### Effective January 1, 2028

- Deadline for work requirement implementation for states that previously received extensions.

### Effective October 1, 2028

- States required to impose cost sharing (*i.e. co-pays*) of up to $35 per service on expansion adults over 100% of the FPL (*federal poverty line*), with exceptions for certain services: primary care, prenatal, pediatric, emergency room care, behavioral health and rural clinic services, and services delivered through Federally Qualified Health Centers (FQHCs). However, providers may reduce or waive cost-sharing on a case-by-case basis. In addition, premiums and enrollment fees for these adults are eliminated.

## 2029

### Effective October 1, 2029

- Deadline for the federal Department of Health and Human Services to establish a system of sharing information with states in order to prevent individuals from being simultaneously enrolled in Medicaid in more than one state. This will require states to submit enrollee information, such as Social Security Numbers, on a monthly basis. *Duplicate enrollments may occur unintentionally, such as when an enrollee moves but does not immediately update their address, or when different states use different systems that don't communicate changes effectively.*

# SNAP (food assistance)

## What is SNAP?

SNAP (the Supplemental Nutrition Assistance Program) provides food benefits to low-income families to supplement their grocery budget. It is jointly funded by states and the federal government.

Your state might use a different word to refer to SNAP. For example, in California, SNAP is known as "CalFresh." In Wisconsin, it is called "FoodShare."

## What major changes are coming?

- **Amount of benefits:** The maximum SNAP benefit amount will be fixed, with no increases except for adjustments based on food price inflation. The amount can no longer be updated based on other factors such as changes in dietary guidelines, changes in food consumption partners, or other evolving needs.
- **Less federal funding of SNAP:** The federal government will no longer pay 100% of the SNAP benefit, instead making the level of federal funding conditional on state error rates. In addition, the federal government will go from covering 50% of the costs of *administering* SNAP to only 25%. States will either need to find funds to cover the gap, or make program cuts.
- **Work requirements:** Recipients ages 18-65 will be subject to community engagement / work requirements, with limited exceptions (medical; dependent child younger than 14; pregnant women; "Indian, Urban Indian, or California Indian"). Young people who have experienced the foster system will no longer be exempt from the work requirement.
- **Fewer immigrants will be eligible for SNAP:** This includes several categories of lawfully present immigrants, such as refugees, individuals granted asylum, certain survivors of domestic violence or human trafficking with pending or approved visas, and youth with Special Immigrant Juvenile Status (SIJS) awaiting their green cards.
- **Fewer kids will receive free or reduced-cost school meals:** Fewer children will be automatically eligible for free/reduced school meals, due to loss of their SNAP and Medicaid benefits. Schools will also be less likely to participate in the "Community Eligibility Provision," which allows schools to provide free breakfast and lunch to students if enough of their students are *categorically* eligible (e.g., those students who receive SNAP).

# What will happen and when?

## 2025

### Effective July 2025

- New eligibility restrictions and work requirements are in effect, but most beneficiaries won't experience cuts or loss of their benefits until their state's next recertification period (most states recertify eligibility every 6 or 12 months). Generally, when a family loses SNAP or Medicaid benefits, the student will no longer appear in the state system that schools use to determine eligibility for free meals at school.

### Effective October 1, 2025

- Annual cost of living adjustments (COLA) to SNAP benefits for fiscal year 2026 take effect.
- All future reevaluations of the Thrifty Food Plan (or the TFP, which determines the maximum SNAP benefit amount) must be "cost neutral." This means the value of the TFP cannot increase based on anything except food price inflation. For example, it cannot be updated based on changes in dietary guidelines, changes in food consumption patterns, or other evolving needs.

## 2026

### Effective October 1, 2026

- Federal share of administrative costs decreases to 25%. *Every state must spend state dollars to help administer their SNAP benefits programs. The federal government gives each state some money to help cover these costs. By reducing how much the federal government offers each state, the state's own costs will go up, which may lead some states to reduce benefits.*

## 2027

### Effective October 1, 2027

- Federal funding of SNAP benefits decreases (but possible implementation delay until 2029 or 2030, depending on state error rates).

# Child Tax Credit (CTC)

## What is the Child Tax Credit?

The federal Child Tax Credit is a tax break that helps eligible families by reducing their tax liability by about $2,200, per qualifying child, up to certain income thresholds. The Additional Child Tax Credit (ACTC) is a refundable portion of the CTC that applies when the amount of the credit exceeds the family's tax liability; only families with earnings exceeding $2,500 are eligible for the ACTC.

## What major changes are coming?

- **Fewer families will be eligible to claim the CTC:** Some families previously eligible for the CTC will no longer be able to claim it. This is because the new law requires that the child and at least one parent have a Social Security Number (SSN) to be eligible.
- **Fewer families will receive the full CTC:** Fewer families will be eligible for the full amount of the CTC, because they will need more income to qualify for the full amount. This is because, while H.R. 1 increases the value of the CTC, it does not make changes to how the value is determined based on family income. This is expected to disproportionately impact children in larger families, young children, children in rural areas, children in single-parent families, and BIPOC children.

## What will happen and when?

**2026**

### Effective in 2026 (for the 2025 tax year)

- The maximum amount of the CTC increases to $2,200 per eligible child, and is indexed to inflation going forward.
- The maximum amount of the refundable portion of the credit (ACTC) remains capped at $1,700 per child.
- The requirement that a child and at least one parent have a Social Security Number for CTC eligibility takes effect. *This will negatively impact mixed status families, such as those in which the child is a U.S. citizen but neither parent has a Social Security Number.*

# Where to Learn More & Find Support

### Learn about health and nutrition impacts for immigrant communities

→ National Immigration Law Center resource

### Learn about impacts on health care

→ KFF resource

### Find emergency food support in your area

→ Feeding America search by state tool

→ In California, call 2-1-1

### Learn about impacts of the federal budget on your state

→ State Fact Sheets from the Center for American Progress

### Find and contact your state Medicaid agency

→ Search by state on the Medicaid website

### Find legal help

→ ABA Legal Answers site

→ Legal Services Corp's Legal Aid Directory

### Learn about ways to advocate for policies that help children and families

→ NCYL's Federal Advocacy Toolkit for Parents & Caregivers (English)

→ NCYL's Federal Advocacy Toolkit for Parents & Caregivers (Spanish)

→ NCYL's Youth and Community Advocacy Resources