

Today we will talk about:

- Federal Administration: CMS Community Engagement rule ways to prove work; Rule means states have new, higher costs; Federal administration actions aimed at Medicaid fraud; State actions taken in name of fraud cut money off to HCBS providers; ACA Coverage Losses Might Be More Severe Than We Think
- Impact of HR 1: Children already falling off Medicaid; actions in Missouri, Tennessee, Ohio, Washington state
- Congress: 2026 reconciliation passes; President calls for a 3rd reconciliation bill; annual federal appropriations process shaky, heading to a Continuing Resolution or shutdown.

Weekly Update
June 12th, 2026

Federal Funding Fallout 2026

1

6/11/2026

Administration

Administrative
rules, Federal
Agency Actions

CMS Community Engagement rule: prove you're working or provide you're exempt

- Last week we focused on who fits (and doesn't fit) into exemptions.
 - [Listen to BPDD's analysis](#) or get the [slides on exemptions](#).
- This week we will talk about what people need to do to meet the 80-hour community engagement requirements if they don't fit into an exemption.

More coverage of who may not fit into the exemption categories:

- [How Sick Is Sick Enough? New Medicaid Work Rule Worries Patient Advocates, States \(Politico\)](#)
- [CMS Requires More Restrictive Definition of Medical Frailty in New Medicaid Work Requirements Rule \(KFF\)](#)
- [Home Care Industry Raises Alarm, CMS Signals No Retreat On Medicaid Work Rules](#)
- [Trump's Incredibly Misleading, Downright Outrageous Case for Medicaid Cuts \(Bullwark\)](#)
- [Medicaid Work Rules Force States To Scrap Plans And Rework Systems \(KFF\)](#)
- [NHELP analysis of rule](#)
- Read the rule:
<https://www.federalregister.gov/documents/2026/06/03/2026-11094/medicaid-program-community-engagement-requirement-for-certain-individuals>

Wisconsin DHS hosting June 18th webinar on rule

4

DHS Hosting webinar on rule

- Thursday, June 18, 2026, from 2 to 3 p.m.
 - DHS staff will share an overview of the requirement, the implementation timeline, and planned communication to Medicaid members.
 - Send your questions by June 12, 2026, to DHSForwardHealthPartners@dhs.wisconsin.gov.
 - Register for webinar: https://dhs.wi.zoomgov.com/webinar/register/WN_SGnVELbEQyqVaLT_oi7F9g#/registration
- At June 9th event, WI DHS Secretary discussed Community Engagement Rule
 - Expects ~180,000 in BadgerCare will need to prove work or exempt status
 - Model predicts 63-65,000 at risk of losing coverage.
 - Rule will cost \$74 M annually to implement
 - 80 hours in any one month in previous 12 will count in WI.
 - Acknowledged gaps in Medical frailty exemption
 - Talked about people needing access to primary care providers to get appropriate diagnosis.

Reminder:
In Wisconsin, HR 1
work requirements
apply to
BadgerCare

- There are groups of people in BadgerCare advocates are worried will be at risk of losing coverage because of new “prove you’re working/exempt” requirements.
- These include:
 - People with I/DD who are “too functional” to qualify for home care waivers (Family Care, IRIS)
 - People with serious and persistent mental illness
 - People waiting for a disability determination
 - People with chronic or intermittent conditions
 - People with physical disabilities that create barriers to workforce participation
 - People who with serious illnesses or who are managing multiple health conditions
 - Unpaid family caregivers
 - Paid caregiver workforce

Paths to prove meeting 80-hours or exempt status

80-hour Community Engagement requirement

Combination of one or more activities that total 80 hours per month:

Employment

Certain Job Training programs

Enrolled in Education program

Complete Community Service

Care hours (Caretaker Relatives only)

(note: rule requires people APPLYING for Medicaid to prove meet requirements BEFORE they can get into Medicaid, and people IN Medicaid must prove they meet requirements to STAY in Medicaid)

Mandatory or Categorical exemption

Under age 19, over age 65.

Parents of dependents who under age 13

American Indian or eligible for Indian Health Service

Part of a Mandatory Medicaid eligibility group under the [Social Security Act](#)

Entitled or enrolled in Medicare Part A (inpatient hospital, rehab care)

Enrolled in Medicare Part B (Doctor's visits, preventative care, etc.)

Caretaker Relative, Family Caregiver, or guardian of disabled individual

Medical frailty exemption

blind or disabled (in SSI/SSDI)

Substance Abuse Disorder (SUD);

disabling mental disorder;

physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more Activities Daily Living;

Serious or complex medical condition

Note: all these exemptions rely on participants being able to fit in the category AND prove they CANNOT meet the 80-hour work requirement.

Proving 80-hours or exemption necessary to get in or stay in Medicaid starting Jan 1, 2027.

Paths to prove meeting 80-hours or exempt status



States must determine what information (documentation) is considered sufficient to verify a given activity



States must use “Ex parte,” i.e. use electronic data sources to automatically verify compliance/exemption whenever possible.



When there is not a reliable source of state data or the information they received is not compatible with the information the state has available, states must ask for more documentation from individuals.



States must include questions on their applications and renewal and other supplemental forms and let people provide information to prove they met the 80-hour requirement or are exempt.



States must check (verify) that documentation.

