

Today we will talk about:

- State: Governor signs some bills into law, other bills waiting for a decision. Legislative committee has not stopped DVR wait lists. Spring election almost here, fall elections coming.
- Congress: Reboots a Reconciliation bill approach to move elections bill, DHS/Military funding, other priorities with some calling for cuts to offset increased spending.
- Policy changes the administration is making: CMS ramps up Medicaid fraud rhetoric and enforcement plans against states, Medicare billing changes are delaying payments to hospitals, health care costs soar and result in many more uninsured, U.S. Dept. of Ed mulls special ed moves, Supreme Court to rule on important integration mandate and voting law.
- Continued coverage of impacts of HR 1. Medicaid/SNAP cuts hitting state budgets, psychiatric hospitals, dual eligibles.

Weekly Update

March 27th, 2026

Federal Funding Fallout 2026

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3/26/2026

Around Wisconsin

We have a
lot to say.

Governor signs AB 598 into law

- Friday March 20th the Governor signed AB 598 ([Wisconsin Act 115](#))--which lets hospitals pick decision makers for certain incapacitated patients--into law.
- The new law goes into effect June 1st, 2026.
 - See how your [Assembly](#) and [State Senator](#) voted
 - [Survival Coalition/WAAN press statement](#).
- Advocates [have raised significant concerns](#) and believe the new law will put patients at risk of exploitation and abuse.

Action Steps:

- [Contact your legislators](#) with your concerns about the bill and feedback about how they voted on the bill. It is important for legislators to know constituents are watching how they vote.
- When the legislation goes into effect June 1st, patients and families are encouraged to contact their state legislators regarding their patient rep. experiences.

Contact: Janet Zander, Wisconsin Aging Advocacy Network (608-228-7253, janet.zander@gwaar.org)
Tami Jackson, Survival Coalition (608-228-7285, tamara.jackson@wisconsin.gov)

Senate passes bill that lets hospital pick a decision maker, puts patient's rights at risk

By the state Senate passed [AB 598](#), which lets hospitals pick a decision-maker based on a list set in statute (and a Patient's Representative) if a patient does not have a Power of Attorney for Health Care and becomes unable to make medical decisions.

This bill is broader, and grants much more expansive powers than any other state's Next of Kin laws. Wisconsin has separately designed its statutes and regulations to safeguard the rights of individuals; this bill bypasses those protections.

Patient advocates are [concerned](#) the bill will put patients at risk of exploitation and abuse and will [create new legal and operational issues](#).

"Current health care decision-making depends heavily on families, and while we can take proactive steps to help families understand patient rights, their roles, and responsibilities as representatives, we also know from experience that need policies/oversight mechanisms that protect individuals from relationships that go awry are needed," said Janet Zander, member of the Wisconsin Aging Advocacy Network.

"Hospitals say they want to be able to move people out of hospital beds to somewhere else, and they want to pick someone to make that happen," said Tami Jackson, Survival Coalition Co-Chair. "We are very concerned about what happens to people once they are no longer in the hospital."

Under the bill, the Patient Representative gets broad powers over where the person lives and their money and assets that may continue indefinitely, with limited recourse for patients. Unlike Guardianship, the courts do not have oversight over Patient Representatives. Adult Protective Services is not required to act if complaints are received.

It is unknown how many incapacitated people are in hospital beds solely because they do not have a legal decision maker to authorize transfer. Under current law at Wis. Stat. 50.06, individuals can transfer incapacitated patients from hospitals to facilities and hospitals can petition for guardianship to facilitate transfers. [Staffing shortages in nursing homes](#) and rehabilitation facilities are a major reason for hospital discharge delays, nationally and in Wisconsin.

While the bill expires in three years, the data being collected is limited to the number of times hospitals pick a Patient Representative; what happens to patients, including whether Patient Representative are taking advantage of their powers over finances and placements, will likely remain unknown.

"Faster hospital discharge can occur without sidestepping patients' civil rights or putting them at risk for abuse," said Tami Jackson, Survival Co-Chair. "Patient advocates have proposals to reduce the number of medically incapacitated patients without Powers of Attorney for Health Care, identify and support temporary decision makers, and make sure there is enough staffing capacity to support incapacitated patients in facilities or at home. We look forward to working with legislative members next session on solutions that protect patients."

Governor signs AB 180 into law

- Monday March 23rd, the Governor signed into law [AB 180](#), which provides the additional funding needed to make sure Wisconsin's FoodShare program can meet federal requirements that were included in HR 1.
- AB 180 also tells DHS to ask the federal U.S. Dept. of Agriculture for permission (a waiver) to not let people on FoodShare buy candy or soft drinks. BPDD supported increased funding for SNAP.
- Governor's [press release](#).

3/26/2026



Tony Evers

Office of the Governor | State of Wisconsin

FOR IMMEDIATE RELEASE: March 23, 2026

Contact: GovPress@wisconsin.gov

Gov. Evers Signs Key Bill to Support State's Food Assistance Program, Prevent Wisconsin Taxpayers from Paying Over \$200 Million a Year in Potential Penalty Fees to Trump Administration

MADISON — Gov. Tony Evers today signed Assembly Bill (AB) 180, now 2025 Wisconsin Act 116, to support the state's Supplemental Nutrition Assistance Program (SNAP), known as FoodShare in Wisconsin, which provides food assistance to over 700,000 Wisconsinites, including 270,000 kids. The bill, which Gov. Evers and the Evers Administration have spent months urging Republican lawmakers to pass, is designed to reduce FoodShare payment errors and aimed at saving Wisconsin taxpayers from potentially having to pay hundreds of millions of dollars in penalty fees to the Trump Administration due to new changes under Republicans' 'Big Beautiful Bill.'

