

Today we will talk about:

- State: What is signed or vetoed and a new Medicaid shortfall estimate
- Congress: Considering two separate reconciliation bills, one to skirt the normal federal budget process, the other to make deeper cuts to Medicaid/Medicare to offset spending increases.
- President releases budget proposal, includes cuts to disability programs
- Policy changes the administration is making: New ACA rules and navigator cuts make it harder for people in the ACA Marketplace, federal government finding few undocumented people in Medicaid, ICE using Medicaid data despite court order, DOJ misleading courts on how its using voter roll data, President issues executive order to create national voter list and restrictions on mail in voting.
- Continued coverage of impacts of HR 1. Medicaid/SNAP cuts hitting state budgets, community health centers, disability services, family caregivers. New projections on how many people will lose health care coverage, and companies making money off HR 1 changes. ACA Marketplace plans may face surprises at tax time.

Weekly Update
April 10th, 2026

Federal Funding Fallout 2026

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4/6/2026

Around Wisconsin

We have a
lot to say.

Wrapping up the state legislative session

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Signed into law

- AB 598 (Patient's Representative bill, advocates concerned)
- AB 180 (FoodShare funding)
- AB 19 (making penalties same for crimes against adults at risk and elders at risk)
- AB253 (MAPP income and inheritance)

No Action

- DVR waiting list

Vetoed

- AB 614 (Let's Teachers choose which students to keep in class)

Wisconsin's projected Medicaid shortfall grows to \$263.5 M

Wisconsin Medicaid will face a \$263.5 million shortfall in state dollars by June 30, 2027 ([projection](#)).

That is 2.7 percent higher than state spending levels set in the 2025-27 budget, and \$50 million more than the estimate released in January 2026.

About two-thirds of states predict Medicaid budget shortfalls in the near term.

Medicaid budget shortfalls may continue to increase in the medium term because there is uncertainty on how federal Medicaid policy changes will be implemented and whether the economy will be worse for people.

The projection identifies places where the Medicaid costs are higher than what was expected (spoiler, LTC is on the list)

Programs and services flagged with increased Medicaid spending are often where policy changes/cuts are considered to drive down spending.

Here are the programs that DHS said are driving higher Medicaid costs

Enrollment in long-term care programs (Family Care, IRIS) is higher, and means the state would need to put in \$33.3 million more. That's 1.2 percent above what the current budget thought it would cost.

More people are spending more time in nursing homes. It means the state would need to put in \$79 million more. That's about 9 percent above what the current budget thought it would cost.

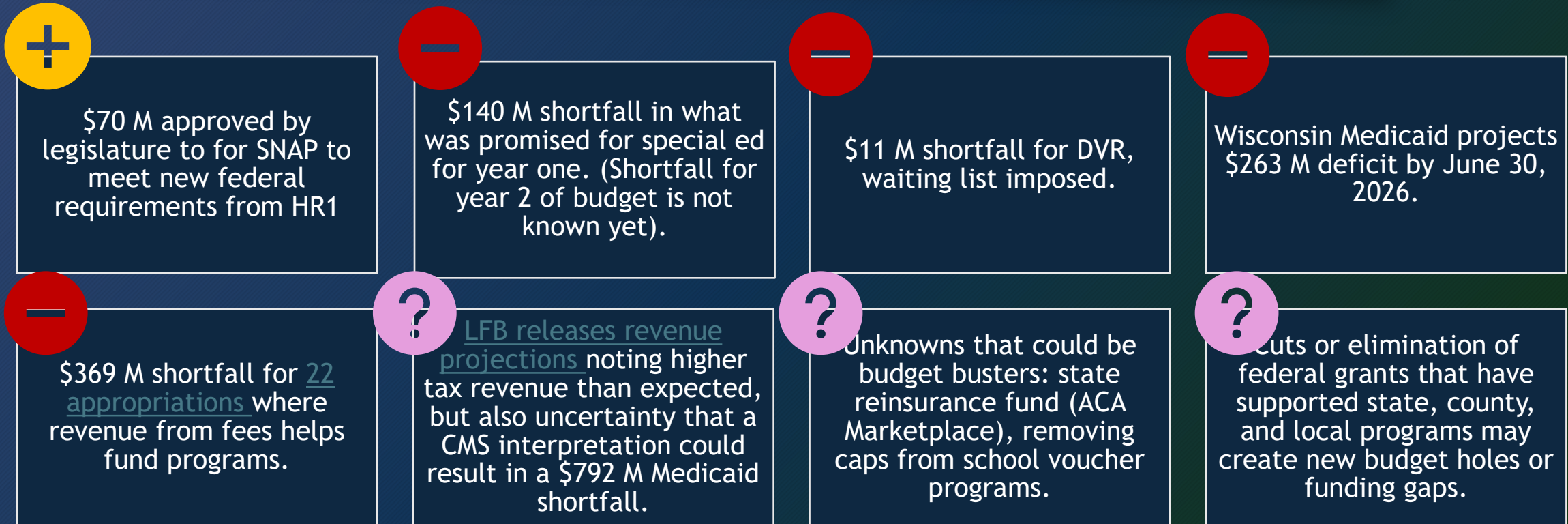
Enrollment in the Children's Long-Term Support program is growing faster than predicted. The program will likely be 18.4% higher or \$54 million in state dollars over budget.

Drug costs are projected to be \$62.2 million in state dollars, or 9.7 percent, over budget. That's because drug rebates are lower and costs and use of drugs is higher than expected.