Community engagement: What is considered work?

8



work in exchange for money

(includes self employment, independent contractor, working for a company etc.)



work in exchange for goods or services (“in-kind” work)

(Ex domestic service to specialized facility management where individuals may choose to accept in-kind compensation in the form of non-monetary benefits like housing, meals, or utilities)



unpaid work other than community service

(including but not limited to unpaid work as part of a trial period when applying for a job, or unpaid work, such as an internship)

Community engagement: How do you prove you have worked?

9

- Some people who have simple situations may have status verified automatically because the proof they need is already in data sources the state automatically checks.
- People who have multiple employers or are seasonal workers may have a harder time because they need more people to all provide the correct information at the same time.
- People who do shift work where hours vary or change suddenly could unexpectedly fall short of the needed hours.
- People who do unpaid or in-kind work may have a harder time proving hours.

Data sources States are required to use:

- Payroll data
- Information from State or Local agencies (DWD, DOC, Education Institutions, DCF etc.)
- CMS Federal Data Service Hub
- Medicaid claims and encounter data
- Other data sources identified by the state that provide reliable data

Community engagement: What is considered community service?

10



Unpaid work with a structured program that is completed for the direct benefit of the community.

Includes activities that let individuals develop skills necessary to complete community service



Community service must be completed with a structured program.

The public or nonprofit organization must provide oversight of the activity and be able to track the community service completed by individuals, including the type of community service activity, dates and hours the community service is completed, and a point of contact who can confirm the hours completed.

Community engagement: How do you prove you have done community service?



States must determine what activities qualify for community service.



States must decide what non-profits, local government agencies, religious non-profits, social service agencies etc. qualify as community service providers.



Mandated Community service—like court-ordered community service—can be counted towards the 80 hours.



States will need to establish processes to verify an individual's community service activities and hours.



Participants need a document from a community service organization that demonstrates the number of hours an individual volunteered.



Community service organizations must have a system and staffing to manage and track volunteer hours and provide timely documentation to volunteers who need it to keep their health care.

Community engagement: What is considered job training (work program)?



Job Corps, migrant/seasonal farmworkers

Programs in [Title 1 of the Workforce Innovation Opportunity Act](#) (note this does not include DVR which is authorized under Title 4)



On the job or employer sponsored training, remedial education

Programs authorized under Section 236 of the of the [Trade Act of 1974](#)



FoodShare Employment Training program or other state supervised training programs

Let's Governor's approve State employment and training programs operated/supervised by the state if the program is not a job search or job search training program (unless it is FSET and then only 50% of hours can be met with job search activities)



Certain Veterans training programs

Operated by the U.S. Department of Labor or the U.S. Department of Veterans Affairs and approved by USDA.



Job search activities required as an eligibility for unemployment insurance.

Community engagement: How do you prove you have done job training



State must verify hours in work programs the rule says qualify as providing job training.



States can list additional work programs that meet the criteria of the rule.



Person must have participated in one of the work programs that is on the state's list.



States must verify work program participation hours in a way that produces an auditable record.

Community engagement: What is considered enrolled in an education program?

14



an institution of higher education

as defined in section 101 of the Higher Education Act of 1965



a program of career and technical education

defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006



high school and high school equivalency programs

Must be a State-approved program. Independent study does not provide sufficient structure to qualify as an activity for the purposes of community engagement.

Community engagement: What is considered enrolled in an education program?

15

Must be at least half time.
Enrollment status is determined by the school or institution (full-time, half-time, less than half-time)

If the program is not in-person, the State-approved program must be able to monitor and document the program hours.

If the person is less than half time, community engagement hours are calculated by credit hours and can be added to other ways people can meet the requirements (e.g. work, community service etc.)

Community engagement: How do you prove you are in an education program?



States may consider establishing data exchanges with their State university system and/or other educational settings or a third party like the National Student Clearinghouse.



These data sources could confirm enrollment, credit hours, etc.



Transcripts or class schedules are listed proof of half-time enrollment in an educational program.

Community Engagement: Short-Term Hardship Exceptions

17

States may choose to allow short-term hardship exemptions from the 80-hour community engagement requirement in four scenarios

- When person is in hospital or institutional setting
- When person lives in a county where an emergency or disaster exists as declared by the President. States must get CMS approval beyond the immediate period after the disaster to continue the short-term exception.
- If person lives in a county where the unemployment rate is at or above the lesser of 8 percent or 1.5 times the national unemployment rate. States must request this short-term hardship exemption and CMS must approve it.
- When person must travel for extended period to get medical services needed to treat a serious or complex medical condition that can't be treated in their community.