Under new federal changes, thanks to President Trump and Republicans' so-called 'Big Beautiful Bill,' states will be forced to pay for a higher share of SNAP benefit costs if FoodShare payment error rates exceed certain thresholds. In Wisconsin, this could cost taxpayers an additional over \$200 million every year in penalty fees to the Trump Administration, on top of the [more than \\$284 million](#) Wisconsin taxpayers are already estimated to pay in future budgets. Gov. Evers has repeatedly urged Republican lawmakers to take quick action on the Evers Administration's requests, which were among the governor's [top legislative priorities](#) and [highlighted](#) in his 2026 State of the State address.

"After months of urging and asking the Legislature to approve these funds, I am glad to be able to sign this bill today so we can continue to provide for the over 700,000 Wisconsinites who rely on FoodShare and depend on the state to support this critical program and keep our error rates low," said Gov. Evers. "In spite of the chaos at the federal level and the continued attacks on our FoodShare program, I am proud of the work my administration has done over the past year to ensure our kids, families, veterans, and seniors across our state receive the resources they need to access basic food and groceries. As long as I am governor, I will continue to do everything in my power to protect Wisconsin families and taxpayers from the harmful decisions of the Trump Administration."

Gov. Evers has been asking the Wisconsin State Legislature to approve funds to prevent Wisconsin taxpayers from having to pay penalty fees to the Trump Administration [since August](#), and after months of bipartisan negotiations between legislative leaders and the Evers Administration [as amended](#), AB 180 would

Two other disability related bills heading to the Governor's desk next week.

[AB 253](#), which will allow people with disabilities participating in Wisconsin's Medical Assistance Purchase Plan (MAPP) would remove the current cap on gross work earnings that can be deposited into a MAPP Independence Account to inherit up to \$40,000 without impacting their Medicaid eligibility.

[AB-614](#), which lets teachers decide which students they keep in class. This bill passed in February but has not been sent to the Governor yet. The bill makes it easier for teachers to take students out of classrooms if the teacher says the student's behavior is disruptive, adds time consuming paperwork requirements that can delay a student's return to the classroom, and requires all parents in the classroom are notified when behaviors have resulted in a student being removed from class. BPDD had concerns about this bill.

The Governor will decide whether to sign or veto these bills. If you support or have concerns about these bills call (608-266-1212) or [e-mail the Governor's office](#).

Joint Committee on
Finance (JFC) has
not acted on
funding request to
end DVR wait lists

The Dept. of Workforce Development (DWD) needs \$11M more in state funding to help people who are waiting now; JFC would have to approve the additional money asked for by DWD.

- There are now 5088 people on the DVR wait list.
- An additional 1000 people are being added to the existing wait list every month.
- If funding was approved by April 1st, it would now take until the end of December 2026 to help people who are currently waiting.
- DVR has not had a waitlist in Wisconsin since 2014.

Action Steps:

- Contact the members of the Legislature's [Joint Committee on Finance](#) and ask for action on the Department of Workforce Development's 13.10 DVR funding request.
- Contact your [state Assembly Representative and State Senator's](#) office with your thoughts about what it means to wait for help to connect with job, and how not being able to access DVR services impacts people with disabilities and families.

Special session possible, but likelihood fading

The Senate and Assembly have both ended their legislative sessions.

The Senate Majority Leader and the Assembly Speaker have announced they are retiring from the legislature, and the Governor is not running for re-election.

That means that none of the three main negotiators will be back next session.

Several legislators are planning out of state or out of country trips and will not be able to be present for a special session in the coming weeks.

The Governor can call a special session to ask the legislature to consider specific legislative proposals or topics.

Next session is already beginning

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Advocates are already thinking about budget and bill ideas for next session.

April 7th is the Wisconsin Supreme Court election (Supreme Court terms are ten years long).

Watchers believe state legislative, Congressional, and Gubernatorial campaigns will ramp up after the April 7th election results.

Every session new legislative members are elected who are not familiar with disability issues and programs (like Medicaid) important to people with disabilities.

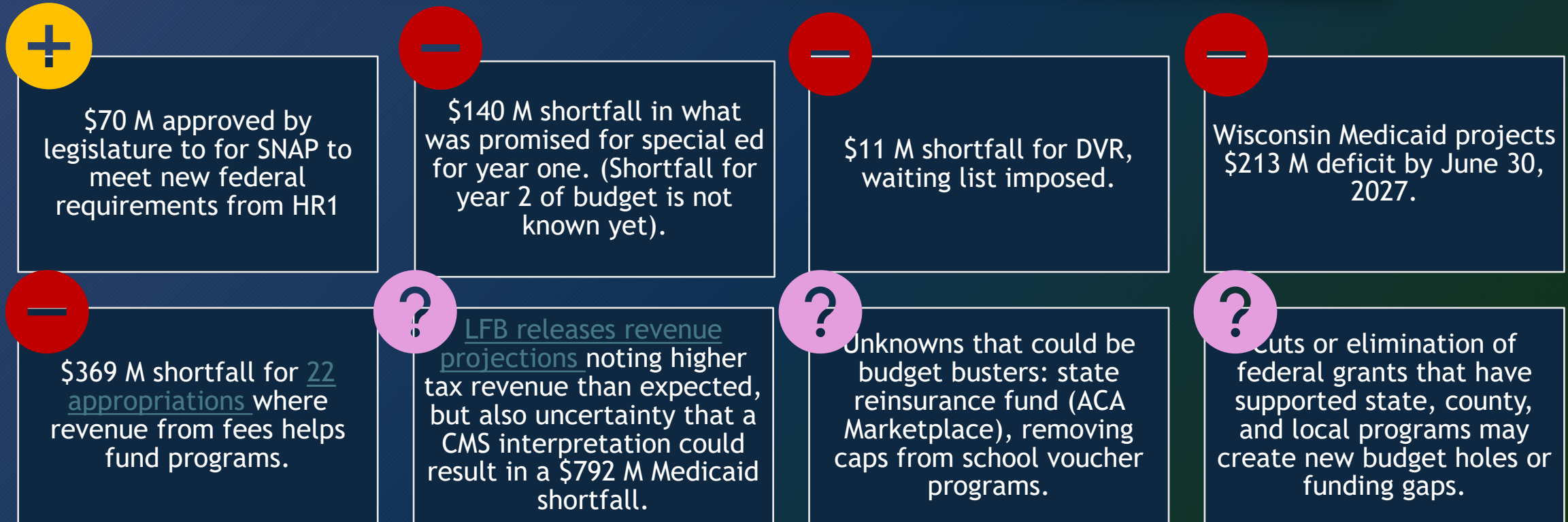
On April 10th's webinar we will go into detail about what positions will be decided in the next election (August primary, November general) and what kinds of decisions those elected officials make that impact people with disabilities and families