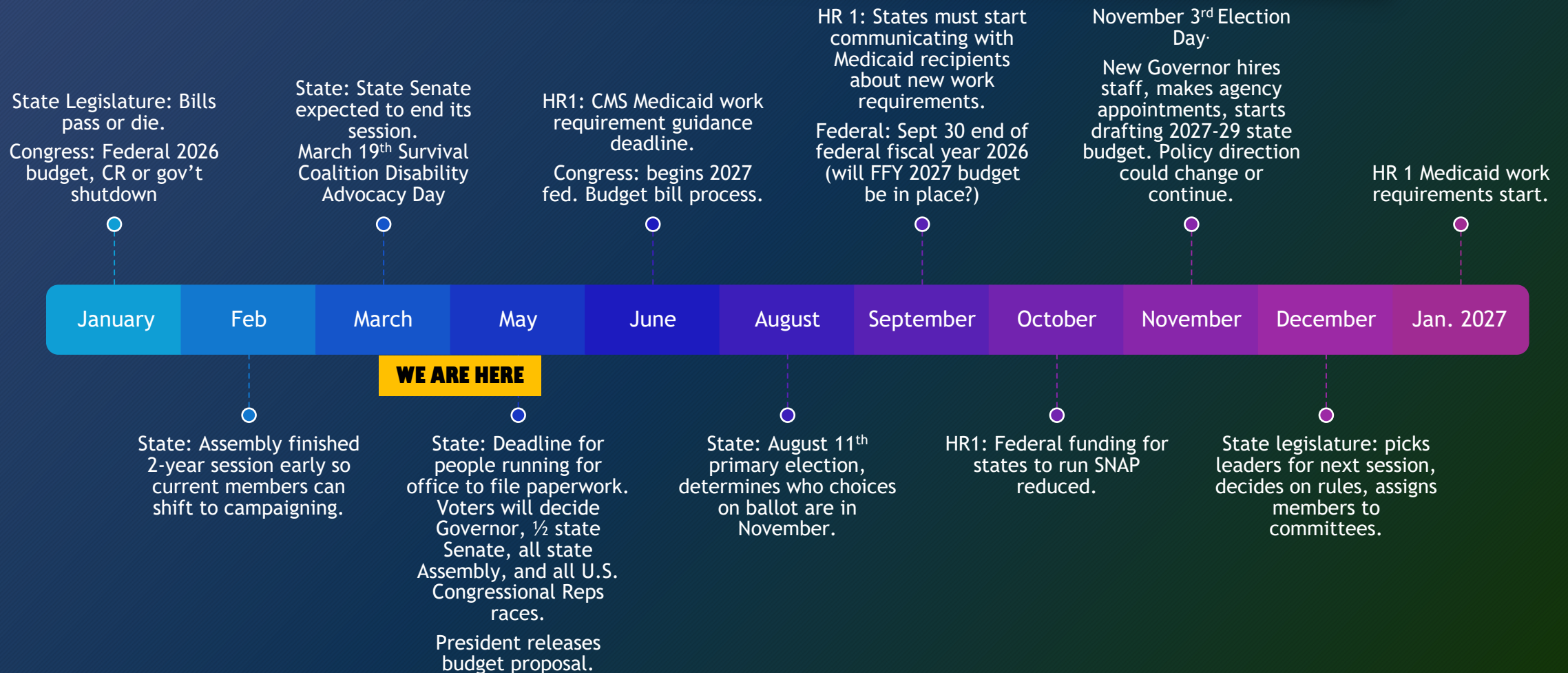
Spending by community health centers is 18.1% higher than expected, which means the state would have to put in \$38.7 million more.

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

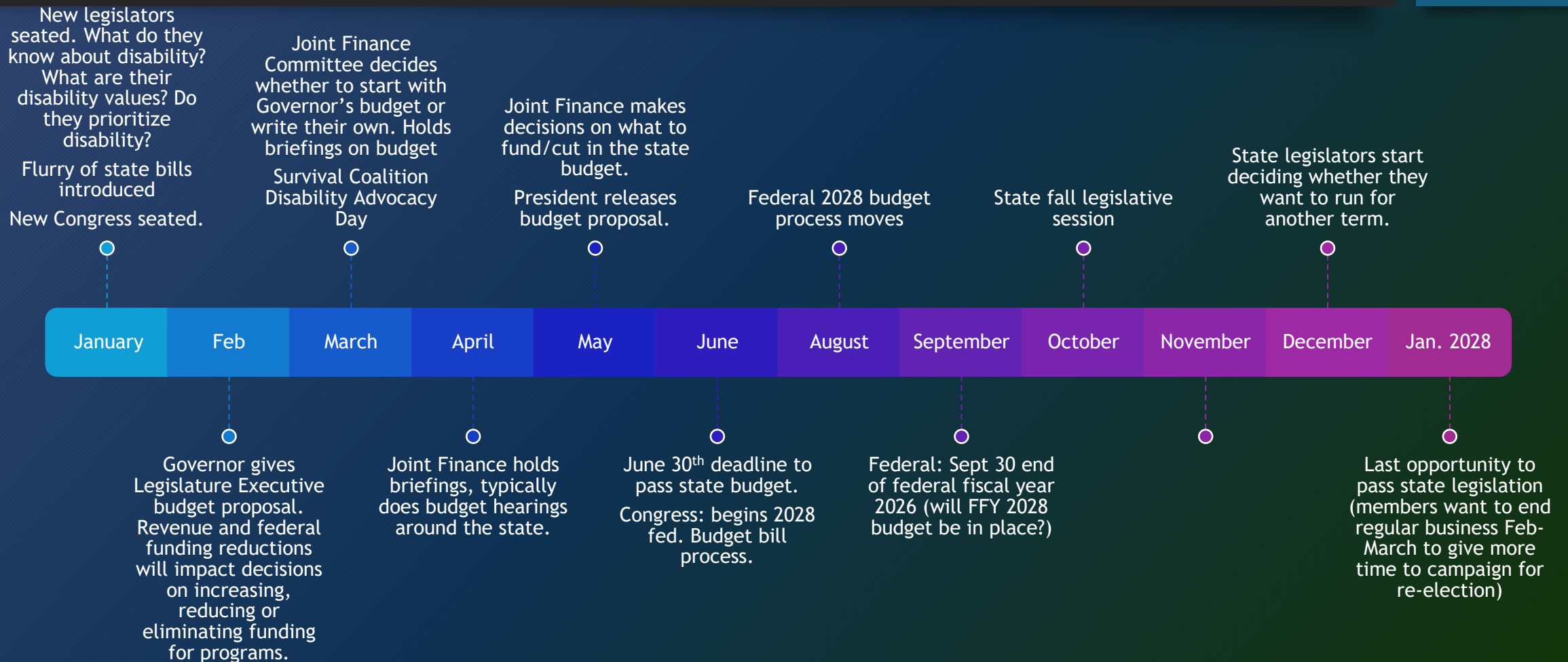
6



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)

What is a reconciliation bill?



Congress can use the reconciliation process to make changes that have a fiscal (budget) impact.

There are rules about what can and can't be included in a reconciliation bill.



A reconciliation bill can pass the U.S. Senate with a simple majority (51 votes) instead of the 60 votes required for other bills.



That means the majority party can pass the bill with only votes from members of their own party.



Congress can use the reconciliation process once every federal fiscal year (FFY), which runs from Oct 1st to Sept 31st.

HR 1 was a reconciliation bill passed in FFY 2025.
A FFY 2026 reconciliation bill can be passed between now and Sept. 31st.
Oct 1st FFY 2027 begins, letting Congress use another reconciliation bill process.

How is Congress thinking about using the reconciliation process this calendar year?



Congress and the President want to use a reconciliation bill to fund the Dept. of Homeland Security for the next three years (and maybe other things).

The Dept. of Homeland Security is shut down because Congress has not passed its annual budget bill because of disagreements on how ICE and border patrol are operating.

Using reconciliation would bypass the normal budget process and would mean the majority party could pass the bill without making any changes the other party wants.

All federal agencies have annual budget bills; approving three years of funding would bypass regular budget process for this agency.



Congress is considering a third reconciliation bill when the new FFY starts Oct 1st.

That bill could include the \$350 spending requested for the Iran war as well as spending cuts to other programs to make up for the extra spending.

