

Today we will talk about:

- State: Special session ends, State Senate votes “no” on deal to cut income, spend savings
- Congress: 2027 annual appropriations moving slowly, 2nd reconciliation on track to pass by June, 3rd reconciliation could be moving by summer
- Federal Administration: Administration is challenging relationship between states and federal government, CMS places moratorium on home health/hospice, California latest state to have Medicaid money withheld, Administration wants Medicaid data for deportation some states are passing laws to do it, federal rule banning disability discrimination in healthcare postponed, 7 states are pushing lawsuit that would rollback 504 integration mandate, questioning of vaccines continues behind closed doors
- Impact of HR 1: HCBS tracker launched to follow what changes are happening in states, Nebraskan with disability sues over new assessment system, Georgia reduces revenue causes budget hole makes disability cuts, North Carolina bill makes more changes to Medicaid with unintended consequences, Latinos face disproportionate loss of health coverage due to HR 1 and ACA subsidy expiration

Weekly Update

May 15th, 2026

Federal Funding Fallout 2026

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5/15/2026

Around Wisconsin

We have a
lot to say.

Special session bill would have spent state savings & reduced income used to pay state bills

Monday morning the Governor [announced](#) he had struck an agreement with Republican legislative leaders to:

- Spend down state savings by giving out a one-time rebate,
- Permanently reduce the amount of income the state uses to pay its bills by getting rid of certain taxes,
- Increase the fixed amount of money set aside for special education, per pupil payments for choice and charter students, and set aside a fixed amount of money for general aids to schools.

The bill will reduce the amount of money the state uses to pay for programs, services, and infrastructure by \$1.7 B in 2026-27.

Late Monday afternoon legislative text of the bill was released ([LRB-6707](#), [LRB-6710](#)).

The Assembly passed the bill Wednesday.

The State Senate voted “no” and did not pass the bill.

The special session DID NOT:

Change how special education is funded so schools are guaranteed to get back a percentage of every dollar they spend to help special education students.

- The (sum-certain) amount set by the legislature in the state budget has not been enough to cover actual costs, which means schools do not get the reimbursement rate the legislature promised.
- This bill does not change special education appropriation from "sum certain" to "sum sufficient, which means the structural flaw that keeps resulting in special education funding shortfalls remains the same.

End the wait list for Division of Vocational Rehabilitation (DVR) Services, which is estimated to grow to 15,000 people by the end of the year.

- People with disabilities who want to work are being told they must wait at least a year for help because the Division of Vocational Rehabilitation did not get enough money this budget to meet the demand for services.

The special session DID NOT:

Make sure the actual costs of providing care to people in Medicaid are covered.

- By June 30, 2026 its estimated Medicaid will have a \$263 M shortfall.

Provide any more funding for the many state and local programs disability and aging advocates highlighted during last spring's state budget process that needed more funding to cover increasing costs or to meet the needs of their communities.

- Many programs did not receive any funding increase, or did not get the amount requested to cover increased costs to run the programs or help more people.

Bill analysis showed it was uncertain how much money would go to schools

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The bill would have lowered the amount property owners pay in taxes but would not have resulted in additional money that school districts could spend.

The bill would have provided \$85 M in special education funding this year and set aside \$230 M for next year, which may or may not have been enough to cover 50% of special education costs.

One-time rebates would not have gone to all taxpayers and could be lower than \$300/\$600

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People who earn enough to have to file Wisconsin income taxes and owed income taxes in 2024 could have been eligible for a one-time rebate payment (up to \$300 for single filers, up to \$600 for joint filers).

Many low-income people do not have to file income taxes because they do not earn enough: **these people would not have gotten a rebate payment.**

Because the bill calculates amount of the rebate on how much the person owed in taxes, many people's rebates would be less than the maximum of \$300 (\$600 joint filers).

Disability advocates reaction, media responses



Articles

<https://www.newsfromthestates.com/article/evers-gop-deal-passes-finance-committee-democrats-vote-against-it>

<https://www.wpr.org/news/wisconsin-democrats-split-with-gov-tony-evers-over-school-funding-deal>

<https://wisconsinexaminer.com/2026/05/13/evers-property-tax-school-funding-deal-with-gop-held-up-by-skeptical-senate>



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Proposal to spend state savings and reduce the income the state uses to pay its bills is a bad deal for people with disabilities, state

The Governor's and Republican leader's proposal does not solve the problems with the existing state budget, and it may make the next budget worse.

The bill claims to increase special education funding, but does not guarantee schools will actually get back a percentage of every dollar they spend to help special education students. The (sum-certain) amount set by the legislature in the state budget has not been enough to cover actual costs, which means schools do not get the reimbursement rate the legislature promised. This bill does not change special education appropriation from "sum certain" to "sum sufficient," which means the structural flaw that keeps resulting in special education funding shortfalls remains the same.

"This continues a cycle of promises made and promises broken," said Sydney Badeau, Wisconsin Board for People with Developmental Disabilities Board Chair. "It is not a 50% reimbursement rate unless the money to pay 50% of the costs is there."

Wisconsin is already heading into the next state budget cycle at least \$500 M short of the cost of operating current programs, because the current state budget did not set aside enough money to cover the cost of programs people with disabilities need to survive and thrive. That deficit could increase in the coming months with rising costs, federal funding cuts that impact state budgets, and economic uncertainty.

"People with disabilities depend on programs and services that get state and federal funding," said Badeau. "Spending down Wisconsin's savings and reducing income when the state is already not providing enough funding to cover actual costs means there will be even less money next budget to pay for the programs people need. Less savings and less income means budget cuts next cycle at a time when many state programs, services, and infrastructure need more investment."

BPDD

https://wi-bpdd.org/wp-content/uploads/2026/05/BPDD_Statement_RevenueCutsSurplusSpend_041526-1.pdf



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No deal is better than a bad deal.

Short-sighted proposal puts state programs at risk next budget

Yesterday, the Governor and Republican State Assembly announced a proposal for a one-time tax rebate and permanent reductions in the amount of money the state collects to support state programs and services in exchange for some increases in education spending. Survival Coalition is concerned that acting on this proposal now puts many critical state programs and services at risk of budget cuts in the future.