Growing list of legislators vacating current seats

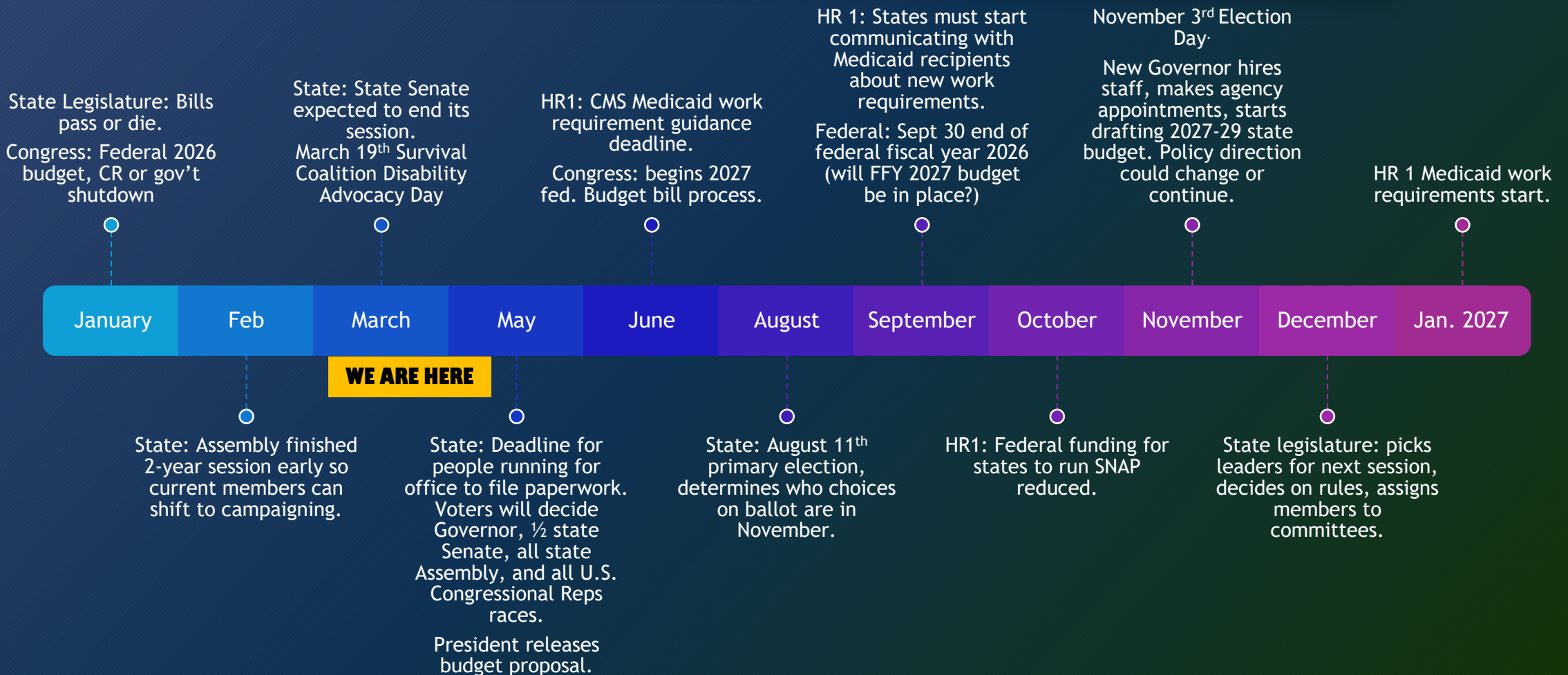
NOT SEEKING RE-ELECTION	RUNNING FOR DIFFERENT OFFICE
Rob Hutton (R) SD-5	Robyn Vining (D) AD-13 - Running for SD-5
Devin LeMahieu (R) SD-9	Jenna Jacobson (D) AD-50 - Running for SD-17
Steve Nass (R) SD-11	Francesca Hong (D) AD-76 - Running for Governor
Van Wanggaard (R) SD-21	
Robin Vos (R) AD-33	
Dave Murphy (R) AD-56	
Kevin Petersen (R) AD-57	
Rick Gundrum (R) AD-58	

Wisconsin is at least \$500M short of what is needed to do what we are doing now.