Likely targets are more cuts to Medicaid and cuts to Medicare and including parts of the SAVE America Act.

Midterm election results will be known in early November, so the current majority could pass a bill at the end of the year even if they will not be in the majority in 2027.

The current administration is in place for three more years, and could veto legislation passed by a new Congress. Congress can override a veto if 2/3rds of members agree.

GOP Eyeing ACA Subsidy Cuts, Other Health Care Moves To Pay For Iran War

12

- Republicans are considering reductions in federal health spending to help pay for the Iran war and immigration enforcement.
- Top House Republicans are looking at health care offsets addressing fraud in federal programs, as they did during last year's debate over the budget law that made deep cuts to federal Medicaid spending and imposed first-time work requirements.
- Policies discussed last year that would cut or limit Medicaid and the Affordable Care Act could be tried again.



<https://www.axios.com/2026/03/30/gop-health-care-pay-iran-war>

President's April 1st speech hints at changes in federal commitment to Medicaid

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“The U.S. can't take care of daycare. That has to be up to the state. We're fighting wars. Medicaid, Medicare---they can do it on a state basis. We have to take care of one thing. Military protection. But all these little scams that have taken place , you have to let the states take care of them.”

- A recent Paragon report recommended Medicaid block grants or per capita caps and these ideas were part of a list of Medicaid cuts considered in HR1 and attempted in 2017.
- Watchers worry a 3rd reconciliation bill might include these proposals.



<https://www.nbcnews.com/politics/donald-trump/trump-says-not-possible-us-pay-medicare-daycare-re-fighting-w-rcna266381>

President releases “Skinny” 2027 federal budget proposal

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- The President released his budget proposal last week and it includes the same cuts to disability programs he proposed last year including, eliminating the Administration of Community Living, eliminating the UCEDDs (Waisman Center) and other disability programs, and eliminating the independent budget lines that guarantee DD Councils (like BPDD) and Protection & Advocacy organizations (like DRW) are funded.
- Lumping pots of money together, reducing funding, and letting states decide how to spend it is a strategy to make cuts or eliminate programs people with disabilities rely on.
- Last year, it was grassroots disability advocates that raised the alarm and relentlessly pushed Congress to pass a budget that preserved these programs.



White House summary all agencies
https://www.whitehouse.gov/wp-content/uploads/2026/04/budget_fy2027.pdf

U.S. Dept of Education
<https://www.ed.gov/media/document/fy-2027-budget-summary-113552.pdf>

U.S. Dept of Health and Human Services
<https://www.hhs.gov/sites/default/files/fy-2027-budget-in-brief.pdf>

President releases “Skinny” 2027 federal budget proposal

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- The President’s proposal would also:
- Eliminate funding for the Low-Income Home Energy Assistance Program, Developmental Disabilities Projects of National Significance, Limb Loss Resource Center, Paralysis Resource Center, Voting Access for People with Disabilities.
- Consolidate funding for several IDEA programs.
- Eliminate grants for supported employment, client assistance, training and a protection and advocacy program designed to ensure the legal rights of individuals with disabilities and allow states to choose whether (or not) to use vocational rehabilitation state grants for those purposes.



<https://www.disabilityscoop.com/2026/04/07/trump-budget-calls-for-eliminating-key-disability-programs/31937/>

Hold off on Celebrating Trump's Proposal to Increase Disability Education Funding

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- While the President's proposal includes \$500 million *more* funding for the Individuals with Disabilities Education Act, the proposal may result in functions that currently have separate, dedicated funding not continuing at all.
- The budget recommends removing funding specifically designated for parent information centers, which help equip parents with information and resources they need to advocate for their kids with disabilities, as well as technical assistance for schools. This funding would instead come out of each state's IDEA budget.
- Advocates are concerned that this will lead to these parent programs not getting the funding they need.



MOTHERJONES.COM

Hold off on celebrating Trump's proposal to increase disability education funding

<https://www.motherjones.com/politics/2026/04/trump-budget-disability-education-rfk/>

If Congress doesn't follow President's budget proposal, will the administration do them anyway?

17

- In the past year, the administration has made multiple decisions that spent or did not money they way Congress directed.
 - Elimination of agencies or parts of agencies, moving parts of agencies to other agencies, and firing federal workers.
 - Shifting funding meant for one purpose to fund something else (taking money to pay certain workers during shutdown), or not sending funding intended for specific purpose (SNAP during shutdown).
 - Cancelling future funding was been awarded to states and clawbacks of previously awarded funding. .
 - Not sending funding to states for programs, stopping reimbursements for work already done
 - Recissions of Congressionally appropriated funding, and “Pocket Recissions” where deliberate delay in awarding funding means authority to spend money lapses
 - Administrative changes to grants, programs, etc. that change how money is distributed, to whom, and that makes it easier for funding to be stopped for any reason.



POLITICO.COM

'Paradigm shift': How Trump's budget request will keep everyone guessing

<https://www.politico.com/news/2026/04/04/budget-trump-omb-vought-00859077?nid=0000014f-1646-d88f-a1cf-5f46b4be0000&nname=inside-congress&nrid=68e8afb1-cd03-468e-9d2f-800499e6e8d6>

If Congress doesn't follow President's budget proposal, will the administration do them anyway?

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- There are many ongoing lawsuits over the administration's actions, but Congress has done little to assert its spending authority or provide oversight.
- Congress passed 11 of the 12 annual budget bills in January, it is unknown whether the directions Congress gave will be honored.
- Some items that require Congressional approval—like eliminating the Dept. of Education—are continuing.
- If Congress refuses to approve Trump's latest funding wishes, will the administration implement many of them anyway?



<https://www.politico.com/news/2026/04/04/budget-trump-omb-vought-00859077?nid=0000014f-1646-d88f-a1cf-5f46b4be0000&nname=inside-congress&nrid=68e8afb1-cd03-468e-9d2f-800499e6e8d6>

Congress has spending power and oversight over spending: use it.

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There is never a wrong time to contact your members of Congress and let them know you are paying attention, and that Congress should pay attention to the disability community and make sure to disability programs have dedicated funded appropriated to preserve current programs.

Republicans have found their health care message for the midterms: fraud

20

- The White House and Congress have taken big public steps in recent months to highlight what they call rampant fraud
- Vice President Vance kicked off a new fraud task force this spring and swore in a new assistant attorney general whose main task is focusing on fraud.
- CMS Director Oz has released a drumbeat of viral videos on CMS' efforts to combat fraud and launched probes across several states.
- In Congress, several House committees have launched their own investigations, asking 10 states to provide answers on their fraud guardrails
- Republicans think focusing on fraud will help shift voters' focus away from complaints about health care affordability during Trump's first year in office, and counter Democratic attacks over the more than \$1 trillion in Medicaid cuts in HR 1.