During the regular budget process, the legislature chose not to fund many important programs at the level requested and made promises to special education that it didn't keep. This year, the state budget promised schools would get 42 cents back for every dollar spent on special education but did not set aside enough money to cover actual costs so the reimbursement dropped to 35 cents on the dollar. The legislature could have acted during the regular session to provide the amount of money promised but chose not to do so.

This proposal again promises the same reimbursement rate as passed in July's budget and sets an aspirational 50% special education reimbursement rate without changing the structural reason why the amount promised to schools for special education never materializes.

"A phantom 50% reimbursement rate is not real unless there is a guarantee that sufficient funding will be provided to cover actual costs," said Tami Jackson, Survival Coalition co-chair. "This proposal does not change special education from a "sum certain" to a "sum sufficient" appropriation. We have seen this cycle repeat where the amount of money set aside continues to result in special education funding shortfalls. We can't continue to cheer for empty promises."

Survival Coalition

https://www.survivalcoalitionwi.org/wp-content/uploads/2026/05/SurvivalCoalition_Statement_SpecialSessionProposal_051226.pdf

Bill does not solve the existing state budget problems, may make the next budget worse

Disability advocates are concerned the current budget does not have enough money to pay for what it is doing now and cover increasing costs.

Reducing the amount of income and spending state savings means there will be less money to support what the state currently does next budget.

Federal funding cuts made last year are beginning to impact state budgets now and in coming state budget cycles.

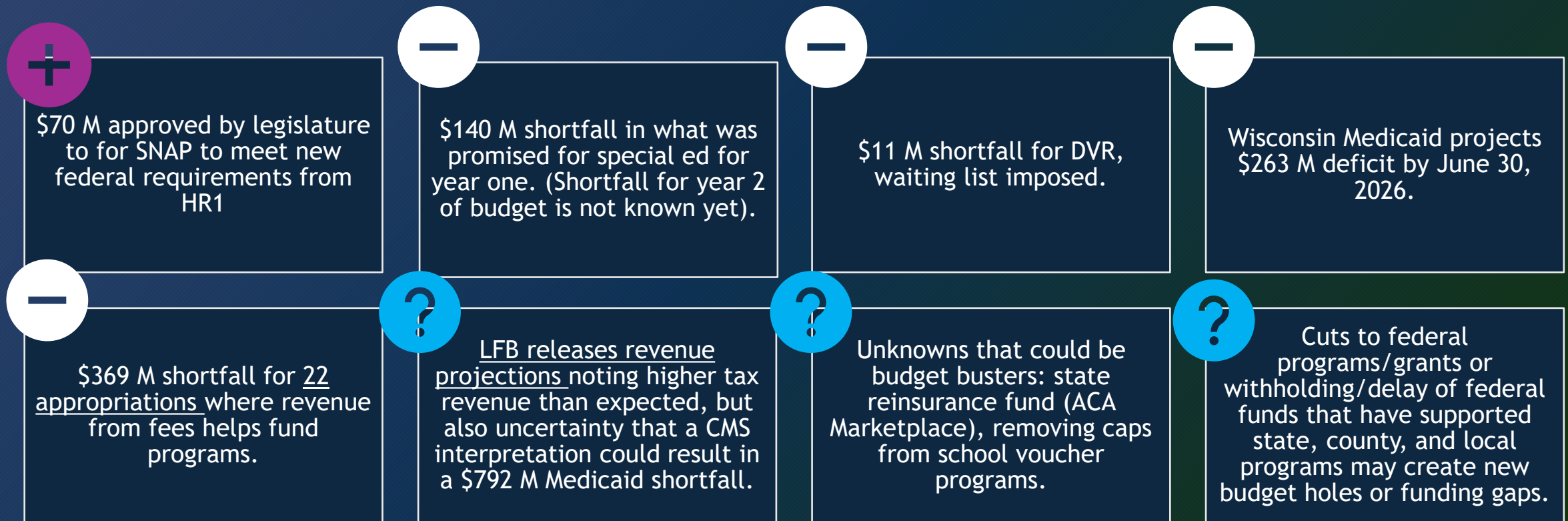
Many other states are already cutting Medicaid and other programs to address current state budget shortfalls because of federal funding cuts, and more states are saying they will have to cut budgets next time.

Disability advocates worry more cuts to federal funding are coming before the end of the year that will deepen the impact to state budgets.

More changes from HR1 will impact SNAP and Medicaid funding in 2027, 2028, and 2029 and will create deeper budget holes for most states.

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

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Lots of evidence that states will face budget shortfall next year

States that made tax cuts (i.e. reduced revenue) in good times are in a worse position to manage federal cuts now.

State budget surpluses and rainy day funds are not enough to make up for federal cuts, increased costs, or revenue losses. One-time money is not a solution to fund ongoing costs.

HR 1 is already impacting state budgets. Additional impacts are coming over the next three years.

Overall weaker economy (job losses, weaker job market, increased costs for workers/businesses) often reduces revenue and increases demand for government services.

Disability Questions you can ask any candidate

https://wi-bpdd.org/wp-content/uploads/2026/04/DisabilityQuestionsforCandidates_042026.pdf

Wisconsin Democrat Disability Caucus
[2026 Governor Candidate Forum](#)

Disability questions you can ask ANY candidate

- With federal Medicaid cuts about to hit state budgets, what will you do to guarantee seniors and people with disabilities can continue to get the help they need to stay in their own homes (and out of expensive Medicaid funded institutions)?
- Every year the special education reimbursement is not enough to cover actual costs. What will you do to make sure the legislature keeps its promises and funding is guaranteed for these students?
- People with disabilities who want to work are being told they must wait at least a year for help. What will you do to make sure that workers with disabilities can use the Division of Vocational Rehabilitation in real time to get the support they need to find and keep a job?
- Right now, people with disabilities can't get the care they need to stay in their homes outside of Medicaid. That means they are required to be poor forever just to have the help they need to survive. What will you do to make sure people with disabilities can earn and save more without losing the health and home and community-based long-term care services they need?
- Will you consult with disability organizations and advocates when you are developing policies? How will you solicit ideas, feedback, and make changes to proposals that impact people with disabilities?
- How do you plan to make sure decisions are driven by the people who must live and navigate the programs, that decisions make it easier for them not harder, and that decisions are going to result in outcomes people with disabilities want (greater independence, inclusion, integration)?