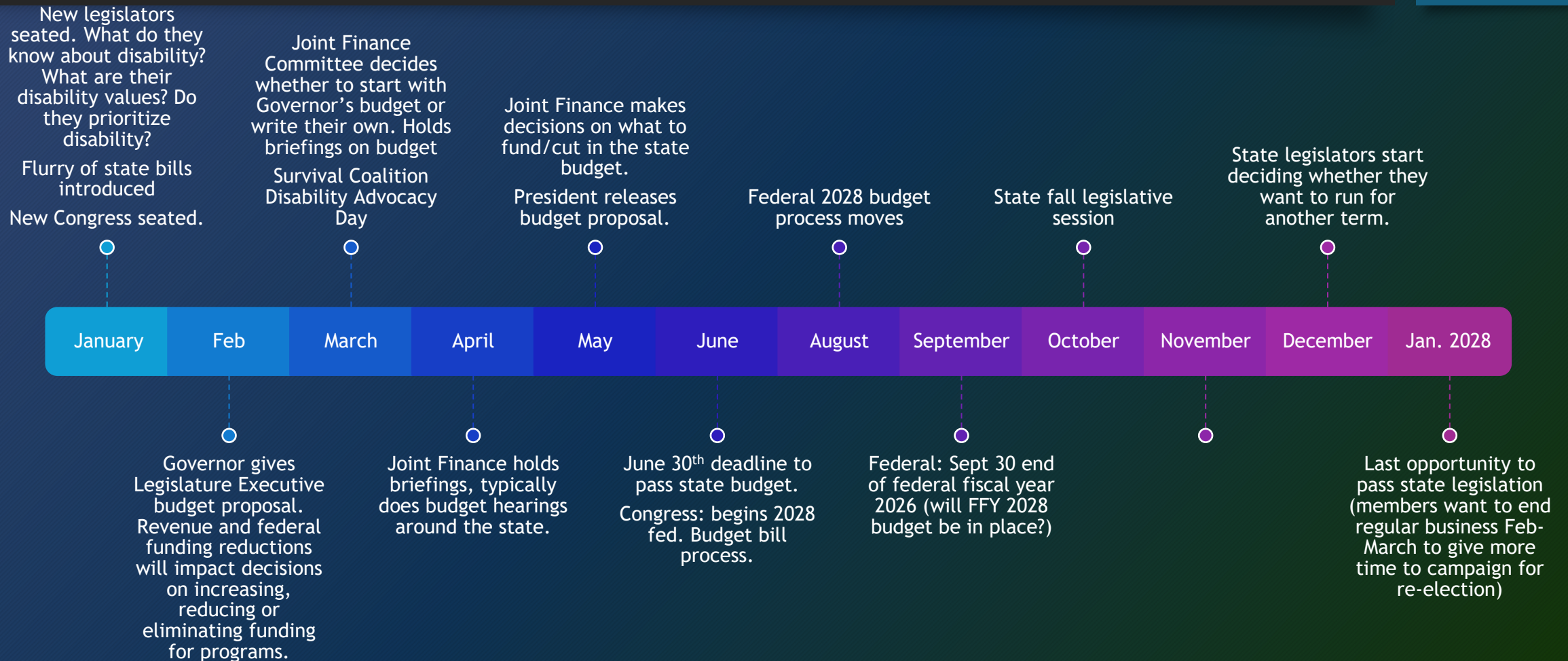
10



Buckle up: 2026 is going to be a big year to make sure disability issues are priority issues



2027 is when states feel impact of federal funding cuts.



Congress

What are
they doing?
(and not
doing)

Senate passes deal to fund parts of Dept. of Homeland Security, moves to House

Friday March 27 at 2:30 AM, the Senate voted to fund all of DHS except ICE and parts of CBP around 2:30 this morning, which was what Democrats had asked for in recent days.

Democrats didn't get most of the additional constraints they wanted on the two immigration agencies.

ICE and CBP can operate indefinitely on what remains of the nearly \$140 billion appropriated under HR 1

The House could vote on the funding bill today.

That would end the almost 6-week shutdown of the Dept. of Homeland Security.

Yesterday, Trump decided to start paying TSA agents (i.e. using funding appropriated by Congress for a different purpose than Congress allowed).

Republicans are promising to fund immigration enforcement in an upcoming reconciliation bill – not just for fiscal 2027, but for many years to come.

Including more enforcement and deportation money could give Republicans a powerful goal to rally around as they work on a new reconciliation bill – much as the promise of big tax cuts provided incentives for support in HR 1.

How A Trump-Backed Voting Bill Could Impact People With Disabilities

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- Disabled people make up roughly one sixth of the total voting age population.
- Research shows people with disabilities are already over three times more likely to experience voting difficulties.
- Under the SAVE America Act, currently is being debated in the Senate, people would have to:
 - produce documentary proof of U.S. citizenship — such as a birth certificate or passport — in person to register to vote.
 - a government-issued photo ID would be required to vote and
 - There would be new requirements on voting by mail, which many people with disabilities use.
- If the proposed changes are approved, they would create huge barriers for people with disabilities



<https://www.disabilitycoop.com/2026/03/23/how-a-trump-backed-voting-bill-could-impact-people-with-disabilities/31916/>

How A Trump-Backed Voting Bill Could Impact People With Disabilities

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- Many American citizens do not have a passport.
- An estimated 21.3 million eligible voters do not have proof of citizenship readily available.
- Research shows that 20% of people with disabilities do not have a current driver's license.
- Low incomes, non-driver status, health issues, election office accessibility etc. impact whether people with disabilities can get what they need to meet requirements to vote.
- “When a bill makes it harder for disabled people to register, vote by mail or cast a ballot privately and independently, it pushes one of the nation’s largest voting blocs out of decisions that shape their health care, education, housing, transportation, employment and community living.”



<https://www.disabilitycoop.com/2026/03/23/how-a-trump-backed-voting-bill-could-impact-people-with-disabilities/31916/>

Reconciliation is revived: GOP senators want bill to fund ICE, make voting changes (and more?)

- Reconciliation must focus on items that impact budgets and can pass with 50 votes (instead of the normal 60) in the U.S. Senate.
- That means the majority party can pass the bill with only the votes of its members (HR1 was a reconciliation bill).
- The reconciliation bill would include funding for ICE enforcement, parts of the SAVE America Act, and potentially much more.
- Watchers expect supplemental funding for the Iran war as a potential costly add-on, and House Republicans have plenty of their own ideas.
- House Republican Study Committee and Budget leaders are pushing for “fraud prevention” spending cuts in state and social safety net programs to pay for increased Iran war, ICE, and other policy priority funding in a second GOP reconciliation bill.