<https://www.politico.com/news/2026/04/05/how-the-gops-fraud-crackdown-could-impact-the-midterms-00859091>

Administration

Administrative
rules, Federal
Agency Actions

New federal rule claims to prevent fraud, makes it easier to get plans that cost more and cover less

22

- A federal rule proposed in February would make a sweeping set of ACA regulations for next year, including more requirements for some applicants to prove eligibility for subsidies or enrollment and new scrutiny of sales agents and marketing practices.
- Health experts think the changes will make it harder for people who are eligible to enroll.
- The administration is sending mixed messages, on one hand “talking about its fraud-fighting efforts” being successful, but releasing a proposed rule “that says we have to have all these restrictions on consumers because of fraud.”



<https://kffhealthnews.org/news/article/trump-obamacare-affordable-care-act-regulations-fraud-income-subsidies>

New federal rule claims to prevent fraud, makes it easier to get plans that cost more and cover less

23

- The rule includes proposed changes aimed at preventing people from fudging their incomes — higher or lower — to qualify for subsidies.
- Another part of the proposed rule would require the federal marketplace, used by 30 states, to step up income verification efforts for people who want to sign up outside of the ACA's annual open enrollment period, for reasons including getting married, adopting a baby, or losing other coverage.
- Some of these changes were proposed last year but were challenged in court.
- Now, the same ideas are proposed with some additional language intended to address previous objections.



<https://kffhealthnews.org/news/article/trump-obamacare-affordable-care-act-regulations-fraud-income-subsidies>

Navigator cuts leave Americans with less help to find ACA Marketplace plans

24

- The Trump administration cut annual funding for navigators by 90%, from \$100 million to \$10 million, arguing the program was wasteful.
- Navigators help educate and enroll people — especially those living in hard-to-reach communities.
- Funding came from a user fee on monthly ACA premiums.
- In announcing the cuts last year, an administration statement said: “Navigators are not enrolling nearly enough people to justify the substantial amount of federal dollars previously spent on the program.”



<https://stateline.org/2026/04/06/navigator-cuts-leave-americans-with-less-help-to-find-obamacare-plans/>

Federal Office of the Inspector General says Colorado wrongly spent \$78M on autism therapy

25

- Auditors at the federal Office of the Inspector General found Colorado's Medicaid program has been improperly covering (ABA) care by uncredentialed behavioral technicians for children with autism, among other billing discrepancies.
- Colorado must refund the federal government \$42.6 million as well as conduct periodic statewide reviews of payments for autism centers offering applied behavior analysis therapy.
- Colorado has more than 6,600 certified technicians and an estimated 1,500-2,000 who are not certified but are providing therapy.
- The audit released Monday comes as the state is already dealing with a \$1 billion budget shortfall and cuts to Medicaid benefits that have affected multiple programs for people with low incomes and disabilities.
- The OIG has been investigating applied behavior analysis therapy in multiple states, identifying what it calls "questionable billing patterns."



COLORADOSUN.COM

Colorado wrongly spent \$78M on autism therapy, Office of the Inspector General says

<https://coloradosun.com/2026/03/02/colorado-wrongly-spent-78m-on-autism-therapy-office-of-the-inspector-general-says/>

Trump's Hunt for Undocumented Medicaid Enrollees Yields Few Violators

26

- Last August, the Trump administration sent states the names of hundreds of thousands of Medicaid enrollees with orders to determine whether they were ineligible based on immigration status.
- Only U.S. citizens and some lawfully present immigrants are eligible for Medicaid
- People without legal status are ineligible for federally funded health coverage, including Medicaid, Medicare, and plans through the Affordable Care Act marketplaces. Medicaid does reimburse hospitals for providing emergency care to people without legal status if they meet income and other program requirements.
- States check immigration status when people sign up
- Seven months later, five states shared their findings with KFF Health News and show they have uncovered little evidence of a widespread problem.



KFFHEALTHNEWS.ORG

Trump's Hunt for Undocumented Medicaid Enrollees Yields Few Violators - KFF Health News

<https://kffhealthnews.org/news/article/medicaid-undocumented-enrollees-review-few-violators>

Trump's Hunt for Undocumented Medicaid Enrollees Yields Few Violators

27

- Many of the names referred by CMS where they said federal data sources could not confirm immigration status are U.S. citizens.
 - Ohio found that, of the 65,000 names referred by the federal government, they already had information on 53,000 confirming them as citizens and an additional 11,000 showing appropriate immigration status for Medicaid.
- Pennsylvania and Colorado Medicaid agencies said, as of March, the states had found no one who needed to be terminated from Medicaid. That was after checking a 79,000 names.
- Texas checked 28,000 Medicaid enrollees identified by the Trump administration. 77 had their Medicaid coverage terminated.
- Ohio checked 65,000 Medicaid enrollees. 260 people were disenrolled.
- Utah, checked 8,000 enrollees identified by the Trump administration. 42 had their Medicaid coverage terminated



KFFHEALTHNEWS.ORG

Trump's Hunt for Undocumented Medicaid Enrollees Yields Few Violators - KFF Health News

<https://kffhealthnews.org/news/article/medicaid-undocumented-enrollees-review-few-violators>

States say ICE pulled Medicaid data despite court order

28

- A coalition of 22 states told a federal court that the Trump administration appears to have violated a court order that limited the types of health data that could be shared
- The states say the U.S. Department of Health and Human Services, which oversees Medicaid, appears to have ignored the court order and has admitted to sharing with ICE “a large and complex” set of data on Medicaid recipients, even though the court said the data of citizens and lawful permanent residents is off limits.
- The states claim the federal government hasn’t clarified how it determines who is “lawfully present,” nor has it confirmed whether it’s filtering out protected individuals from the data it gives to ICE.



<https://stateline.org/2026/03/31/states-say-ice-pulled-medicaid-data-despite-court-order>

States say ICE pulled Medicaid data despite court order

29

- The states are asking the court to formally bar the sharing of protected health care information for people lawfully residing in the United States.
- They're also asking the court to confirm that "lawfully residing" includes noncitizens who have legal status, such as refugees and asylees.
- And they want the court to allow the states to examine the data that's been shared with ICE so far, and how it has been used.

