Overview of New Federal Medicaid Eligibility Requirements

H.R. 1 — One Big Beautiful Bill Act (OBBBA) | Signed into Law: July 4, 2025

Executive Summary

H.R. 1 — the One Big Beautiful Bill Act (OBBBA) was signed into law on July 4, 2025, and introduces the most significant changes to federal Medicaid eligibility rules in over a decade. Virginia's Department of Medical Assistance Services (DMAS) is responsible for implementing these changes in compliance with federal law, with some changes taking effect as soon as **October 2026**.

Federal Eligibility Changes

Eligibility Rules for Non-U.S. Citizen Adults

⚑ Effective Date: October 1, 2026

- Full-benefit Medicaid for non-U.S. citizen adults (except those who are pregnant or postpartum) will be limited to the following groups:
    - Lawful Permanent Residents (LPRs), commonly referred to as green card holders;
    - Cuban-Haitian Entrants; and
    - Compact of Free Association (COFA) migrants (individuals from the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau).
- Adult noncitizens who do not fall into one of the three categories above and who currently receive full-benefit Medicaid can still qualify for emergency Medicaid services.
- Medicaid and CHIP coverage for children and pregnant/postpartum individuals are not affected by these new restrictions (including FAMIS Prenatal coverage).
- This change means certain lawfully present noncitizens may no longer qualify for Medicaid and will need to transition to other coverage or become uninsured. Providers may see changes in patient coverage and should be prepared to assist affected individuals with questions about their continuity of care.
- For more information about this provision, fact sheets (which will include translated materials), visit the DMAS website at: Information for Noncitizens Federal Work Requirements for Medicaid Expansion Members

⚑ Effective Date: January 1, 2027

- H.R. 1 requires individuals to participate in approved qualifying work or community engagement activities, or meet an exemption, to be eligible for Medicaid Expansion.
- Qualifying work or community engagement activities include:
    - Work, work program participation, education or training program enrollment, or volunteer activity for a total of 80 hours per month.
    - Education (at least half-time enrollment) in a high school, GED, community college, college, or trade school.
    - Receiving an income of at least $580 a month.
- Individuals may also qualify for an exemption from work requirements based on their health or other circumstances.
- More information related to exemptions and compliance can be found here.
- This change means members who are subject to the federal work requirements must regularly document and report qualifying work activities, creating additional administrative burden and

increasing the risk of losing Medicaid coverage due to paperwork or reporting issues, even if they remain eligible.

Limitations on Availability of Retroactive Coverage

⚑ Effective Date: January 1, 2027

- Current federal law allows for up to three months of retroactive coverage in Medicaid, if a member was eligible in the months before they applied.
- Under H.R. 1, retroactive coverage will only be available for one month for Medicaid Expansion members, and up to two months for all other Medicaid members.
- The change means Medicaid will cover fewer months of unpaid medical expenses incurred before an application is submitted.
- Individuals who may qualify for Medicaid should apply as soon as possible to maximize their potential coverage of eligible unpaid medical bills. Providers should encourage uninsured patients who may be eligible for Medicaid to apply promptly.

Six-Month Eligibility Renewals for Medicaid Expansion Members

⚑ Effective Date: January 1, 2027

- H.R. 1 requires states to renew eligibility for Medicaid Expansion members every six months, doubling the current frequency. Other populations will continue to be renewed on an annual basis.
- This change will significantly increase the volume of eligibility redeterminations DMAS and local DSS offices must process each year. To meet this demand, Virginia is investing in Cover Virginia operations to process certain Medicaid-only renewals.
- American Indians and Alaskan Natives enrolled in Medicaid Expansion will continue to be renewed annually.
- All other Medicaid populations (children, individuals with disabilities, seniors) will continue to be renewed annually.
- Pregnant members will remain eligible throughout pregnancy and for 12 months postpartum.

Virginia's Implementation Strategy

Virginia is committed to helping eligible people stay covered. The state is focused on implementing these federal requirements in a way that protects continuity of coverage and care for as many Virginians as possible.

- Virginia is prioritizing policy, automation, and technology solutions that reduce the administrative burden on members and state staff, including by developing a new portal where individuals will be able to access and submit information on work requirements.
- DMAS is actively expanding staff ability to implement these changes by onboarding new eligibility staff with a focus on work and community engagement verification, updating training for eligibility workers, and expanding vendor capacity to supplement state staff during peak processing periods.
- Implementing these changes requires coordination across Virginia's health and human resources agencies, in partnership with key stakeholders such as the Virginia Department of Social Services (VDSS), the Department of Behavioral Health and Developmental Services, Medicaid Managed Care Organizations, provider groups, advocate and community groups, as well as external stakeholders serving as "Medicaid Ambassadors" to help reach members who may be difficult to contact directly.
- DMAS will send written notices to all affected members in advance, with plain-language explanations of what is changing and what action (if any) is required. All member correspondence will be available in multiple languages and in accessible formats. Resources are available on the DMAS and VDSS websites and social media.

How Legislators Can Help

- Visit the DMAS Legislator Resource Web Page often for more information.
- Use fact sheets and multilingual frequently asked questions (FAQs) when assisting constituents in your office or at events.
- Encourage constituents to update their contact information at commonhelp.virginia.gov or call Cover Virginia Call Center (1-855-242-8282) so they receive important renewal and eligibility notices.
- Sign up for regular Medicaid updates by visiting the DMAS website and filling in your information.
- Legislators and their staff are encouraged to contact us to schedule a meeting with subject matter experts, request a presentation or briefing or obtain additional information on these policy changes and their implementation. Contact Will Frank, DMAS Senior Advisor for Legislative Affairs at (Will.Frank@dmas.virginia.gov).