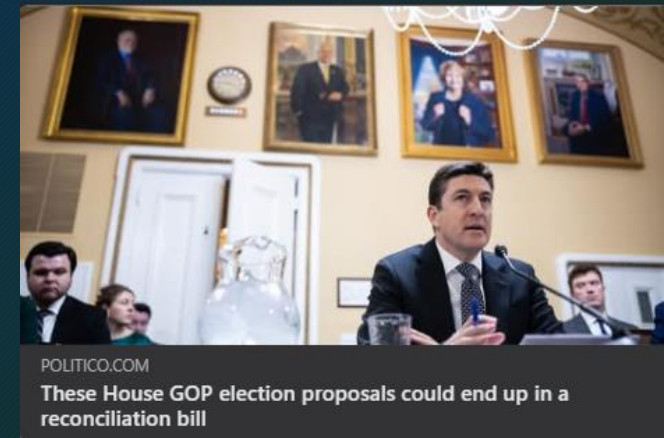


<https://www.politico.com/live-updates/2026/03/24/congress/reconciliation-bill-thune-trump-dhs-ice-save-00841372>

These House GOP election proposals could end up in a reconciliation bill

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- Wisconsin Rep Bryan Steil is chair of the House elections committee and is circulating a list of proposals to include in a budget reconciliation bill.
- Ideas include:
 - Requiring or financially incentivizing states to implement voter ID laws,
 - Requiring proof of citizenship for voter registration,
 - Requiring sharing of state voter data with federal agencies for verification and conduct post-election audits.
 - Making states that allow use of IDs that don't meet federal requirements ineligible for Help America Vote Act funding, which provides federal money to help administer elections.
- It is not clear whether all ideas can be written in a way that meets the requirements of what can be included in a reconciliation bill.



<https://www.politico.com/live-updates/2026/03/24/congress/bryan-steil-elections-reconciliation-menu-00841575>

2027 Federal budget process starting

The partial shutdown of the Dept. of Homeland Security continues.

The President's budget is rumored to be coming out in late April.

The federal 2027 appropriations process is starting.

- Sen. Baldwin is on appropriations committee and is soliciting ideas through March 2026 on funding levels for federal programs
- You can submit 2027 appropriation requests:
<https://www.baldwin.senate.gov/help/appropriations>

Administration

Administrative
rules, Federal
Agency Actions

CMS Director Escalates Medicaid Fraud Claims Against States After Focus on Minnesota

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- The Trump administration is willing to halt billions of dollars in federal health payments to multiple states, just like they have already in Minnesota.
- The specific target is Medicaid,
- CMS Director Oz said the techniques the federal government is using in Minnesota could be applied to other states, and he has launched social media campaigns alleging high-dollar public benefit fraud in California, Florida, Maine, and New York.
- The campaign by the administration seems particularly focused on services designed to keep people with disabilities out of institutions.



<https://kffhealthnews.org/news/article/medicaid-fraud-dr-oz-minnesota-california-maine-new-york-florida/>

CMS Director Escalates Medicaid Fraud Claims Against States After Focus on Minnesota

22

- Minnesota was investigating 85 autism providers, and had ordered a third-party audit of 14 types of Medicaid services deemed to be “high-risk” for fraud, and had delayed payments for those services for up to 90 days. Many of the services are ones people with disabilities receive at home.
- Disability advocates worried the state’s “heavy-handed approach” would destabilize the entire home care system, and disabled Minnesotans were already reporting interruptions and have criticized the delayed payments.
- In December, one man was found dead after losing his in-home care services.
- “We’re losing sight of the people that have done nothing wrong, that rely on these supports and services to live in the community,”



<https://kffhealthnews.org/news/article/medicaid-fraud-dr-oz-minnesota-california-maine-new-york-florida/>

CMS Director Escalates Medicaid Fraud Claims Against States After Focus on Minnesota

23

- Then CMS deferred \$260 M in requested payments and open-ended threat to make additional deferments.
- On Jan. 6, CMS' Oz said Minnesota's Medicaid program was out of compliance with federal rules on fraud, waste, and abuse, and threatened to withhold over \$2 billion in federal Medicaid funds to Minnesota this year, about 18% of what the state received the year before.
- Paragon Health Institute, a think tank that recently published a policy brief calling for similar enforcement actions across the country
- It's not difficult to see how federal actions like those in Minnesota could put services in jeopardy. The amount of money Minnesota could lose from the CMS actions announced this year is already equivalent to about two-thirds of the state's rainy-day fund.
- Many states are looking to reduce or even eliminate funding for home care services over much smaller budget shortfalls.
- "People will die," Terakanambi said. "People will lose critical supports and will no longer be able to participate in their community the way they want to."



<https://kffhealthnews.org/news/article/medicaid-fraud-dr-oz-minnesota-california-maine-new-york-florida/>

CMS changes to Medicare billing are delaying payments

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- CMS has a new billing system for Medicare that is supposed to prevent improper Medicare billing and simplify administrative processes for critical access hospitals.
- It's not working so well.
- Enrollment data from these hospitals did not transfer correctly when the federal agency implemented its new system, resulting in claim denials and delayed Medicare payments.
- Correcting the errors is hard and time-consuming and requires health system billing departments to spend a lot of time proving they are owed payments that should not have been denied or delayed.
- It often takes multiple calls to CMS, advice varies depending on who answers the phone.
- Rural hospitals across the country are dealing with the same problems.



<https://www.mprnews.org/story/2026/03/24/medicare-billing-snafus-driving-new-financial-woes-for-minnesota-rural-hospitals>

CMS changes to Medicare billing are delaying payments

25

- Medicare payment problems are creating big financial hardships for some rural hospitals at a time when many are already struggling.
- “We're burning through the cash that we had in our bank, and we're running out,” said Andrew Knutson, CEO of the Mille Lacs Health System, a central Minnesota operation based in Onamia that draws about 60 percent of its income from Medicare.
- The Centers for Medicare & Medicaid Services has withheld about \$2.5 million in Medicare payments from the Mille Lacs Health System since early January, he added.
- If they cannot resolve the issue with Medicare officials in Washington, “we will run out of money and won't be able to pay anybody, so we'll have to close” within six to eight weeks, said Knutson, who employs some 420 people.