How people or groups can use this tool

Have individuals:

- List the major parts of their care plan,
- How many paid hours/service the plan currently provides,
- How much natural supports unpaid caregivers are currently doing to make the care plan work.

Ask them what would happen if:

- The amount of paid caregiver hours was reduced (what would it mean if you lost 5 hours? 10 hours? More?)
- The amount of services you currently get was reduced?
- Some of the services you have now would not be in your care plan any more.
- Unpaid caregivers could not cover the same hours or weren't able to cover more hours?

https://wi-bpdd.org/wp-content/uploads/2026/04/BPDD_Worksheet_ImpactCarePlanReductions_042026.pdf

WHAT WOULD IT MEAN IF I GOT LESS HELP THAN I HAVE NOW?

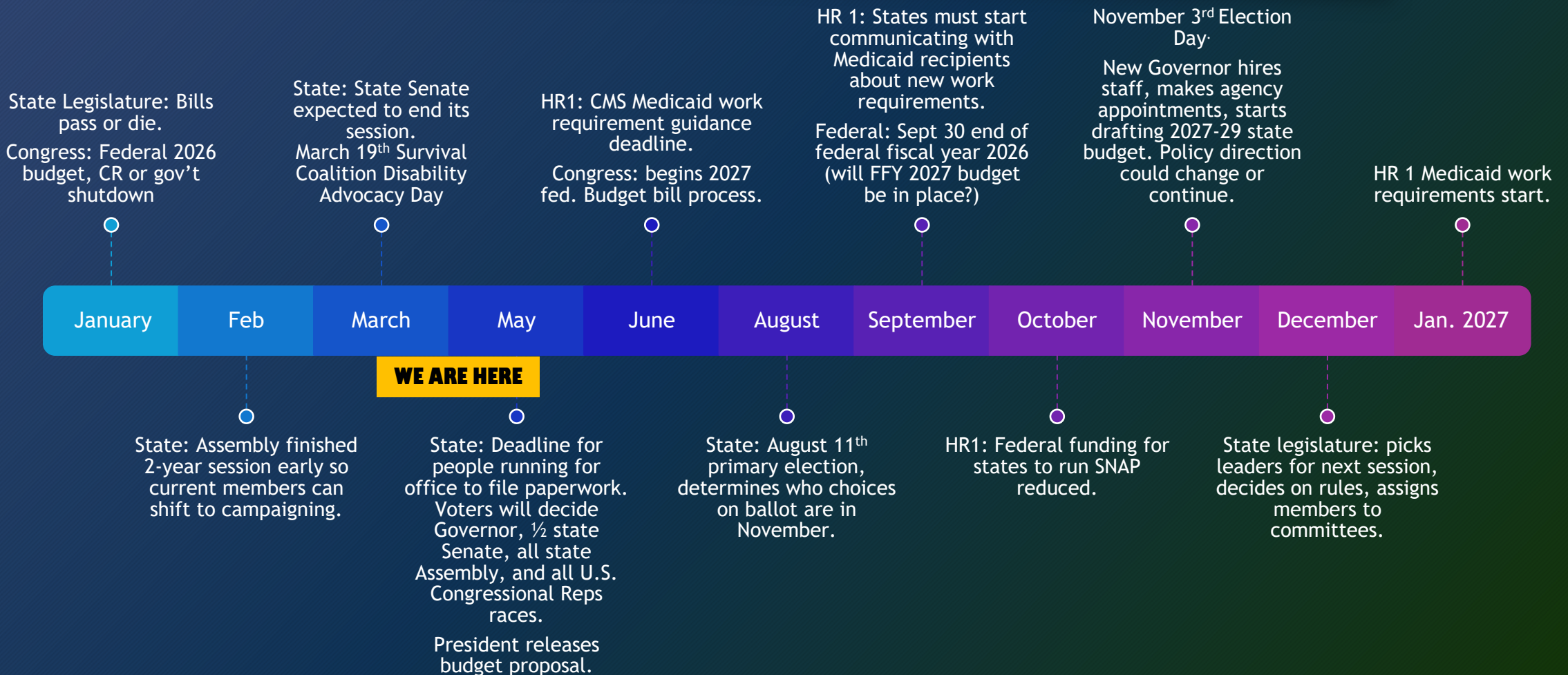
	Number of paid hours/amount of service in my care plan	Tasks or time covered by unpaid caregivers in my care plan	Impact of cuts to paid hours or reduction of services in my care plan?
Personal care			
Home health			
Nursing			
Therapies			
Medical Equip. & Supplies			
Mental Health			
Group home			
Employment Services			
Day Services			
Other services or supports			

Here is what my life looks like now. (Ex. I live in my home in the community, not an institution, I work, I volunteer etc.)