Trump's Medicaid Work Rules Force States To Scrap Plans and Rework Systems

18

- HR 1 could require 18.5 million adults across 42 states and the District of Columbia to prove they're working or exempt to get in or stay in Medicaid.
- The rule implementing the requirements upends the work states have been doing and forces them to make big changes less than seven months before they must start enforcing the requirement.
- State computer systems that assess/verify whether low-income people qualify for Medicaid.
- The technology is often built and run by private companies under state contracts worth hundreds of millions of dollars.
- Many of these systems have a history of errors that can cut off benefits to eligible people.
- The Congressional Budget Office estimated 5.3 million enrollees will lose Medicaid because of the new paperwork required; advocates worry the new rule will drive that number higher



<https://kffhealthnews.org/medicaid/trump-law-medicaid-work-rules-states-overhaul-eligibility-systems/>

Action Step: Submit comments on CMS “prove you’re working/exempt” guidance, CC Congress

- Read the rule:
<https://www.federalregister.gov/documents/2026/06/03/2026-11094/medicaid-program-community-engagement-requirement-for-certain-individuals>
- Submit public comment:
<https://www.regulations.gov/docket/CMS-2026-2047>
- **Deadline July 31, 2026**
- **Once you submit your public comment to the federal register, send your comments to your two U.S. Senators and U.S. Representative.**

- Interim Final Rules are effectively immediately (or a specific date) before comments are fully considered.
- Agencies still accept comments, but rule is in effect while comments are being reviewed
- Rule may later be revised and replaced by a final rule after comments are considered.
- Used when an agency claims there is a good reason to act more quickly.

Federal administration actions aimed at Medicaid fraud in 2026

20



Federal administration actions aimed at Medicaid fraud will impact state budgets

21

- There are no reliable measures of Medicaid fraud.
- Fraud is a criminal act that can only be determined with certainty after the fact and if there is enough evidence to trigger recovery or enforcement.
- CMS's deferrals to stop payment for work already performed creates uncertainty and could destabilize state budgets given the amount of federal Medicaid money at stake and the time it takes to resolve administrative disputes.
- If deferrals create budget holes and states don't have funding to continue paying the costs for existing Medicaid programs, they may have to cut Medicaid spending or other programs.
- CMS's new Medicaid program integrity requests are hitting at the same time as big cuts to Medicaid new administrative requirements from HR 1.



<https://www.kff.org/medicaid/what-to-know-about-recent-federal-actions-involving-state-medicaid-program-integrity/>

Office of Inspector General Report tells CMS to stop Medicaid payments more quickly

22

- Report notes where CMS practice has been more generous and deferential to states to avoid deferments (stopping reimbursement claims from being paid). This report says that should change.
- This report says the existing federal regulation that says states have a specific amount of time to challenge deferrals should be rigidly followed.
- It says CMS should disallow (not pay) all claims where CMS says states have not provided all required documentation to prove the claim should be paid.
- In the past, CMS has always tried to work with States to resolve deferred payments and prevent disallowances.

Department of Health and Human Services
Office of Inspector General



Office of Audit Services

June 2026 | A-06-23-09006

CMS Should Improve Its Policies and Procedures for the Oversight of States' Reported Medicaid Expenditures to Better Protect the Financial Integrity of the Medicaid Program

<https://oig.hhs.gov/reports/all/2026/cms-should-improve-its-policies-and-procedures-for-the-oversight-of-states-reported-medicaid-expenditures-to-better-protect-the-financial-integrity-of-the-medicaid-program/>

Minnesota cuts funding to 60% of providers in 13 Medicaid services

23

- Minnesota's the Department of Human Services cut off funding to more than 3,000 care providers
- In February, Minnesota agreed to a May 31 deadline to “revalidate” roughly 5,500 providers in the 13 “high-risk” Medicaid services, all HCBS services— a massive undertaking usually done gradually over 3 to 5 years.
- Out of the 5,583 providers of the 13 Medicaid services required to revalidate, DHS confirmed only 2,061 – less than 2 in 5 – can continue providing services without interruption.
- Out of the remaining providers, which were all disenrolled, 2,491 were cut “due to submissions of incomplete paperwork and documentation.”
- The 13 Medicaid services include personal care assistance, services to help children with autism and services to transport people on Medicaid to their appointments.



<https://www.newsfromthestates.com/article/rush-meet-federal-deadline-minnesota-cuts-funding-60-providers-13-medicaid-programs>

<https://www.kare11.com/article/news/local/disability-organizations-lawmakers-medicaid-providers-alleging-termination/89-4b3db1bc-a7e8-429f-be6f-d0c29212d6e3>

<https://www.disabilityscoop.com/2026/06/09/state-cuts-off-thousands-of-medicaid-providers-in-race-to-keep-federal-funds/32037/>

Minnesota cuts funding to 60% of providers in 13 Medicaid services

24

- Minnesota was mandated by CMS to screen providers by reviewing their documents and conducting unannounced site visits, after which it cut off providers that still had in-process revalidations.
- Providers and advocates say the process was rushed and has left legitimate providers unable to get paid for delivering services to vulnerable Minnesotans.
- The agency sent termination letters for revalidations that were not completed by the May 31 deadline.
- That appears to include cases in which DHS did not review applications in time, told providers the wrong information, or had web portal glitches.
- Providers can appeal their terminations within 60 days, but a possible two months without payments puts businesses in jeopardy.