<https://www.mprnews.org/story/2026/03/24/medicare-billing-snafus-driving-new-financial-woes-for-minnesota-rural-hospitals>

Health care costs mean cutting groceries and other household expenses or going uninsured

26

- 9% of Marketplace Plan holders are now uninsured because of expired ACA Marketplace subsidies and ACA changes in HR1. (22% replaced their coverage through Medicare, Medicaid, or an employer)
- That number is expected to grow.
 - April 1st is when people who have not kept up premium payments will be dropped from coverage.
 - 20% of people with Marketplace plans say they may not be able to afford premiums for the full year and may end up uninsured.
- In March 2nd poll, 80% said all health care costs are higher than last year; 55% said they will have to reduce spending on food and basic household expenses to afford care.
- Among those with chronic health conditions, 62% of those who reenrolled in the ACA Marketplace said they will be cutting back on food and other basics. "This is destroying people who have pre-existing conditions"



<https://abcnews.com/Health/1-10-aca-enrollees-dropped-coverage-due-rising/story?id=131178596>

[Rising Health Costs Push Some Middle-Aged Adults To Skip the Doc Until Medicare](#)

[When health insurance costs \\$2,500 per month, families make tough choices](#)

Health care costs mean cutting groceries and other household expenses or going uninsured

27

- People ages 50 through 64 have some of the highest increases in premiums and out-of-pocket costs.
- The ACA allows insurers to charge adults in their 60s up to three times as much for premiums as those in their 20s, who generally use fewer medical services.
- Many were already enrolled in the lowest-cost plans available, which means there is no lower cost plan option to switch into.
- Some say they are putting off care or considering dropping health insurance coverage until Medicare picks up the bill.
- Delaying care potentially shifts bigger costs to Medicare.



<https://abcnews.com/Health/1-10-aca-enrollees-dropped-coverage-due-rising/story?id=131178596>

[Rising Health Costs Push Some Middle-Aged Adults To Skip the Doc Until Medicare](#)

[When health insurance costs \\$2,500 per month, families make tough choices](#)

Ed Department May Offload Special Education Soon, Advocates Warn

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- Disability Advocates are saying the U.S. Dept. of Education may move OSERS to HHS or the Department of Labor soon.
- National advocates are saying “reliable sources” indicate the White House Office of Management and Budget will soon decide which agency to route the programs to.
- “While these reports have not been officially confirmed, this is a critical moment for advocacy,” the Down syndrome congress said. “These programs should not be moved anywhere. These actions bypass Congress and violate clear congressional intent and conflict with federal law.”
- “Moving IDEA oversight from an education agency to a health agency risks reviving an outdated medical model of disability, which treats students as patients needing to be ‘cured,’” they said.



<https://www.disabilityscoop.com/2026/03/26/ed-department-may-offload-special-education-soon-advocates-warn/31925/>

Supreme Court: Challenge to Rehabilitation Act Could Upend Disability Care

29

- Section 504 of the 1973 Rehabilitation Act is known as the integration mandate, which requires that people with disabilities have access to services in their homes and communities, rather than an institution.
- A lawsuit filed by nine states (Texas, Alaska, Florida, Indiana, Kansas, Louisiana, Missouri, Montana, and South Dakota) is challenging this law and the fundamental disability rights it grants.
- The lawsuit argues that updated rules for Section 504 are unconstitutional, and that the integration mandate “exceeds statutory authority and conflicts with federal law.” and “creates a regime that is impossible for any State to fully comply with.”



UNION-BULLETIN.COM

The fight to stay home: How a Texas lawsuit could upend disability care

https://www.union-bulletin.com/news/national/the-fight-to-stay-home-how-a-texas-lawsuit-could-upend-disability-care/article_534c5435-6c8c-5ba9-9537-b8b47bf5d0ac.html

<https://www.disabilitycoop.com/2026/03/25/the-fight-to-stay-home-how-a-lawsuit-could-upend-disability-care/31923/>

Supreme Court: Challenge to Rehabilitation Act Could Upend Disability Care

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- If Texas were to win its lawsuit, it could mean that Medicaid waivers paying for Home and Community Based services are no longer required under the integration mandate.
- That would leave people with disabilities totally reliant on friends and family for care, a resource not everyone has.
- Disability advocates worry that attacking (and potentially overturning) the integration mandate could result in people with disabilities losing the right to receive services in their homes and communities, and lead to institutionalization of people with disabilities, particularly those with intellectual and developmental disabilities.



UNION-BULLETIN.COM

The fight to stay home: How a Texas lawsuit could upend disability care

https://www.union-bulletin.com/news/national/the-fight-to-stay-home-how-a-texas-lawsuit-could-upend-disability-care/article_534c5435-6c8c-5ba9-9537-b8b47bf5d0ac.html

<https://www.disabilityscoop.com/2026/03/25/the-fight-to-stay-home-how-a-lawsuit-could-upend-disability-care/31923/>

Supreme Court: ruling could upend the way that states handle mail-in ballots

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- The case challenges a state (Mississippi) law that allows ballots postmarked by Election Day to be counted if they are received within five business days after the election.
- At least 18 additional states and territories allow ballots that arrive late to be counted.
- Most states allow military and overseas ballots to be counted after Election Day. It is unclear what effect a ruling against Mississippi's law would have on those voters using mail-in ballot options.
- Several justices noted that federal law allows the states to set their own election regulations.
- Some justices expressed concern that all early voting could be endangered if the court ruled against this state's law.
- A decision in the case is expected by late June or early July, ahead of the November election.