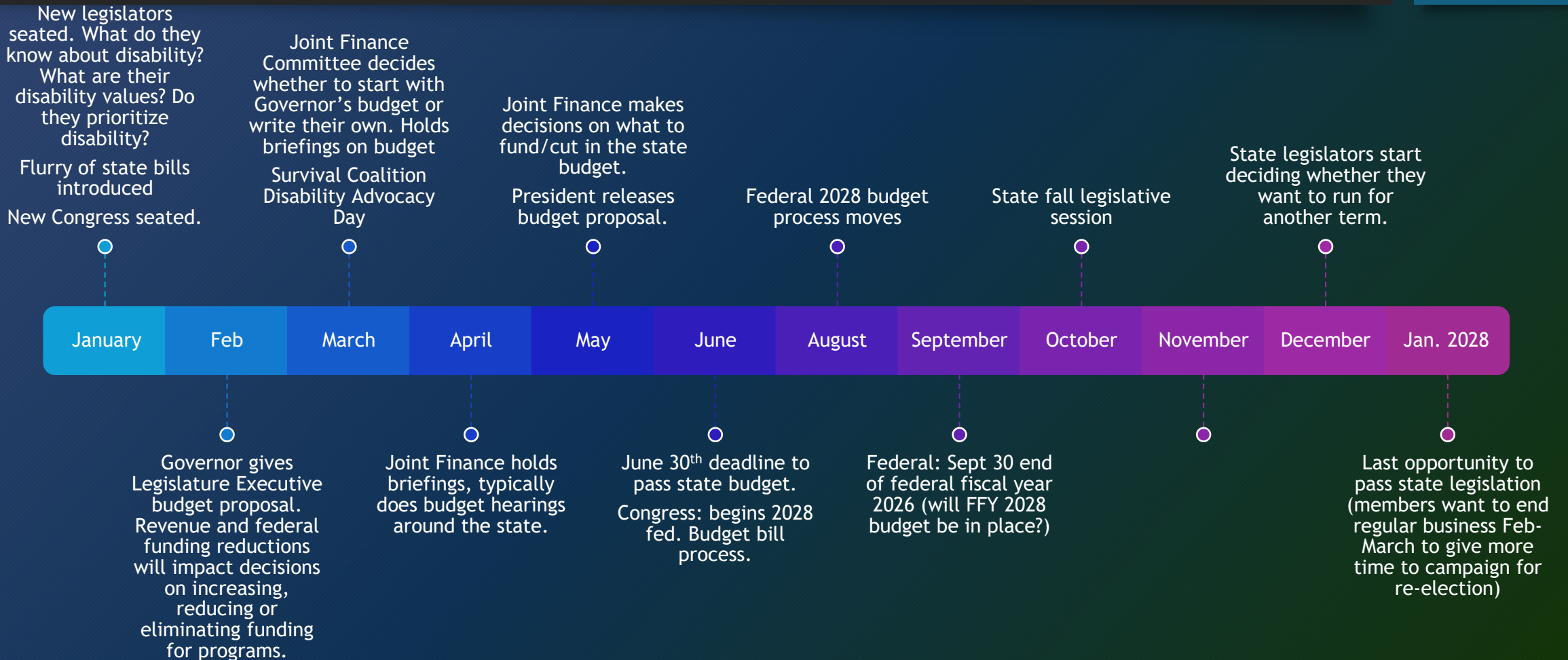
With Family Care, IRIS, CLTS as it is now, I am not always able to Ex. Find enough caregivers, get transportation in the evenings, get support on my job.)

What are you most worried about if you have less help than you have now?|

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.

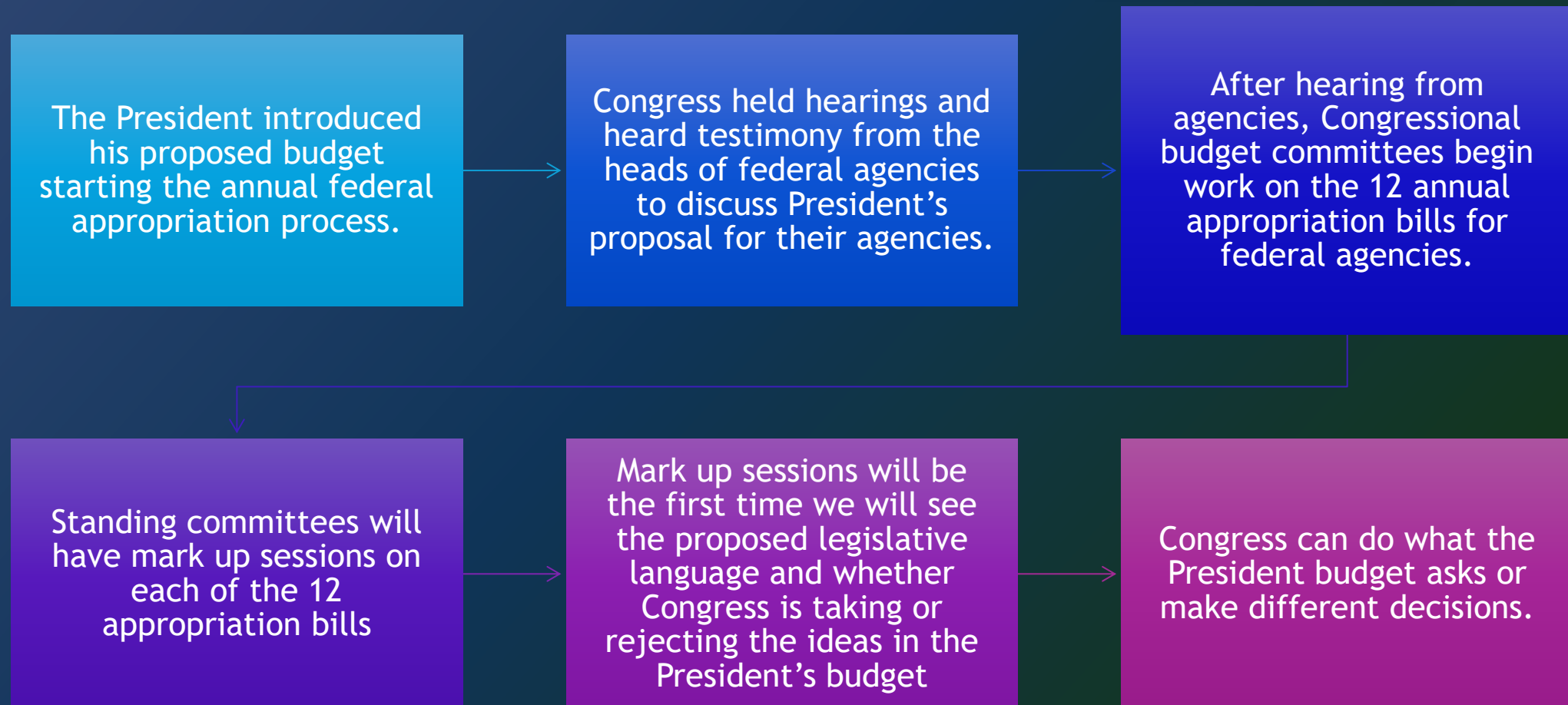


Congress

What are
they doing?
(and not
doing)

2027 federal budget process moving slowly while Congress prioritizes reconciliation bills

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2027 federal budget process moving slowly while Congress prioritizes reconciliation bills



June 5th it's expected House Appropriations Committee will have a mark up on the 2027 Labor/DHHS/Ed appropriation bill.