<https://www.newsfromthestates.com/article/rush-meet-federal-deadline-minnesota-cuts-funding-60-providers-13-medicaid-programs>

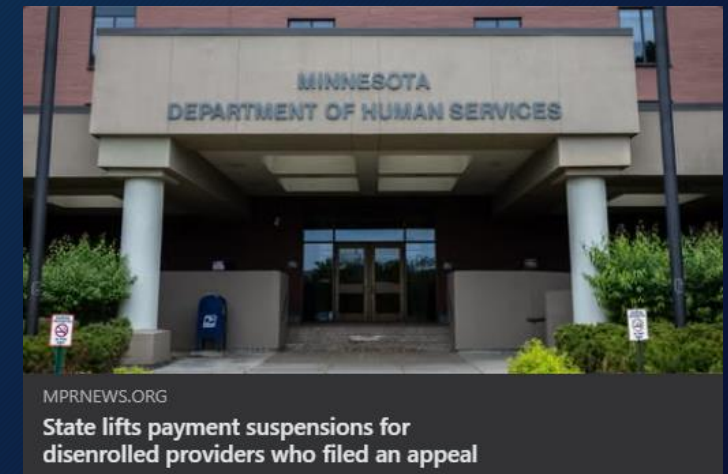
<https://www.kare11.com/article/news/local/disability-organizations-lawmakers-medicaid-providers-alleging-termination/89-4b3db1bc-a7e8-429f-be6f-d0c29212d6e3>

<https://www.disabilityscoop.com/2026/06/09/state-cuts-off-thousands-of-medicaid-providers-in-race-to-keep-federal-funds/32037/>

Minnesota lifts payment suspensions for disenrolled providers who filed an appeal

25

- Following widespread outcry from providers and state lawmakers, Minnesota DHS said it will lift payment suspensions for providers who filed an appeal.
- Any providers who submitted an appeal by June 9 will have their payment suspension lifted by the end of the day on June 11.
- Previously, the human services department said disenrolled providers would not be able to receive payment during the appeal process.
- Many providers raised concerns that they would be forced to close, putting vulnerable Minnesotans who rely on Medicaid at risk.



MPRNEWS.ORG

State lifts payment suspensions for
disenrolled providers who filed an appeal

<https://www.mprnews.org/story/2026/06/10/state-lifts-payment-suspensions-for-disenrolled-providers-who-filed-an-appeal>

Ohio Medicaid Program Suspends 49 Home Health Providers Amid National Fraud Crackdown

26

- Ohio Governor issued an Executive Order to let the state immediately suspend payments to providers upon the determination of a credible allegation of fraud.
- The Ohio Department of Medicaid (ODM) suspended payments to 49 home health providers whose billing patterns triggered **potential** fraud concerns.
- ODM says “pre-emptive enforcement,” suspending payments fraud before payments are made prevents fraud.
- Ohio plans to pause new enrollments for high-risk provider categories, require more frequent revalidation of high-risk providers and accelerate the implementation of electronic visit verification (EVV).
- “This action reflects Ohio’s commitment to protecting taxpayer dollars and safeguarding the integrity of Medicaid — particularly for services delivered through home health, hospice, and waiver programs,” the ODM stated.



<https://homehealthcarenews.com/2026/06/ohio-medicaid-program-suspends-49-home-health-providers-amid-national-fraud-crackdown>

Ohio, Indiana to share Medicaid data with DOJ in name of fraud

27

- Ohio and Indiana have new data-sharing agreements with the U.S. DOJ and CMS.
- The federal agencies have a goal to audit states all over the country.
- Indiana has agreed to provide "the exact set of information" CMS needs to conduct a statewide fraud review of all providers in a pilot program with Oracle Health.
- In a [statement](#) Oracle health confirmed that the company is working with CMS and the state of Indiana on a new pilot data exchange program aimed "to protect taxpayer dollars."
- The new Ohio fraud "war room" has already opened two investigations against home healthcare providers, said Oz, and the federal and state law enforcement collaboration is investigating nine Applied Behavior Analysis providers.



<https://www.healthcareitnews.com/news/states-agree-share-data-doj-fight-medicaid-fraud>

Trump cuts funding to Hawaii's Medicaid fraud unit

28

- The Trump administration is cutting off \$3 million in federal funding to Hawaii's Medicaid fraud control program because it hasn't had single indictment or conviction over the past four years.
- State's Medicaid Fraud Control Unit (MFCU) are a body that investigates and prosecutes fraud by healthcare providers.
- Without a certified fraud control unit, the state's Medicaid funding could be at risk.



<https://thehill.com/policy/healthcare/5910195-trump-cuts-hawaii-medicaid-funding/>

ACA Coverage Losses Might Be More Severe Than We Think, Analysis Indicates

29

- ACA Marketplace coverage losses may be much bigger than people originally thought.
- A Georgetown analysis looked at several states that manage their own marketplace exchanges (about half states do, Wisconsin uses the federal exchange)
- Analysis of several state exchanges showed that plan cancellations are up 24 percent compared to March 2025.
- In states that reported demographics, the people who cancelled were most likely to be middle-income people who lost financial help when the enhanced premium tax credits expired.



<https://thehill.com/policy/healthcare/5918956-obamacare-coverage-losses-states/>

[Emerging State Data Paint a Bleak Picture of 2026 Marketplace Enrollment](#)

ACA Coverage Losses Might Be More Severe Than We Think, Analysis Indicates

30

- Federal officials have only released data on initial sign-ups during open enrollment, which include people whose coverage was automatically renewed at the end of 2025.
- Sign-ups declined during the 2026 open enrollment period by 1.2 million, a 5 percent drop from the prior year and the largest decline in any year since the marketplaces opened in 2014.
- Analysts anticipate overall 2026 marketplace enrollment dropping by about 5 million people this year, with more losses to come in 2027 as policies from HR 1 and potential Trump administration regulation changes take effect.