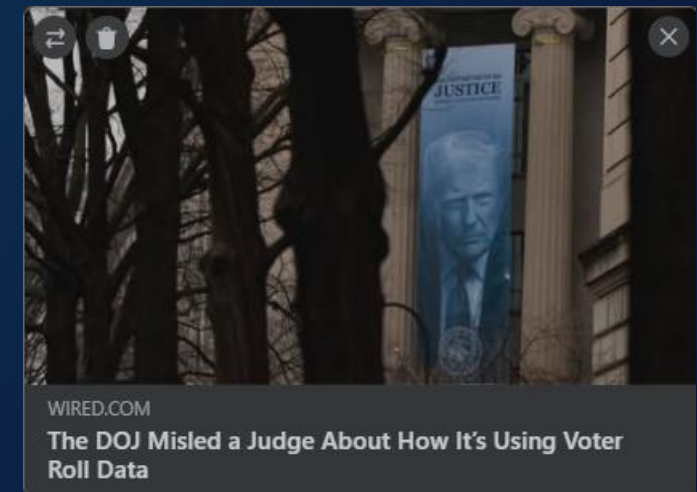


<https://stateline.org/2026/03/31/states-say-ice-pulled-medicaid-data-despite-court-order>

The DOJ Mised a Judge About How It's Using Voter Roll Data

30

- DOJ appears to be pooling the data and using it to identify potential issues with suspected voting irregularities ahead of the midterms, which is a core part of Trump's broad attack on elections.
- In a court document filed on March 27, U.S. DOJ corrected its previous statement and said, “preliminary internal data analysis of the nonpublic voter registration data has begun. In particular, the Civil Rights Division has begun the process of identifying and quantifying the number and type of duplicate and deceased registered voters in each state.”
- DOJ claimed last week in court that 17 states had given unredacted voter roll data to the DOJ, but he didn't specify which ones.
- A tracker maintained by the Brennan Center reports that 12 states have publicly confirmed they have handed over unredacted voter rolls.

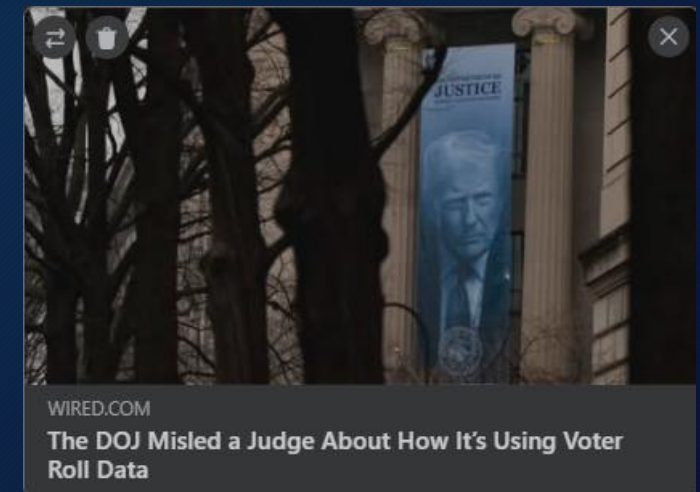


https://www.wired.com/story/doj-mised-judge-voter-roll-data/?_sp=b7ff5947-6ed0-4e32-a741-05504efcd7eb.1775486361398

The DOJ Misled a Judge About How It's Using Voter Roll Data

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- In many of the lawsuits, state election officials pointed out the huge security risk involved in sharing such sensitive data, especially when it was unclear how the data would be stored or who it would be shared with.
- “We still have no idea what the government is doing with this data,” says David Becker, the head of the Center for Election Innovation and Research and a former Justice Department lawyer. “No idea where it is being stored, how it is being protected, or who has access to it. This data is incredibly sensitive. If someone has any of these three data points on any of us, Social Security number, driver's license number, or date of birth, they can wreck us financially. This is why the states protect this data, and they do a good job of it.”

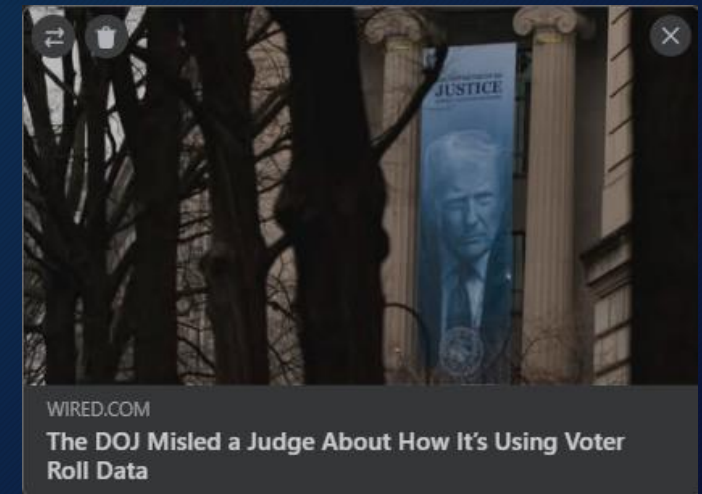


https://www.wired.com/story/doj-misled-judge-voter-roll-data/?_sp=b7ff5947-6ed0-4e32-a741-05504efcd7eb.1775486361398

The DOJ Misled a Judge About How It's Using Voter Roll Data

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- The Justice Department has refused to say exactly what it wants to do with the data it is trying to collect, but has claimed repeatedly that it will not be used for a national voter database.
- Trump signed an executive order that would require the Department of Homeland Security to create a national voter database as part of an effort to curb access to mail-in voting.
- During his court appearance in Rhode Island last week, the US DOJ Attorney admitted that the DOJ would be willing to share the information with the DHS.



https://www.wired.com/story/doj-misled-judge-voter-roll-data/?_sp=b7ff5947-6ed0-4e32-a741-05504efcd7eb.1775486361398

Trump executive order to create national voter list, restrict mail-in voting

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- March 31st, the President signed an executive order to create a nationwide list of verified eligible voters and to restrict mail-in voting
- The directs the Department of Homeland Security, working with the Social Security Administration, to make a list of eligible voters in each state.
- It bans the U.S. Postal Service from sending absentee ballots to people not on each state's approved voter list.
- The Order says ballots to have secure envelopes with unique barcodes for tracking
- Federal funding could be withheld from states and localities that don't comply.
- Voting law experts say the Order violates the Constitution by attempting to seize states' power to run elections.



APNEWS.COM

Trump signs order directing creation of a national voter list, a move already facing lawsuit threats

<https://www.politico.com/news/2026/03/31/trump-executive-order-limiting-mail-in-voting-00853296>

<https://apnews.com/article/donald-trump-mail-voting-elections-47cc334b1fb7742244a9c4f176b355cd>

<https://www.newsfromthestates.com/article/trump-signs-order-seeking-curb-vote-mail-bid-control-state-election-laws>

<https://www.democracydocket.com/news-alerts/trump-signs-sweeping-order-attacking-mail-in-voting/>

Executive order: <https://www.whitehouse.gov/presidential-actions/2026/03/ensuring-citizenship-verification-and-integrity-in-federal-elections/>

States file lawsuit challenging President's March 31st Executive order

34

- 23 states are suing President Trump in the U.S District Court for the District of Massachusetts challenging the Executive Order that would create a national voter list and restrict mail in voting.
- The lawsuit says the Executive Order is unconstitutional
- The Constitution assigns primary responsibility for federal elections to the States, subject only to preemption by Congress
- Neither the Constitution nor any act of Congress gives the President the authority to mandate sweeping changes to States' electoral systems or procedures.