<https://www.nytimes.com/2026/03/23/us/supreme-court-mail-in-ballots.html>

Continued coverage of impact of Reconciliation bill

Lots of
articles to
share.

32

HR 1 hits Red-State Budgets

33

- Federal tax cuts and new requirements for Medicaid and the Supplemental Nutrition Assistance Program passed in HR 1, are costing some red states as much as \$450 million this year in added costs and lost tax revenue.
- Many state legislatures were already facing major budget shortfalls in 2026, and HR 1 is making those shortfalls worse,
- Many states automatically adopt all (or selective) federal tax cuts into their state tax code, resulting in a dip in state revenue.
- Overall cuts or budget freezes for state agencies, higher education, family programs and disability services are some of the most common changes states are weighing.



<https://www.politico.com/news/2026/03/25/trump-cuts-republican-state-budgets-00842704?nname=inside-congress&nid=0000014f-1646-d88f-a1cf-5f46b4be0000&nrid=861c2951-fed2-42fd-be5c-6b01da1e54aa>

State surpluses are one-time options that may not prevent future cuts



State savings weaken, budget pressures increase

State rainy day funds — money reserved to cover unexpected expenses and patch short-term budget holes — are declining nationally as states face increased costs, lower tax revenue and federal budget cuts, a new analysis found.

<https://stateline.org/2026/03/25/state-savings-weaken-as-budget-pressures-increase-analysis-warns/>



Missouri taps surplus to close \$2 billion deficit

The Missouri House gave first-round approval Tuesday to a state operating budget that will close an almost \$2 billion deficit by using almost all the state's remaining surplus in the general revenue fund. It restores the disability service cuts the Governor had proposed.

<https://missouriindependent.com/2026/03/25/missouri-house-advances-budget-that-taps-surplus-to-close-2-billion-deficit/>



Arkansas considering tax cuts after settling 2-year budget

Arkansas has \$3 billion in savings right now, and “we could have a downturn in the economy and the people of Arkansas don’t have to be worried about us losing any services that we’re currently offering.”

<https://www.newsfromthestates.com/article/senate-leader-arkansas-lawmakers-expect-consider-tax-cuts-following-fiscal-session>

Maryland: As budget wraps up, restoration of disability services funds looking unlikely

35

- Maryland's budget includes \$126 million cut to the Development Disabilities Administration – less than the \$150 million requested by the Governor, but a deep cut, as it follows \$164 million in cuts to the DDA last year.
- Many of the cuts fall to programs in for individuals in self-directed care.
- Maryland Medicaid funded waiver requires costs remain under \$217,000 per person annually, the current cost of an institutional setting.
- Over the last five years, the cost of the program has increased by 200%, with much of the growth coming in the more self-directed care category, often used by those at greatest medical need.
- The average cost is now closer to institutional costs which would put the entire waiver that serves 19,000 people in jeopardy.



MARYLANDMATTERS.ORG

As budget wraps up, restoration of disability services funds looking unlikely - Maryland Matters

<https://marylandmatters.org/2026/03/27/as-budget-wraps-up-restoration-of-disability-services-funds-looking-unlikely/>

Medicaid cuts could add pressure to already-stressed psychiatric units

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- The almost \$1 T in Medicaid cuts passed as part of HR 1 will add to the strain already hitting hospital psychiatric units, many already struggling to stay open.
- Medicaid covers more people with mental illness than any other public or private insurer — roughly 29% of the estimated 52 million nonelderly adults with mental illness, or about 15 million people.
- Behavior health policy experts say the Medicaid changes will force hospital psychiatric units to provide care to many more people who don't have insurance.



<https://stateline.org/2026/03/23/medicaid-cuts-could-add-pressure-to-already-stressed-psychiatric-units/>

[Medicaid freeze could lead to Minnesota hospitals closing psychiatric units](#)

Medicaid cuts could add pressure to already-stressed psychiatric units

37

- Psychiatric units are costly and typically cost hospitals money instead of bringing in operating revenue.
- Medicaid reimbursement rates are lower than other health services and do not cover the actual cost of care.
- “For the mental health system, and particularly for facility-based care, it (Medicaid) is the financial foundation. And when you simultaneously reduce who’s covered, what providers get paid, and limit the tools states have to make up the difference, you’re not just trimming around the edges; you’re undermining the whole structure,” Kimball said.



<https://stateline.org/2026/03/23/medicaid-cuts-could-add-pressure-to-already-stressed-psychiatric-units/>

[Medicaid freeze could lead to Minnesota hospitals closing psychiatric units](#)

Nebraska seeks to end retroactive Medicaid coverage

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- HR 1 changed how many months Medicaid could pay medical or long-term care bills people had before getting into a Medicaid program (“retroactive coverage”) from three full months down to one month for the Medicaid expansion population and two months for traditional Medicaid enrollees like children and disabled adults.
- These changes take effect Jan. 1, 2027.
- Medicaid retroactive coverage is intended to prevent low-income people from going into severe and crippling medical debt. It also protects hospitals and providers by making sure they will be paid for care.
- Nebraska wants to not have Medicaid cover past expenses.
- The state is asking CMS for permission to set retroactive coverage to zero months, effective Oct. 1st, 2026.



https://apnews.com/article/nebraska-retroactive-medicaid-coverage-7921e17616c5c4c910e23aeca8ddda69?utm_source=copy&utm_medium=share

Nebraska seeks to end retroactive Medicaid coverage

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- If CMS agrees with the state's request, Nebraska would be the only state in the country to eliminate retroactive coverage.
- Ten other states currently have reduced retroactive coverage, though they all have some exceptions for certain groups or allow a longer coverage period than what Nebraska has proposed.
- State officials argue the move will save Nebraska millions of dollars each year, and it will incentivize hospitals to quickly enroll Medicaid-eligible patients.
- “They’re proposing to eliminate it for every Medicaid population, including people with disabilities, nursing home residents, pregnant folks, Medicaid babies and children,”



https://apnews.com/article/nebraska-retroactive-medicaid-coverage-7921e17616c5c4c910e23aeca8ddda69?utm_source=copy&utm_medium=share

