

Today we will talk about:

- Federal Administration: U.S. DOJ opinion argues people with disabilities don't have a right to home care, Special Education moving to DHHS/U.S. DOJ, U.S. DOJ & states highlighting Medicaid fraud enforcement, Supreme Court rulings impact voting, home care labor market; USPS, OMB, CMS rules impacting people with disabilities.
- Impact of HR 1: Wisconsin has Medicaid shortfall; Report calculates economic impact of HR1 on jobs/states; HR 1 creates incentives for states to err on side of not providing SNAP benefits
- Congress: House committee grills states on Medicaid fraud; Reconciliation 3.0 stalls; annual federal appropriation process stalled out.

Weekly Update
June 26th, 2026

Federal Funding Fallout 2026

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6/25/2026

Administration

Administrative
rules, Federal
Agency Actions

Trump Administration Claims People With Disabilities Don't Have Right to Home Care

- The Justice Department released [a memo](#) this week that quietly calls into question decades of civil rights protections for Americans with disabilities.
- The new [39-page memo](#), argues that, while federal law prohibits discrimination based on disability, it does not impose an "integration mandate" on states to provide these community services.
- What's more, the memo argues, the Supreme Court's *Olmstead* decision "held only that a state cannot institutionalize such patients without justification."
- But, the memo adds: "What counts as adequate justification remains an open question."

- [DOJ Memo: Application of the Rehabilitation Act and Americans with Disabilities Act to State Institutionalization of Patients with Severe Mental Illness or Disabilities](#)
- <https://www.npr.org/2026/06/20/nx-s1-5865100/doj-memo-trump-disability-civil-rights-institutionalization>
- <https://www.pbs.org/newshour/show/new-justice-department-memo-questions-decades-of-protections-for-people-with-disabilities>
- <https://www.disabilitycoop.com/2026/06/22/trump-administration-claims-people-with-disabilities-dont-have-right-to-community-based-services/32055/>
- <https://www.statnews.com/2026/06/22/doj-memo-targets-disability-integration-olmstead-mandate/>

Trump Administration Claims People With Disabilities Don't Have Right to Home Care

- Both Section 504 of the Rehabilitation Act and Title II of the Americans with Disabilities Act have long been interpreted to require that states provide services to Americans with disabilities in the most integrated setting appropriate.
- In short: Institutionalization should be a last resort.
- In 1999, a case testing these protections made it to the U.S. Supreme Court. In *Olmstead v. L.C.*, two women with mental disabilities sued Georgia, arguing that the state had failed its obligation to provide services that would allow them to return to their communities and that it had continued to institutionalize the women instead, thus violating their civil rights.

- [DOJ Memo: Application of the Rehabilitation Act and Americans with Disabilities Act to State Institutionalization of Patients with Severe Mental Illness or Disabilities](#)
- <https://www.npr.org/2026/06/20/nx-s1-5865100/doj-memo-trump-disability-civil-rights-institutionalization>
- <https://www.pbs.org/newshour/show/new-justice-department-memo-questions-decades-of-protections-for-people-with-disabilities>
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- <https://www.statnews.com/2026/06/22/doj-memo-targets-disability-integration-olmstead-mandate/>

Trump Administration Claims People With Disabilities Don't Have Right to Home Care

- For decades, federal administrations have proactively enforced federal disability law and repeatedly brought actions against states that relied too heavily on care in large, segregated settings that the law says should be a last resort.
- The new U.S. DOJ interpretation will likely impact the many Olmstead settlement agreements, investigations, and individual cases that DOJ and HHS' Office for Civil Rights are involved in.
- This memo signals to states that they can reverse decades of progress on implementing Olmstead and instead unjustifiably institutionalize people without fear of enforcement by U.S. DOJ.
- In addition, the memo signals that the Justice Department and HHS are likely to amend their regulations under the ADA and Section 504 to align with the new interpretation.