[Lawsuit Filing](#)

[Statement Attorney General Kaul](#)

[Statement Governor Evers](#)

Continued coverage of impact of Reconciliation bill

Lots of
articles to
share.

35

Family caregivers now provide \$1 trillion worth of care annually

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- About 59 million Americans provided care for an adult family member, neighbor or friend in 2024,
- Their efforts added up to 49.5 billion hours of care, representing \$1.01 trillion in total economic value annually,
- Family caregivers usually provide long-term services and supports, nearly all of which are unpaid
- Their labor includes essential care for adults like managing medications, coordinating care appointments and assisting with other needs like bathing, dressing and navigating insurance claims
- The \$1.01 trillion economic value of family caregiving exceeded the \$932 billion total in federal, state and local Medicaid spending and \$557 billion total in out-of-pocket health spending



<https://www.cnn.com/2026/03/26/family-caregivers.html>

Nation's Disability Services System Faces 'Unprecedented' Threats

37

- Already facing nearly \$1 trillion in federal Medicaid cuts, disability advocates worry new efforts to crack down on fraud and trim state budgets will erode access to home and community-based services (HCBS).
- Lawmakers in several states including Idaho, Missouri, Maryland, Colorado, Utah and Washington are weighing proposals to cut funding for services that support people with disabilities living in the community. They are citing financial pressure as states brace for the impact of HR 1.
- At the same time, the Trump administration is targeting Medicaid as part of a broader effort to weed out fraud and claims greater use of HCBS is a reason to suspect fraud.
- “The system of community-based services for people with I/DD is already in an incredibly fragile state,” she said. “These challenges stand to get much worse if we see service payment freezes or further reductions in funding for any reason.”



<https://www.disabilityscoop.com/2026/03/30/nations-disability-services-system-faces-unprecedented-threats/31929/>

Colorado's Medicaid Cuts Could Double 7-Year Wait For Adult Disability Care

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- Colorado lawmakers are in the process of trying to cut about \$1.5 billion in spending from the state budget
- The waitlist for Colorado's development disabilities Medicaid waiver — now about seven years long with 2,800 names — could quickly double with the latest policy changes.
- In addition to other Medicaid cuts that will decrease the amount of in-home care and other services for families of people with disabilities, the department is proposing these changes:
- Instead of enrolling a new person in the adult development disabilities waiver each time one person exits or dies, Colorado will now enroll one person for every two who exit. This could mean a doubling of the waitlist to 14 years. (saves \$12.6 M state funds)



<https://coloradosun.com/2026/03/27/medicaid-budget-cuts-developmental-disabilities-waitlist>

Colorado's Medicaid Cuts Could Double 7-Year Wait For Adult Disability Care

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- Adults who are on the developmental disabilities waiver will have to contribute financially for their residential services, depending on their income. (saves \$32 M state funds)
- Children with developmental disabilities who live with their parents and receive daily support through Medicaid will no longer automatically get a spot in the adult program when they turn 18.
- The state Medicaid program predicts that about 30 children per month, or 363 per year, will no longer be automatically enrolled.
- They can receive other, less costly services instead, but not the adult waiver that provides 24/7 supervision. (saves \$59 M)



<https://coloradosun.com/2026/03/27/medicaid-budget-cuts-developmental-disabilities-waitlist>

Mississippi legislature funds Medicaid at less than half the amount requested by agency

40

- Medicaid makes up roughly a tenth of Mississippi's spending and provides health coverage to nearly 700,000 children and low-income pregnant, disabled and elderly Mississippians,
- In recent years, state lawmakers granted Medicaid small funding increases and the agency relied on the leftover COVID-19 pandemic funds to balance its growing budget.
- That funding was exhausted this fiscal year, and now Mississippi Medicaid needs a boost in state appropriations to maintain services.
- To allow the agency to continue providing the same services, lawmakers recommended an additional \$120 million from the state's general fund compared to last year.
- The proposed funding reaches the level agreed upon by the Division of Medicaid and the governor to allow the agency to continue operating at its current level, but that could require the agency to freeze or cut some provider reimbursement rates
- Legislators warned the same challenges could resurface next year if efforts are not made to reduce Medicaid spending.



<https://mississippitoday.org/2026/03/31/legislators-medicaid-budget>

New Jersey seeks make sure people in Medicaid keep coverage after federal HR 1 changes hit

41

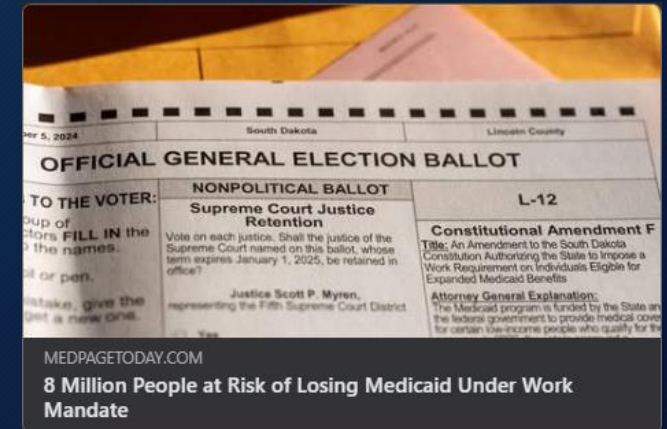
- The Governor included more than \$10 million in her \$60.7 billion budget proposal to strengthen Medicaid's enrollment system before January, when new rules will require certain members to regularly submit pay stubs, school records, or other documents to prove they are eligible.
 - \$5 million is for improving the technical platforms used by Human Services officials, county welfare offices, and the state's Medicaid vendor to enroll and track membership.
 - \$3 million is for improve workflow, \$1.5 million for "incentive" payments to boost county enrollment performance, and \$1 million for legal and other professional services as the Department of Human Services adjusts regulations and contracts in advance of the January deadline.
- New Jersey's Medicaid program has two separate database platforms, one of which is old and has been patched many times, and not all organizations involved have sufficient access to these information sources.
- The state wants to build a more seamless system that enables program officials to collect data from other sources, like payroll or welfare records, to make it easier to re-enroll members automatically.
- As many as 350,000 New Jerseyans could lose coverage because of the additional red tape, experts predict.