There will be no public hearing on the bill.



The Senate Appropriations committee has not scheduled a mark up or hearing on any appropriations bill.



Congress's attention is focused on the 2026 (and 2027) reconciliation bill(s), taking up time that would normally be used on annual appropriations process



Already rumors that a Continuing Resolution could be used to buy more time to work on the regular appropriation bills after Sept 30th.

Remember: President's 2027 budget proposes same disability cuts as last year

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Cuts to disability programs including:

- eliminate the Administration of Community Living,
- eliminate the UCEDDs (Waisman Center) and other disability programs,
- Eliminate the independent budget lines that guarantee DD Councils (like BPDD) and Protection & Advocacy organizations (like DRW) are funded.

Eliminate funding for:

- 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.



2027 DHHS Budget in Brief:

<https://www.hhs.gov/sites/default/files/fy-2027-budget-in-brief.pdf>

2026 reconciliation bill timeline

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The Senate Homeland Security panel is planning to vote on its part of the 2026 reconciliation bill.



The Senate Judiciary Committee postponed a planned markup.



The Senate Budget Committee intends to meet next week to put together the full bill.



Senate Republicans are aiming to begin floor consideration of the bill next Wednesday to pass it and send it to the House by Friday.



The House may remain in session for at least part of Memorial Day weekend to pass the bill by the June 1st goal.

Congress needs to know people are paying attention to what they are doing

Cuts to Medicaid and other social programs are not included in the second reconciliation bill, but national advocates expect they will be included in a third reconciliation bill.



National advocates say planning what to put in a third reconciliation bill has already begun.



They worry if it's easy for Congress to pass a second reconciliation bill, passing a third reconciliation bill becomes easier too.

House GOP eyes summer push for 2027 reconciliation bill

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- Speaker Mike Johnson wants to pass a third (2027) reconciliation bill before summer recess begins July 23rd.
- Discussions on what conservative policy initiatives should be in the bill are ongoing but focus on five themes including:
 - fraud in social service programs, focus on programs administered by states. (i.e. Medicaid)
 - Parts of SAVE America Act
 - Military funding
 - Affordability, focused on helping first-time home buyers and health care costs
 - More tax cuts.
- The House and Senate first must pass an identical budget resolution and agree on the broad outlines of what the bill would do.

Many GOP lawmakers are pressing for another budget reconciliation bill that could help address voters' affordability concerns.



Budget Chair Jodey Arrington (left) and Ways and Means Chair Jason Smith (right) are among the Republicans dreaming up new reconciliation plans. | Francis Chung/POLITICO

<https://www.politico.com/news/2026/05/08/gop-reconciliation-wishlist-affordability-00911021>

National advocates warn more Medicaid cuts likely in 2027 reconciliation bill



Medicaid cuts will likely be talked about as “anti-fraud” measures.



Senator Joni Ernst (R-IA) introduced a 17-bill package called the Protecting American Taxpayers Act and



House Budget Chairman Arrington introduced two bills that would significantly impact how state-administered services are funded. One bill would not let federal agencies (like CMS) pay claims if the agency has determined there is an elevated risk of fraud or the payment is likely to be improper.



Other ideas include: reducing or ending subsidies for ACA plans, increasing Health Savings Accounts, and increasing access to plans with deductibles in the many thousands of dollars, or other ideas that were considered in HR 1.

Let Congress know you are paying attention

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Let Congress know what you think about them using a reconciliation process to pass spending that doesn't have to be negotiated and agreed upon by both parties.

Let Congress know what you think about proposed cuts and changes to disability programs. Let them know it's important to have dedicated funded appropriated to preserve current programs (like DD Councils and P&As).

Ask Congress what they will do if the administration makes changes—like eliminating the Administration for Community Living or U.S. Dept of Education or appropriation lines that fund disability organizations—that can only be made by Congress.

Ask if Congress what they will do if the administration cuts, freezes, claws back, fails to send funding for programs that impact people with disabilities, or otherwise ignores how Congress has told the administration to spend money.

Educate your members of Congress on what Home and Community Based Services (Family Care, IRIS, CLTS) do and mean for people with disabilities and families. Not fraud, just care.

Administration

Administrative
rules, Federal
Agency Actions

How Trump's expansion of federal power threatens states' authority

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- The three branches of government — the legislative, the executive and the judicial — provide checks and balances on one another.
- Federalism imposes a state check on federal power.
- The U.S. Constitution, made sure states would command broad power over local commerce, policing, elections and other matters within their borders.
- The past year there has been more conflict between the federal government and states with the federal government trying to impose its will or compel states to do things and states asserting their authority to be independent and make their own decisions.



<https://stateline.org/2026/03/30/how-trumps-expansion-of-federal-power-threatens-states-authority/>

How Trump's expansion of federal power threatens states' authority

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- As federal government and funding has grown, presidents have used federal funding to influence state and local governments.
- Federal dollars account for an increasingly large percentage of state revenues, rising from 22% in 1989 to 36% in 2023. States received more than \$1 trillion in federal grants that year.
- However, Congress and previous administrations have recognized states as independent bodies that can make their own laws, spending decisions, and set policy if they are meeting the requirements of federal law.
- Trump sees states differently. In February, Trump asserted that “states are just an agent of the federal government”



<https://stateline.org/2026/03/30/how-trumps-expansion-of-federal-power-threatens-states-authority/>

How Trump's expansion of federal power threatens states' authority

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- Trump has used federal funds to reward or punish states, bypassing Congress and holding up funding for higher education, transit, housing and infrastructure – particularly for states that displease him.
- The administration is trying to force states to turn over sensitive voter data, is blocking states from receiving, and distributing billions of federal dollars for child care, public health, housing and a host of other congressionally approved programs.
- Congress has failed to challenge the administration's assertions of executive power. It has not protested the administration's withholding from states of billions in dollars appropriated by Congress, for instance.