<https://thehill.com/policy/healthcare/5918956-obamacare-coverage-losses-states/>

[Emerging State Data Paint a Bleak Picture of 2026 Marketplace Enrollment](#)

Trump Administration Sued Over Delay Of Accessibility Rules

31

- The National Federation of the Blind is suing the U.S. DOJ and U.S. DHHS for delaying two rules that required better accessibility for online services for people with disabilities.
- The [U.S. DOJ rule](#) applies to state and local government entities including courts, public hospitals, parks, libraries, police, transit agencies, school districts and universities websites.
- U.S. DOJ rule delayed implementation until 2027 and said it might change the rule more.
- The U.S. [HHS rule](#) requires web accessibility standards for most new web content, mobile apps and medical kiosks offered by hospitals, doctors, social services providers and others who receive funding from HHS.
- U.S. HHS delayed the rule until May 2027 and says it is planning to make “substantive” changes to rule.
- The lawsuit argues the agencies violated the Administrative Procedures Act and that federal officials did not adequately consider the harm to people with disabilities.



DISABILITYSCOOP.COM

Trump Administration Sued Over Delay Of
Accessibility Rules

<https://www.disabilitycoop.com/2026/06/08/trump-administration-sued-over-delay-of-accessibility-rules/32033/>

White House proposes new rules giving political appointees final approval on all federal grants

32

- OMB has released a draft rule that would give political appointees at all federal agencies the ability to decide where federal grant funds are (or aren't awarded) based on whether they conform with presidential priorities.
- The rule impacts a wide range of federal grant funding awarded states, universities, local governments, and nonprofits.
- The rule would put new bureaucratic reviews in place before any payments are made, decide what costs are not allowed, let agencies put more specific conditions on federal funding, and give federal agencies the ability to end already awarded grants at their discretion.
- Congress appropriates funding. This rule would give OMB full discretion in deciding where, whether, and how money is spent regardless of Congress's intent.



<https://www.scientificamerican.com/article/white-house-proposes-new-rules-giving-political-appointees-final-say-on-research-grants/>

<https://www.npr.org/2026/06/03/nx-s1-5844678/trump-science-funding-omb-budget-office-rule-change>

Action Step: Submit comments on OMB rule that gives administration power to decide who gets federal funding

- Read the rule:
<https://www.federalregister.gov/documents/2026/05/29/2026-10817/regulation-for-federal-financial-assistance>
- Submit public comment:
<https://www.regulations.gov/document/OMB-2026-0034-0001>
- **Deadline July 13, 2026**
- **Once you submit your public comment to the federal register, send your comments to your two U.S. Senators and U.S. Representative.**

- Proposed rules are published for public comment before becoming final.
- Agencies ask for comments and may revise the rule based on what they hear from people.
- Followed by a separate final rule
- Standard Administrative Procedures Act Process.

Continued coverage of impact of Reconciliation bill

Lots of
articles to
share.

34

2M children have dropped out of Medicaid, CHIP since January 2025

35

- Most states haven't yet rolled out Medicaid funding cuts and changes to their Medicaid programs yet, but already \$2 M fewer children are missing from Medicaid and CHIP.
- A new report and state-by-state enrollment tracker warns that enrollment drop-offs at this scale should alarm policymakers.
- Federal data finds a 4% decline, equating to about 1.5 million children, per the report.
- The finding, she wrote, "is ominous since Medicaid cuts from H.R. 1 have largely not even kicked in yet."
- The Congressional Budget Office projected in May that 3 million children would drop out of Medicaid over the decade, and the report does not account for changes in CHIP enrollment.



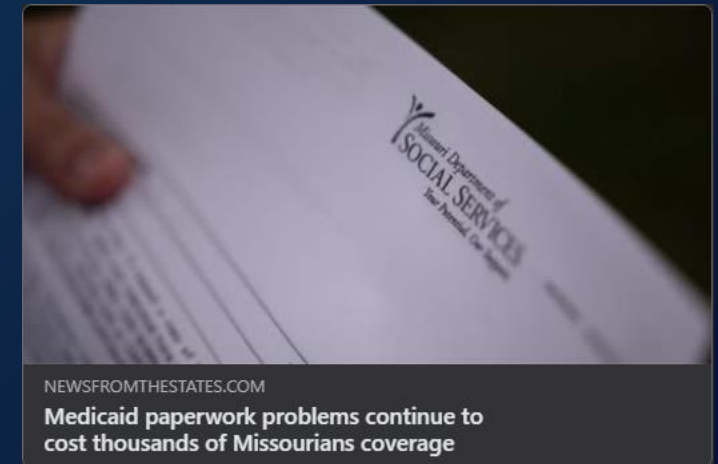
<https://www.fiercehealthcare.com/regulatory/georgetown-study-2m-children-have-dropped-out-medicaid-chip-january-2025>

[KFF Health News: Millions Of Kids Could Lose Insurance As GOP Healthcare Cuts Start To Bite](#)

Medicaid paperwork problems continue to cost thousands of Missourians coverage

36

- More than 333,000 Missourians lost January 2025 through February 2026, 92% because of paperwork issues – not because they were no longer qualified.
- Missouri terminated Medicaid coverage because of missing forms, incomplete information or other paperwork problems.
- Even when recipients return the form – listing their employment, earnings and assets like cars, and attaching paystubs – advocates said they can lose coverage because the paperwork doesn't get processed.
- The department's computer system sometimes automatically terminates clients' coverage if staff don't begin processing their paperwork before the 30-day deadline.
- Advocates worry new federal Medicaid work requirements and twice-yearly eligibility reverifications will mean more will lose their health care.