<https://newjerseymonitor.com/2026/03/30/with-federal-changes-coming-to-medicaid-nj-pursues-ways-to-keep-people-enrolled/>

Study: 8 Million People at Risk of Losing Medicaid because of “prove you’re working” requirements

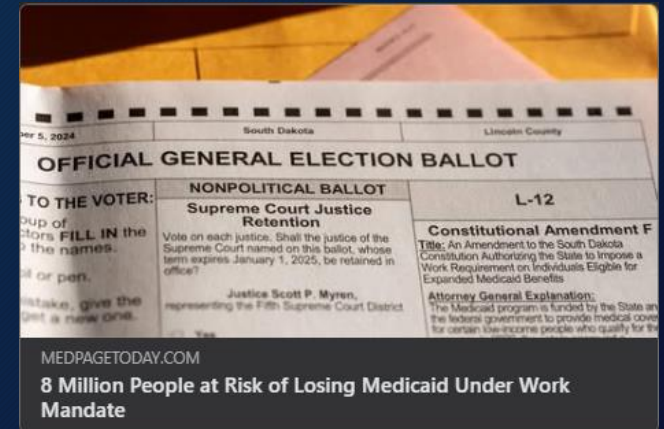
- More than 8 million people will be at risk of losing their Medicaid coverage once the Medicaid work requirement passed in HR 1 is fully implemented by the states.
- "A core assumption behind work requirements is that most nonworking enrollees are able-bodied and simply need an incentive to work. Our data challenge that directly -- the majority of those at risk have functional limitations that would make compliance genuinely difficult, yet they don't meet formal disability criteria that would exempt them."



<https://www.medpagetoday.com/publichealthpolicy/medicaid/120565>

Study: 8 Million People at Risk of Losing Medicaid because of “prove you’re working” requirements

- More than half of those who would lose coverage "have significant functional impairments across physical, neuropsychological, and independent living domains.
- "We expected to find elevated rates of functional impairment among those at risk, but the gaps were larger than anticipated," he said. "Poor physical health was three times more common among those at risk of disenrollment compared to those meeting work requirements (32.7% vs 10.9%). Poor mental health was also substantially higher. What's particularly concerning is that these are people falling into a gray zone -- too impaired to easily comply, but not sick enough to qualify for formal disability exemptions. That's a policy gap with real human consequences."



<https://www.medpagetoday.com/publichealthpolicy/medicaid/120565>

New Report predicts how many people will lose coverage because of HR 1 Medicaid changes

- Urban institute has released a report projecting how many people will likely lose Medicaid coverage due to “prove your working requirements” and more frequent eligibility redeterminations
 - In Wisconsin, BadgerCare members who are not exempt will have to “prove they are working.” Wisconsin does not have to do more frequent eligibility redeterminations for BadgerCare members.
- State policies will help determine whether the decline is closer to the low, middle, or high estimate.
- States that use more automatic data matching, make choices that lower workload, and adopt broader exemption parameters will see fewer people lose Medicaid. States that do not or cannot update systems, hire more workers, or require more or narrower documentation to prove work/exemptions will see more people lose Medicaid.
- Wisconsin is projected to have between 39,000 K to 100,000 K people lose Medicaid depending on the state’s choices.



Urban Institute report:

<https://westvirginiawatch.com/wp-content/uploads/2026/03/rwjf485284.pdf>

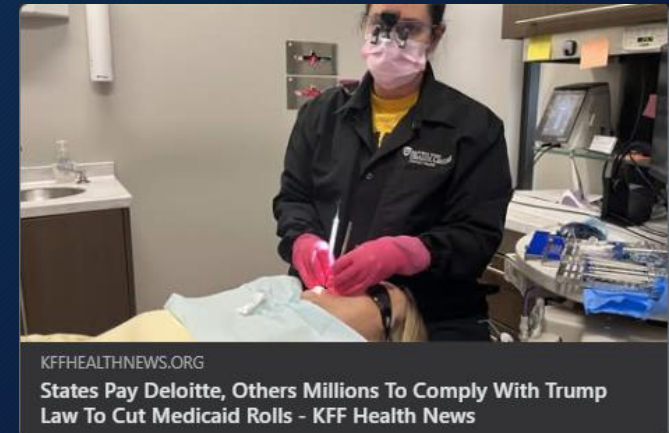
<https://stateline.org/2026/03/27/state-policy-will-determine-how-many-people-lose-medicaid-under-work-rules/>

<https://westvirginiawatch.com/2026/04/01/medicaid-work-requirements-redeterminations-will-cause-40k-to-75k-west-virginia-residents-to-lose-their-health-care-study-finds/>

States pay Deloitte, others millions to comply with Trump law to cut Medicaid rolls

45

- States are paying contractors such as Deloitte, Accenture, and Optum millions of dollars to help them comply with HR 1— a law that will strip safety-net health and food benefits from millions.
- State governments rely on such companies to design and operate computer systems that assess whether low-income people qualify for Medicaid or food aid through the Supplemental Nutrition Assistance Program
- Those state systems have a history of errors that can cut off benefits to eligible people, a KFF Health News investigation showed.
- According to state documents obtained by KFF Health News and interviews, the documents show government agencies will spend millions to save considerably more by removing people from health benefits.

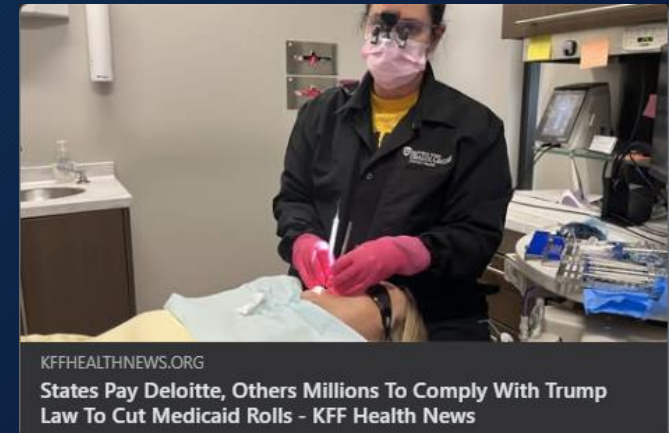


<https://kffhealthnews.org/news/article/state-medicaid-work-requirements-eligibility-systems-deloitte-accenture-optum>

States pay Deloitte, others millions to comply with Trump law to cut Medicaid rolls

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- In five states alone, company estimates developed for state officials and reviewed by KFF Health News show that changes will cost at least \$45.6 million.
- Documents prepared by consulting company Deloitte estimate that a pair of computer system changes for Medicaid work requirements in Wisconsin will cost nearly \$6 million. Two other changes related to the state's SNAP program will cost an additional \$4.2 million.
- In Wisconsin, state officials estimate roughly 63,000 adults could lose coverage after work requirements take effect.
- Not covering those people would save \$532.6 million in Medicaid spending for one year.
- While states sign eligibility system contracts with companies and work with them to manage updates, the federal government foots most of the bill.



<https://kffhealthnews.org/news/article/state-medicaid-work-requirements-eligibility-systems-deloitte-accenture-optum>

States Face Another Challenge With Medicaid Work Rules: Staffing Shortages

47

- State Medicaid agencies can struggle to keep enough staff to help people sign up for benefits and field calls from enrollees with questions. A shortage of such workers can keep people from fully using their benefits,
- New requirements in HR 1 will soon demand more work and more staff as many more people must prove they are working or prove they are exempt from the requirements
- The new requirements will add strain on an already-stressed workforce, potentially making it harder for Medicaid participants to get basic customer service.