<https://stateline.org/2026/03/30/how-trumps-expansion-of-federal-power-threatens-states-authority/>

CMS Places National Moratorium On Home Health, Hospice Agency Enrollment

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- Wednesday CMS) announced a six-month moratorium on Medicare enrollment in home health and hospice, effective immediately.
- The moratoria will apply to all applications for initial Medicare enrollment as well as to certain changes in majority ownership and may be extended in six-month increments if CMS deems it necessary.
- CMS called Medicare home health and hospice “high-risk categories” and a “key source of fraudulent activity.”
- Existing providers can continue to deliver services to Medicare beneficiaries.



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HOMEHEALTHCARENEWS.COM
CMS Places National Moratorium On Home Health, Hospice Agency Enrollment

<https://homehealthcarenews.com/2026/05/cms-places-national-moratorium-on-home-health-hospice-agency-enrollment>

[Medicare, Medicaid, and Children's Health Insurance Programs: Announcement of Nationwide Temporary Moratoria on Enrollment of Home Health Agencies](#)

CMS Places National Moratorium On Home Health, Hospice Agency Enrollment

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- During the six-month moratoria, CMS plans to accelerate the removal of home health and hospice providers suspected of fraud from the Medicare program.
- The agency also said it would intensify targeted investigations and deploy advanced data analytics.
- The National Alliance for Care at Home (the Alliance) said enrollment moratoria do not distinguish between bad actors and compliant providers - and raise access-to-care concerns, particularly in rural areas.
- Previously, CMS announced a six-month nationwide [moratorium](#) on certain durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) companies.



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CMS Places National Moratorium On Home Health, Hospice Agency Enrollment

<https://homehealthcarenews.com/2026/05/cms-places-national-moratorium-on-home-health-hospice-agency-enrollment>

[Medicare, Medicaid, and Children's Health Insurance Programs: Announcement of Nationwide Temporary Moratoria on Enrollment of Home Health Agencies](#)

\$1.3 billion in Medicaid money to California will be deferred over suspicions of fraud

31

- Wednesday Vice President JD Vance a \$1.3 billion deferral in Medicaid reimbursements to California.
- The total cost of California's Medicaid program, including state and federal funding, is expected to be about \$222 billion for the budget year that starts July 1.
- CMS Director Oz said administration was making the "largest deferral we've ever made" in Medicaid funds and that it was justified.
- "We'd like the state to at least come to the table and explain to us how these outlier payments have been generated," he said.



<https://apnews.com/article/medicare-fraud-trump-vance-oz-health-hospice-534297fffb47e31e2a3906273f20e0b5>

<https://www.politico.com/news/2026/05/13/w-hite-house-cuts-billions-california-medicaid-00919351>

Trump Demands Medicaid Data for Deportation. Some States Go a Step Further

- A growing number of states are passing laws to require their public health agencies to flag recipients of Medicaid to the U.S. Department of Homeland Security if their legal status is in question.
- [Indiana](#), [Louisiana](#), [Montana](#), and [Wyoming](#) and North Carolina have passed laws, and other states ([Oklahoma](#) and [Tennessee](#)) have bills they are considering.
- More than 75 million people [are enrolled in Medicaid](#)
- Immigrants without legal status are ineligible for Medicaid benefits, but some noncitizens qualify, like green-card holders, asylees, and refugees.
- A quarter of children in the U.S., most of them citizens, live with an immigrant.



<https://kffhealthnews.org/syndicate/medicaid-immigrants-deportation-state-data-legislation-north-carolina>

Trump Demands Medicaid Data for Deportation. Some States Go a Step Further

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- The new reporting laws are risky for immigrants seeking healthcare in the U.S., where the White House has mandated the use of Medicaid data to help identify and deport people.
- Some state laws (like North Carolina's) apply only to health agencies.
- Other bills (like Tennessee's) requiring all state agencies to report people suspected of being in the U.S. without legal status.
- All seven state measures go beyond what's federally required, which is to cooperate with enforcement officers by providing personal information of recipients when asked.
- Some state level advocates are reporting the laws are impacting whether immigrant families are applying for Medicaid for their U.S. citizen children.



<https://kffhealthnews.org/syndicate/medicaid-immigrants-deportation-state-data-legislation-north-carolina>

Feds To Reconsider Rule Barring Disability Discrimination In Healthcare

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- Monday federal officials delayed new requirements meant to make healthcare more accessible to people with disabilities and signaling that additional changes are likely.
- Large providers will now have until May 11, 2027 and smaller providers will have until May 10, 2028, under [interim final rule](#).
- [A 2024 regulation](#) updating Section 504 of the Rehabilitation Act, required health care providers to make sure that their websites and mobile applications meet certain accessibility standards.
- The federal agency said the reason for the delay was because many health care providers will not meet the requirements by the deadline. They said they knew the delay would negatively impact people with disabilities.



<https://www.disabilityscoop.com/2026/05/11/feds-to-reconsider-rule-barring-disability-discrimination-in-healthcare/31995/>

Feds To Reconsider Rule Barring Disability Discrimination In Healthcare

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- The agency said that it plans to reconsider the “substantive requirements” of the 2024 rule.
- The agency noted comments it got questioning the need for the new requirements including one indicating that the rule “imposes substantial financial burdens on health care providers without providing any material benefits.”
- HHS said that representative of cities, counties and primary healthcare associations have indicated that they are having difficulties coming into compliance.
- The move comes just weeks after the Department of Justice [postponed the deadline](#) for a similar rule under Title II of the Americans with Disabilities Act requiring that online offerings from state and local governments meet certain accessibility standards.



<https://www.disabilityscoop.com/2026/05/11/feds-to-reconsider-rule-barring-disability-discrimination-in-healthcare/31995/>

Republican AGs continue pushing for a rollback of civil rights in Section 504 disability case.