<https://www.newsfromthestates.com/article/medicaid-paperwork-problems-continue-cost-thousands-missourians-coverage>

Tennessee to report disabled immigrant kids getting public healthcare to ICE, advocates say

37

- The Tennessee Department of Health is targeting Children's Special Services, a last-resort public health insurance program for kids with disabilities and life-threatening illnesses, such as cancer, spina bifida and terminal diseases.
- The state agency last week said it planned to inform families of a new policy requiring immigration status verification as a condition of continuing benefits
- For more than 50 years, it has served children with severe disabilities who need ongoing care and have no other insurance, regardless of immigration status.



<https://tennesseelookout.com/2026/06/09/tennessee-to-report-disabled-immigrant-kids-getting-public-healthcare-to-ice-advocates-say/>

Tennessee to report disabled immigrant kids getting public healthcare to ICE, advocates say

38

- The program used to assist young people up to age 21. Earlier this year, the state health department directed local public health agencies to disenroll anyone 18 or older who could not provide proof of legal immigration status.
- It is unclear whether the state plans to disenroll children whose families cannot provide proof of legal immigration status or report them to immigration officials.



<https://tennesseelookout.com/2026/06/09/tennessee-to-report-disabled-immigrant-kids-getting-public-healthcare-to-ice-advocates-say/>

Washington State Governor warns agencies to prepare for 'significant budget shortfalls'

39

- “There will be significant budget shortfalls next biennium in both operating and transportation budgets,” said governor’s budget director.
- “This year’s revenue forecasts will likely not provide sufficient support for the maintenance of current programs, let alone any expansions.”
- State agencies are asked to take a hard look at spending on programs created or expanded after January 2019, (when pandemic-driven increases in government spending happened).
- The governor wants agencies to look at where “Washington provides particularly high levels of service relative to other states, or is one of only a handful of states that provides a specific service or program.”
- This is the third session in a row where Washington lawmakers will have significant deficits. The first year, [the solution involved](#) cuts and a sizable tax package. [This year’s fix relied](#) on rainy day savings, one-time maneuvers, and reductions in child care funding.



<https://www.newsfromthestates.com/article/wa-governors-office-warns-agencies-prepare-significant-budget-shortfalls>

<https://ofm.wa.gov/wp-content/uploads/2026/06/2027-29-OPERATING-TRANSPORTATION-AND-CAPITAL-BUDGET-INSTRUCTIONS.pdf>

Washington state guides agencies toward cuts

- The memo sent to Washington State agencies shows some common strategies state's use when making spending cuts.
 - Nothing new.
 - Policy changes that can reduce spending before the budget process begins.
 - Find cuts.
 - Reduce our services to match states that do less.
- Cuts now might not be undone in future budgets.
- *When Wisconsin had a \$2B shortfall under the Doyle administration, BadgerCare's income eligibility was reduced from 300% FPL down to 100% FPL (where it remains).

Reductions and cost savings

- Agencies should plan to pause the phase-in of most new programs and not propose the creation of additional programs.
- When agencies identify savings and cost-reductions that can begin immediately, they should consult with OFM about how those ideas can be implemented.
- Executive Cabinet agencies are directed to provide reduction options for efficiencies, program reforms, and other savings in non-essential services and programs. While we are not requiring a specific or uniform reduction amount at this time, given the anticipated shortfall for fiscal year 2028 and the likelihood that shortfall will grow as forecasts and mandatory maintenance level costs are updated, reduction options should be significant and ongoing.
- The Governor has requested agencies, in addition to carefully reviewing base budget expenditures, specifically consider:
 - Programs created or expanded after January 1, 2019;
 - Areas where Washington provides particularly high levels of service relative to other states, or is one of only a handful of states that provides a specific service or program;
 - Innovative proposals that reimagine service delivery in cost-effective ways.
- The Governor is committed to equity and requests that agencies be mindful and carefully consider disproportionate impacts reductions may have on communities underserved by state services.
- We strongly encourage non-cabinet agencies to also submit reduction options, and all agencies to conduct additional internal planning for various scenarios of necessary reductions. Reduction options in the operating budget should not include the transfer of costs to the capital budget.

States face more budget pressures amid rising costs, slow growth

41

- The most recent budgets proposed by governors across the country reflect ongoing financial pressures for states as they expect modest revenue growth, rising prices and federal policy changes.
- Nearly half of states are making some form of spending cuts.
- States pay for most spending from three primary tax revenues: sales and use taxes, personal income taxes and corporate income taxes.
- A slower national economy, the impact of state tax cuts and changes in federal tax policy all mean many states are seeing higher ongoing spending demands that are more than revenue growth.



<https://www.newsfromthestates.com/article/states-face-more-budget-pressures-amid-rising-costs-slow-growth>

Congress

What are
they doing?
(and not
doing)

2026 passes House, President expected to sign it.