- [DOJ Memo: Application of the Rehabilitation Act and Americans with Disabilities Act to State Institutionalization of Patients with Severe Mental Illness or Disabilities](#)
- <https://www.npr.org/2026/06/20/nx-s1-5865100/doj-memo-trump-disability-civil-rights-institutionalization>
- <https://www.pbs.org/newshour/show/new-justice-department-memo-questions-decades-of-protections-for-people-with-disabilities>
- <https://www.disabilitycoop.com/2026/06/22/trump-administration-claims-people-with-disabilities-dont-have-right-to-community-based-services/32055/>
- <https://www.statnews.com/2026/06/22/doj-memo-targets-disability-integration-olmstead-mandate/>

Why this U.S. DOJ opinion matters.

Gives permission to reduce federal enforcement of community integration requirements.

Gives green light to federal agencies to revise or rescind federal regulations that tell states to do more to increasing community integration.

Decreases the pressure on states to expand Home and Community Based Services.

Gives states more flexibility to fund and operate institutions and segregated settings

Potentially may reshape lawsuits, federal investigations, and settlement agreements about disability rights and community living

Why this U.S. DOJ opinion matters.

“As states are facing the biggest cut in the Medicaid program’s history, and we are already starting to see states cutting home and community-based services, I’m incredibly worried that there is no guard rails if the federal government walks away from Olmstead enforcement”

-- Alison Barkoff, a disability rights lawyer and the former head of the Administration for Community Living.

Trump Administration Claims People With Disabilities Don't Have Right to Home Care

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- The memo arrives as a new case, *Texas v. Kennedy*, is making its way through the courts.
- The case, brought by Texas and several other states, is essentially a fresh challenge to the integration mandate on states.
- With this memo, the federal government is aligning itself with the plaintiffs in the case.

- [DOJ Memo: Application of the Rehabilitation Act and Americans with Disabilities Act to State Institutionalization of Patients with Severe Mental Illness or Disabilities](#)
- <https://www.npr.org/2026/06/20/nx-s1-5865100/doj-memo-trump-disability-civil-rights-institutionalization>
- <https://www.pbs.org/newshour/show/new-justice-department-memo-questions-decades-of-protections-for-people-with-disabilities>
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Why this U.S. DOJ opinion matters.

- "The disability rights movement chose its side long ago. We chose community. We chose participation. We chose self-determination. We chose the belief that people with disabilities are not problems to be managed, but human beings whose lives possess equal dignity and equal worth.
- But perhaps "community integration" was always too technical a phrase for what is really at stake.
- What we have been fighting for is belonging.
- The ability to live near family. To know your neighbors. To have friends who stop by unannounced. To contribute something of value. To have a job, a congregation, a bowling league, a volunteer position, a favorite restaurant, a seat at the table.
- To be missed when you are absent.
- To matter to other people, and to know that other people matter to you.
- That is what belonging looks like."



<https://mailchi.mp/1d5624df6bd5/keeping-the-water-moving-on-integration-and-americas-reflecting-pool>

Why this U.S. DOJ opinion matters.

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- “The movement has never asked for "special" treatment.
- We have insisted on something far more fundamental: that people with disabilities belong in the ordinary current of American life.
- That belief guided the independent living movement, the struggle for accessible transportation, the fight for inclusive education, the Americans with Disabilities Act, and the recognition in Olmstead that unnecessary isolation is discrimination.
- At its heart, the integration mandate is not merely a legal doctrine. It is a recognition that isolation harms human beings and that community strengthens them.”