<https://kffhealthnews.org/news/article/medicaid-cuts-work-requirements-state-staff-shortages>

States Face Another Challenge With Medicaid Work Rules: Staffing Shortages

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- Health experts think many people who are legally entitled to be in Medicaid may lose their health care benefits because of mistakes or not being able to get help or submit paperwork correctly by tight deadlines.
- The Medicaid work rules will require extensive IT system changes and training for workers verifying eligibility on a tight timeline.
- States could have a hard time finding people interested in taking those jobs, which require months-long training, can be emotionally challenging, and generally offer low pay.



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States Face Another Challenge With Medicaid Work Rules:
Staffing Shortages - KFF Health News

<https://kffhealthnews.org/news/article/medicaid-cuts-work-requirements-state-staff-shortages>

Hospitals at risk of closing because of HR 1 Medicaid cuts

49

- A new report identifies 446 hospitals at risk of closing or reducing services due to Medicaid cuts.
- Hospitals made the at-risk list if 20% or more of their payer mix consisted of Medicaid and other low-income patients — and if they lost money between 2022 and 2024.
- Medicaid covers about a fifth of all hospital spending.
- 60% of at-risk hospitals serve urban areas, 39% are rural hospitals.
- In five states, more than 25% of all their hospitals are risk.
- Wisconsin has five hospitals identified in Chippewa Falls, Racine, Menomonee Falls, and Milwaukee.



<https://www.nbcnews.com/health/health-news/medicaid-cuts-threaten-hundreds-hospitals-new-report-finds-rcna265789>

<https://ohiocapitaljournal.com/2026/04/07/analysis-shows-10-ohio-hospitals-face-risk-of-closure-due-to-trump-republican-spending-law/>

[Public Citizen report with list of at-risk hospitals](#)

HR 1 Darkens Outlook for Community Health Centers

50

- May 1st, Nebraska is set to become the first state to require certain Medicaid enrollees to prove they are working or exempt or lose their coverage
- Nebraska is choosing to implement HR1 requirements earlier than the Jan 1st, 2027 deadline.
- Nebraska's early launch of its work requirement program could affect about 72,000 Medicaid expansion enrollees.
- State Medicaid officials say they plan to use state and national databases to check whether people are already working or meeting an exemption.
- Thousands will need to prove they satisfy the requirements, and many may lose coverage because of paperwork errors, like failing to document their hours or verify that they qualify for an exemption.



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Trump's One Big Beautiful Bill Act Darkens Outlook for Government-Backed Clinics - KFF Health News

<https://kffhealthnews.org/news/article/federal-funded-community-health-centers-revenue-loss-under-trump/>

HR 1 Darkens Outlook for Community Health Centers

51

- Nationwide, about 17,000 federally funded community health centers like Bluestem care for 1 in 7 Americans.
- By law, community health centers are required to treat all patients regardless of their ability to pay.
- Health centers receive annual federal grants but depend on Medicaid reimbursements for patient care as their largest source of revenue. Medicaid covered about half of their roughly 33 million patients in 2024.
- It's expected 5.6 million patients of health centers will lose Medicaid coverage over the next decade
- There's no easy way to make up for the lost revenue other than cutting staff or services, which would affect all their patients.
- The cuts will coincide with an expected increase in patients, as people who lose coverage turn to the clinics for low-cost care.



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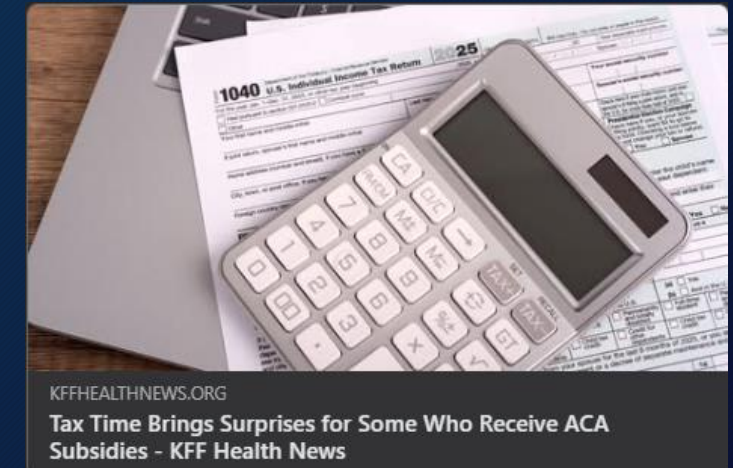
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<https://kffhealthnews.org/news/article/federal-funded-community-health-centers-revenue-loss-under-trump/>

Tax Time Brings Surprises for Some Who Receive ACA Subsidies

52

- In 2026, many more ACA plan holders may find they owe money (and higher repayment amounts) back to the federal government if their income changed from what they estimated.
- It's not always easy for people to accurately estimate their income for the year ahead, especially those who run their own businesses, work multiple jobs, or have work that comes with varying hours.
- HR 1 removed repayment caps. That means there will be no limits on how much people could owe back in subsidies for 2026 if their income exceeds their projections.



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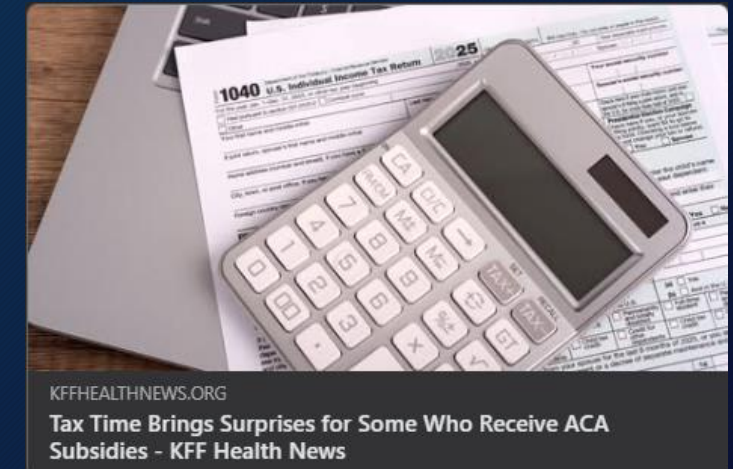
Tax Time Brings Surprises for Some Who Receive ACA Subsidies - KFF Health News

<https://kffhealthnews.org/news/article/tax-tips-aca-affordable-care-act-obamacare-subsidies-income-owing>

Tax Time Brings Surprises for Some Who Receive ACA Subsidies

53

- HR 1 also changed how much people must pay toward their premiums before they can get subsidies (2% on the low end of the income scale and up to nearly 10% for higher-income earners).
- Additionally, households earning over four times the federal poverty level no longer qualify for ACA subsidies.
- Enrollees whose income rise enough during the year to exceed four times the poverty level would owe back all the subsidies they receive in 2026.



<https://kffhealthnews.org/news/article/tax-tips-aca-affordable-care-act-obamacare-subsidies-income-owing>