43



U.S. House passed the bill Tuesday. President expected to sign it.



Bill provides \$70 B the Dept. of Homeland Security through 2029. No language was included to constrain how federal agents must operate.



This reconciliation bill bypasses the normal annual federal appropriation process.



<https://www.newsfromthestates.com/article/republicans-congress-clear-final-hurdle-70b-boost-immigration-enforcement>

<https://www.npr.org/2026/06/10/nx-s1-5851665/house-republicans-pass-bill-to-fund-ice-and-border-patrol>

2027 Reconciliation bill taking shape

44



This week the [President directed lawmakers](#) to deliver a \$350 billion increase in Defense spending and the SAVE America Act in a 3rd reconciliation bill.



[The House passed 11 “Fraud” bills June 11th](#), including [H.R. 8464](#) would let federal agencies to delay, condition, or withhold payments they believe have an “elevated risk” of fraud.



CMS Director Oz met with House Republican leaders last week to recommend ways to cut down on Medicaid and hospice “fraud” to find savings to offset spending increases.

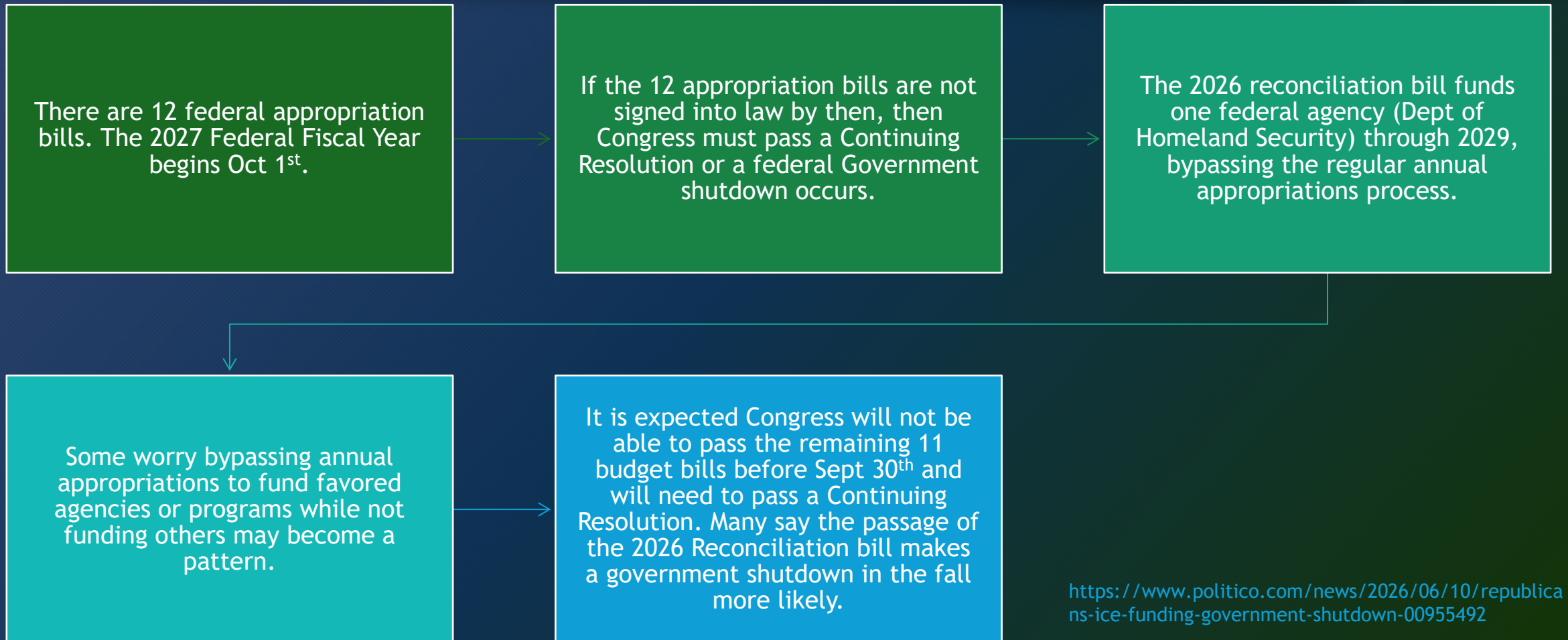


Other changes being discussed include more changes to health insurance (HSA, catastrophic plans), and ways to restrict ACA enrollment processes to prevent “improper” sign ups.



The first step (Budget Resolution) could happen in June. Speaker says he wants a bill passed by July 23rd.

2027 Federal Budget: 4 months until shutdown fight



Let Congress know you are paying attention

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 if they are doing a third reconciliation bill and what they are going to put in it. Will changes impact Medicaid, Medicare, health insurance options, voting access?

Ask 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.

Resources

People with
disabilities
and families
can use

Potential HCBS Reductions

Elimination of HCBS programs or services within programs

Reduced waiver slots or service caps

Cuts to HCBS provider rates

Higher eligibility for HCBS programs (esp. Level of Care)

Reduced capitation rates

Policies that force people into more congregate supports

Home and Community Based Services Impacts Tracker Project

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

Potential Impacts of HCBS Reductions

Decreased utilization of HCBS and longer HCBS waiting lists

Worsened direct care workforce crisis

Increased number of family caregivers

Higher use of institutional care

Increased physician visits, ER visits, and mortality

Increased use of congregate settings over individualized supports



This tracker lists verified changes to home care programs made by states through legislative, budget, or state agency policies.