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- Seven states remain in a lawsuit challenging a federal rule that protects accommodations for people with disabilities.
- States are asking a federal court in Texas to declare unconstitutional a part of federal law that requires states to provide services to disabled people in their communities, rather than in institutions, when appropriate.
- If the states succeed, that could strip disabled people of the right to publicly funded services that allow them to live in their own homes and neighborhoods, and instead push them into institutions such as state hospitals and nursing homes.



<https://19thnews.org/2026/05/gender-dysphoria-section-504-lawsuits-disability-rights>

Republican AGs continue pushing for a rollback of civil rights in Section 504 disability case.

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- The lawsuit began in 2024 with 17 Republican-led states suing the Biden administration over its inclusion of gender dysphoria as a protected disability under a portion of federal law known as Section 504. The states also challenged the constitutionality of Section 504 itself.
- Trump made clear it would not enforce the Biden rule protecting gender dysphoria, and eight states pulled out of the lawsuit, with two more, Indiana and South Dakota, leaving due to pressure by state disability advocates
- Seven states continue with the lawsuit: Alaska, Florida, Kansas, Louisiana, Missouri, Montana, and Texas.
- They're now asking the court to strike down a part of Section 504 that requires states to provide disabled people with services in their communities whenever possible, rather than in institutions such as state hospitals and nursing homes.



<https://19thnews.org/2026/05/gender-dysphoria-section-504-lawsuits-disability-rights>

Republican AGs continue pushing for a rollback of civil rights in Section 504 disability case.

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- In their revised complaint states say that updates to Section 504 unfairly restrict how they're able to spend money and prevent them from deciding how best to care for their own residents.
- They say their budgets, strained by rising costs and workforce shortages, can't always accommodate expensive service changes required by the law, and that with smaller Medicaid budgets they're having to make hard choices.
- Removing the law's "integration mandate" would give them more flexibility.



<https://19thnews.org/2026/05/gender-dysphoria-section-504-lawsuits-disability-rights>

Republican AGs continue pushing for a rollback of civil rights in Section 504 disability case.

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- Disability rights advocates say if the court strikes down the integration rule, it will be harder for people with disabilities to get services in their communities. States won't be required to provide those as a condition of receiving federal money.
- They worry the states' efforts signal a return to darker times, when disabled people were hidden away, warehoused in institutions and far from family and friends.
- “The reality is, the world was not built with us in mind, and there are people who would rather us not be here,” said Kaleigh Brendle, an advocate and college student. “Us existing in the world makes people uncomfortable, with our braces, our canes, our wheelchairs, our differences.”



<https://19thnews.org/2026/05/gender-dysphoria-section-504-lawsuits-disability-rights>

Behind the Scenes DHHS is continuing work to question vaccines

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- Despite talking about vaccines less in public, Secretary Kennedy continues to push spearheading government scientists and federal data contractors to examine his long-held theory that vaccines are helping to fuel an epidemic of chronic disease behind the scenes.
- Insiders say it is a top priority for Secretary Kennedy, who sees vaccines as a “potential culprit” in various neurological and autoimmune disorders and autism.
- Vaccine scholars worry the work the Department will choose data and misinterpret studies to claim that vaccines are unsafe and to limit their use.
- Public health experts complain spending money on issues that have already been thoroughly studied, takes away funds from research that might other questions, including what causes autism.



<https://www.nytimes.com/2026/05/11/health/kennedy-vaccine-safety.html>

Continued coverage of impact of Reconciliation bill

Lots of
articles to
share.

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Home and Community Based Services Impacts Tracker Project

42

- The HCBS Impacts Tracker Project aims to track policy changes states propose or implement in their HCBS programs and to measure the impacts of those changes on older adults and people with disabilities.
- You can open a spreadsheet to see what types of changes/proposals states are making that impact HCBS services, and who the decision makers are (Governor, state budget, legislative, state agency).
- If you know about a proposed or implemented change that's missing, you can fill out a form and get it included on the tracker.
- So far, 25 states have proposals listed in the tracker. 19 have proposals that cut/reduce coverage/change who can be covered in HCBS.



<https://hpmatters.publichealth.gwu.edu/HCBS-impacts-tracker-project>

Nebraskan with Disabilities Sues State Over New Disabilities Assessment System

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- Four nonprofit groups [filed a lawsuit](#) against the Nebraska Department of Health and Human Services (DHHS), on behalf of Nicholas Bessey, a Nebraskan with developmental disabilities who relies on HCBS Medicaid services
- Nicholas' condition has not improved, but after DHHS conducted an assessment using the new interRAI system, the State determined the amount of funding Nicholas receives should be reduced by 35 percent.
- interRAI tools and similar assessment systems have been linked to [major cuts in services](#) for disabled Medicaid recipients in other places, including Arkansas and Washington D.C.
- The lawsuit is challenging the State's use of its new assessment system, which uses an algorithm to cut Medicaid home-care services for many individuals with intellectual and developmental disabilities.



<https://healthlaw.org/news/nebraskan-with-disabilities-backed-by-four-nonprofits-sues-state-over-new-disabilities-assessment-system>

Nebraskan with Disabilities Sues State Over New Disabilities Assessment System

44

- The lawsuit alleges that the State's use of the interRAI assessment tool to determine level of care and individualized budgets violates due process and state law by failing to explain the reason for the funding cut, relying on secret criteria, processes, and policies that have not been properly adopted through required rulemaking procedures.
- As a result, individuals and families are left without a meaningful way to understand or challenge reductions in services that are essential to daily life.
- The lawsuit seeks to ensure that Nebraskans with disabilities are afforded basic legal protections, including clear notice of how decisions are made and a meaningful opportunity to challenge those decisions.



<https://healthlaw.org/news/nebraskan-with-disabilities-backed-by-four-nonprofits-sues-state-over-new-disabilities-assessment-system>

Georgia reduces tax revenue, causes budget hole, makes disability cuts

45

- On Monday, Georgia's Governor signed legislation to reduce the income tax rate to 4.99% from 5.19% for the current year.
- The Bill caused \$1.3 billion revenue shortfall for next year's budget, which takes effect in July.
- On Tuesday the Governor line item vetoed about \$300 million out of the state budget, including \$9.3 million for services for people with disabilities and \$5.3 million for Medicaid dental care, to help cover the deficit caused by the new tax cuts bill.