How H.R. 1 Impacts People Dually Eligible for Medicare and Medicaid

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- There are about 12 million people who are in both Medicare and Medicaid. (dual eligibles).
- 65% of people dually eligible are age 65 and over and 35% are under age 65.
- Historically, when states face budget shortfalls, they find savings by cutting Medicaid benefits that are optional under federal law. Many of these optional benefits are those that people dually eligible rely on because Medicare does not cover them - including at-home care through home and community-based services (HCBS), dental, vision, and hearing.
- States could also change income and asset eligibility requirements for their aged & disabled Medicaid programs and Medicare Savings Programs that serve people dually eligible.



<https://justiceinaging.org/how-h-r-1-impacts-people-dually-eligible-for-medicare-and-medicaid/>

How H.R. 1 Impacts People Dually Eligible for Medicare and Medicaid

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- H.R. 1 immediately stopped many provisions in the Medicaid Streamlining Eligibility and Enrollment Rules until 2034.
- These rules aimed to help low-income Medicare enrollees enroll in and remain enrolled in Medicaid and Medicare Savings Programs (MSPs).
- States are no longer required to take steps to make it easier for people to enroll in Medicaid.
- If states don't make changes on their own, millions of low-income older adults and people with disabilities who are eligible for Medicaid and MSPs will continue to face enrollment barriers and improper terminations.



<https://justiceinaging.org/how-h-r-1-impacts-people-dually-eligible-for-medicare-and-medicaid/>

How H.R. 1 Impacts People Dually Eligible for Medicare and Medicaid

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- H.R. 1 reduces the maximum retroactive eligibility period from three months to two months for people dually eligible for Medicare and Medicaid effective January 1, 2027.
- The reduction of the retroactive coverage period from three to two months reduces financial protections for dually eligible enrollees.
- It may also impact access to care for people who experience medical emergencies and need Medicaid to pay for long-term care.
- Any delay in submitting the application could result in bills for services not being covered.



<https://justiceinaging.org/how-h-r-1-impacts-people-dually-eligible-for-medicare-and-medicaid/>

How H.R. 1 Impacts People Dually Eligible for Medicare and Medicaid

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- Under HR 1, people dually eligible are not subject to work requirements. They should not be required to prove they are excluded from requirements, fill out application questions about work requirements, or submit any documentation regarding work requirements.
- However, states may send notices in error to people dually eligible requiring them to either prove they are exempt from work requirements or prove work activity.
- People dually eligible could also be impacted if their caregiver, who could be subject to work requirements, faces barriers to obtaining an exemption.



<https://justiceinaging.org/how-h-r-1-impacts-people-dually-eligible-for-medicare-and-medicaid/>

A \$50 billion fund to help rural hospitals could actually lead to closures and cuts

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- HR 1 included a 5 year \$50 billion federal Rural Health Transformation Program, but it doesn't pay for the things many rural hospitals need, including directly funding services and renovations.
- At least 10 states say rural hospitals will still have to cut services so they can continue to afford to offer emergency and other essential care.
- In Nebraska, North Dakota, Tennessee, Kansas, Nevada, South Carolina, and Washington rural hospital service cuts are on the table, and the HR 1 funding help pay for hospitals to convert to Rural Emergency Hospitals.
 - The recently created federal designation requires hospitals to halt inpatient services and in exchange for funding to maintain emergency and outpatient care.
- At least 15 additional states wrote that they'll use the federal funding to “right-size”, evaluate, or adjust services — which could mean eliminating services, or transitioning them to a telehealth or outpatient setting.



<https://www.npr.org/2026/03/26/nx-s1-5760925/rural-health-transformation-fund-hospitals-montana>

Ohio House approves food stamp funding that will leave big shortfalls in urban counties

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- Ohio has an immediate \$38 M hole caused by lost federal funding for SNAP administration.
- The state legislature is putting \$12.5 M to partially cover lost federal funding.
- But it is dividing up the \$12.5 M equally among its 88 counties.
- The largest amount any county will receive under the GOP plan is \$226,486.



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Ohio House approves food stamp funding that will leave big shortfalls in urban counties - Ohio Capital Journal

<https://ohiocapitaljournal.com/2026/03/23/ohio-house-approves-food-stamp-funding-that-will-leave-big-shortfalls-in-urban-counties/>

Ohio House approves food stamp funding that will leave big shortfalls in urban counties

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- For rural counties with smaller populations the additional funding is enough to replace the lost federal dollars.
- Cuyahoga County (Cleveland) meanwhile stands to lose \$7.5 million in federal administrative funding.
- Franklin County (Columbus) will lose \$5.6 million.
- Hamilton (Cincinnati), Lucas (Toledo), and Montgomery (Dayton) Counties stand to lose more than \$2 million each.



<https://ohiocapitaljournal.com/2026/03/23/ohio-house-approves-food-stamp-funding-that-will-leave-big-shortfalls-in-urban-counties/>

Ohio House approves food stamp funding that will leave big shortfalls in urban counties

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- The \$38 million Ohio loses federal administrative funds pales in comparison to the money it could have to pay if error rates are too high.
- But it could be hard to keep error rates down if counties who have many people who must meet the new SNAP requirements don't have the systems and workers to prevent mistakes.
- Shortchanging program administration means less money for the people who “verify eligibility and enforce work requirements and prevent fraud,” putting the state at risk for paying far more in the future.



<https://ohiocapitaljournal.com/2026/03/23/ohio-house-approves-food-stamp-funding-that-will-leave-big-shortfalls-in-urban-counties/>