Participants in Medicaid may be the first to know about agency changes that result in cuts to home care.



You can report changes and upload documentation using a form on the site.



Share this with your networks, especially friends in other states so they know where to go if they see HCBS cuts in their state.

Tracking how states are implementing “prove you’re working/exempt” requirements

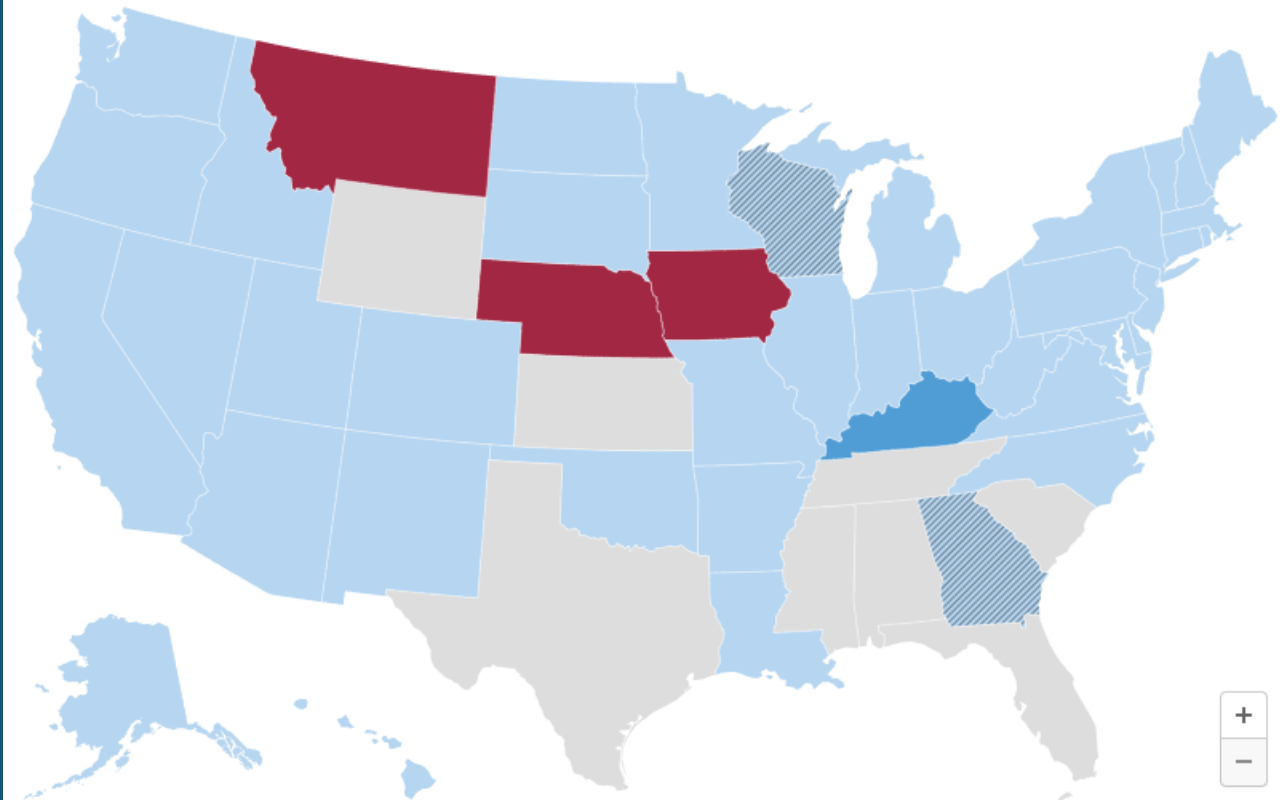
- States will be making different decisions that impact whether people will be able to prove they are exempt or prove they are working enough.
- State data systems, funding, time, and available staffing will impact decisions.
- Different states may have different priorities when it comes to preventing loss of coverage.
- This tracker has a page for each state that is tracking major categories of decisions and what decisions states have made or still need to make.

<https://ccf.georgetown.edu/feature/tracking-implementation-of-h-r-1-medicaid-work-reporting-requirements/>

Tracking State Implementation of H.R. 1 Medicaid Work Reporting Requirements

Forty-three states, including the District of Columbia, must implement Medicaid work reporting requirements. This includes adults in the Affordable Care Act (ACA) Medicaid expansion group in 41 states, plus enrollees in partial expansion waiver programs in Georgia and Wisconsin. Three states -- Nebraska, Montana, and Iowa -- have chosen to start early, requiring work reporting prior to January 2027.

■ Implementing Early ■ Implementing on Jan 1, 2027 ■ Timing TBD ▨ Partial Medicaid Expansion



Source: J. Tolbert et al., "An Early Look at Policy Decisions as States Get Ready to Implement Work Requirements: Results from the 2026 Medicaid Eligibility, Enrollment, and Renewal Policies Annual Survey." (KFF: April 2026).



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)?

Tool to help people understand what small changes in Medicaid could mean for them

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?|