<https://www.newsfromthestates.com/article/governor-cuts-budget-after-income-tax-bill-creates-13-billion-hole>

<https://georgiarecorder.com/wp-content/uploads/2026/05/HB-974-FY-2027-Appropriations-Bill-with-Vetoes.pdf>

Georgia reduces tax revenue, causes budget hole, makes disability cuts

46

- Disability advocates had worked to get the legislature to approve 900 new disability waiver slots in the state budget.
- The governor vetoed 800 of them out of the budget.
- 8000 people in Georgia are waiting for HCBS waiver services
- The rest of the shortfall will be made up using the state's rainy day funds and projected revenue growth between now and the next budget.
- The new law is designed to continue cutting the tax rate if state revenues remain strong, continuing to reduce the rate by another percentage point over eight years, to 3.99%.



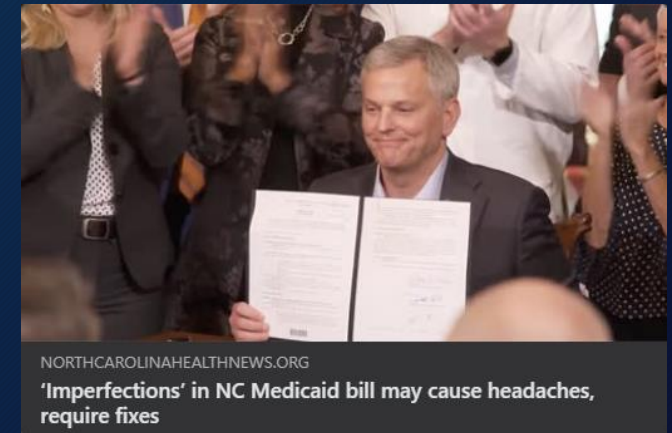
<https://www.newsfromthestates.com/article/governor-cuts-budget-after-income-tax-bill-creates-13-billion-hole>

<https://georgiarecorder.com/wp-content/uploads/2026/05/HB-974-FY-2027-Appropriations-Bill-with-Vetoes.pdf>

'Imperfections' in NC Medicaid bill may cause headaches, require fixes

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- State lawmakers passed a bill to fully fund Medicaid through the end of the current fiscal year, but it included mistakes and unintended consequences.
- Health policy advocates said cost-cutting provisions inserted into the bill restrict care for the more than 3 million low-income North Carolinians covered by Medicaid.
- An error accidentally boots 27,000 women and children off Medicaid. Other provisions intended to cut spending through reduced enrollments may increase administrative costs and increase instances of uncompensated care,
- The bill set stricter eligibility rules, some of which were mandated by H.R. 1.
- Some lawfully present immigrants who are not US citizens will lose their coverage entirely.

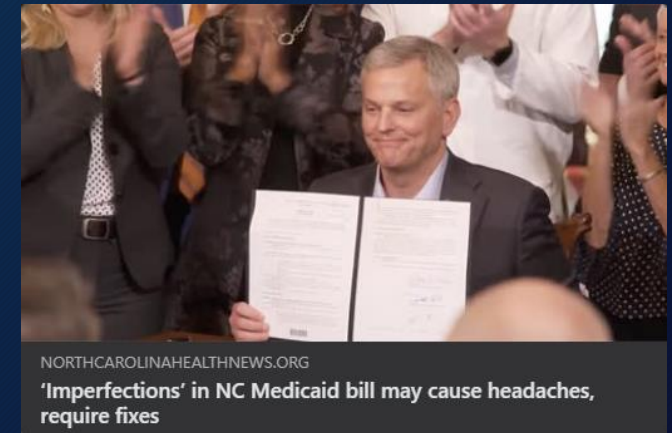


<https://www.northcarolinahealthnews.org/2026/05/09/imperfections-in-nc-medicaid-bill-may-cause-headaches-require-fixes/>

'Imperfections' in NC Medicaid bill may cause headaches, require fixes

48

- 725,000 people covered under [NC Medicaid expansion](#) will have to prove they are working, have more frequent eligibility checks, and have increased copays from \$4 to \$35, the maximum allowed under federal law, under the guise of reducing people getting health care unnecessarily.
- The extra paperwork associated with the new eligibility rules could significantly raise administrative costs for both DHHS and county departments of social services that are responsible for processing applications and determining eligibility.
- The bill requires new Medicaid expansion applicants to have worked for at least three months prior to receiving benefits. That's troublesome for people between jobs or those starting new employment. Federal law only requires a one-month lookback period.
- Another goal of the bill was to identify "fraud, waste and abuse" within the Medicaid program and to curb rising spending on ABA therapy.



<https://www.northcarolinahealthnews.org/2026/05/09/imperfections-in-nc-medicaid-bill-may-cause-headaches-require-fixes/>

Report: Latinos Face 'Unprecedented' Health Coverage Losses Amid Cuts To Medicaid, ACA

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- A new report warns that more than 4 million Latinos are among the 14 million Americans projected to lose health insurance over the next decade due to the federal cuts in HR 1 to Medicaid and expiration of ACA subsidies.
- The impact is concentrated in states like Florida with large Latino populations.
- Between 2010 and 2024, the uninsured rate among Latinos dropped from 31% to 17%, resulting in nearly 10 million Latinos gaining coverage



<https://www.wusf.org/health-news-florida/2026-05-10/latinos-unprecedented-health-coverage-losses-cuts-medicaid-aca>

NC residents to go hungry, counties to pay more for SNAP under federal changes

50

- North Carolina's Dept. of Health Services told lawmakers it thinks 90,000 adults in NC will lose food assistance under new HR 1 prove you're working requirements
- About 1.3 million people in about 676,000 households received SNAP benefits in January, according to NC DHHS.
- In North Carolina, SNAP enrollment declined by about 2% between Dec. 1, when the new work requirements took effect, and March.



<https://ncnewsline.com/2026/05/12/nc-residents-losing-food-aid-counties-to-pay-more-for-snap-under-federal-law-changes/>