<https://mailchi.mp/1d5624df6bd5/keeping-the-water-moving-on-integration-and-americas-reflecting-pool>

Survival Coalition, BPDD statements on U.S. DOJ opinion

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We Belong: BPDD response to U.S. Justice Department memo challenging right to community integration for people with disabilities

June 22, 2026

Press Contact: Jenny Price, jenny.price@wisconsin.gov (608-220-2924)
Sydney Badeau, badeausydney@gmail.com

The U.S. Department of Justice released [an opinion](#) last week that argues core civil rights laws—the Americans with Disabilities Act, the Rehabilitation Act, and the 1999 Supreme Court Olmstead decision—do not require states to integrate people with disabilities into the community. U.S. DOJ’s new opinion is contrary to decades of interpretation and long-standing legal precedent. It undermines the core civil rights laws that protect people with disabilities from being forced into institutions.

The U.S. DOJ opinion does not change the law or set new legal precedent. However, the U.S. DOJ is telling the White House and federal agencies what the law means. Federal agencies must follow this opinion. Advocates are concerned this opinion could mean that the U.S. DOJ’s Civil Rights Division may stop making sure the laws are followed and that agencies like the U.S. Dept. of Health and Human Services may repeal federal rules intended to make sure people with disabilities can live and access the community.

“People with disabilities fought for decades for the right to live in their homes instead of institutions,” said Jenny Price, Wisconsin Board of People with Developmental Disabilities Executive Director. “We needed laws to ensure that they could not be set aside and set apart.”

Before Olmstead, the ADA, and the Rehabilitation Act, states were only required to pay for institutions and didn’t have to offer other options, even when people didn’t need or want to be in institutional settings, Price said. “Conditions in state institutions—which included abuse, neglect, and shortened lives—helped push for federal law changes that guarantee people with disabilities get to decide where they live, what they do, and who they see.”

People with disabilities should not be excluded from their communities because they need help or support to live the lives they choose, said Sydney Badeau, Wisconsin Board for People with Developmental Disabilities Board Chair.

“People with disabilities belong. In our homes, laughing by a campfire, playing in the park, learning at school, contributing at work,” Badeau said. “We belong out in the world making

https://wi-bpdd.org/wp-content/uploads/2026/06/BPDDStatement_USDOJlmstedOp_6.22.26.pdf

2026-06-22: Madison, Wisconsin 53107

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Survival Coalition Statement on U.S. DOJ opinion

The U.S. Department of Justice released [an opinion](#) last week that argues core civil rights laws—the Americans with Disabilities Act, the Rehabilitation Act, and the 1999 Supreme Court Olmstead decision—do not require states to integrate people with disabilities into the community. U.S. DOJ’s new opinion is contrary to decades of interpretation and long-standing legal precedent.

“This U.S. DOJ opinion undermines the core civil rights laws that protect all people with disabilities from being forced into institutions,” said Tami Jackson, Survival Coalition co-chair. “People with physical disabilities, intellectual and developmental disabilities, people who have acquired disabilities through illnesses or age, people with mental health conditions are all protected by the same laws. An attack on these laws is an attack on all of us.”

For decades, the *Olmstead v. L.C.* decision has affirmed a simple truth: segregation of people with disabilities is discrimination. The integration mandate is not optional — it is the foundation of disability civil rights, ensuring that people with disabilities can live, work, and participate fully in their communities.

“Federal dollars should be spent in a way that ensures people have access to the promises of the constitution,” said Jason Glozier, Survival Coalition Co-Chair. “People who are institutionalized unnecessarily are fundamentally unable to pursue life, liberty and happiness. We will not be told that the basic expectations every able-bodied person has, to live at home with people they choose, to work, to find joy is out of reach for us because we are disabled.”

“If states decide they don’t want to invest in home care, it’s not only people with disabilities who are impacted,” said Patti Becker, Survival Coalition co-chair. “Make no mistake, home care keeps older adults out of nursing homes, and most home care is paid for by states through Medicaid. Sending a signal to states that they can stop spending on home care for people with disabilities reduces the ability for everyone to get support in their homes and guarantees states will return to spending far more taxpayer dollars to put fewer people in more expensive institutions where they do not want or need to be.”

http://www.survivalcoalitionwi.org/wp-content/uploads/2026/06/SurvivalCoalition_Statement_USDOJlmstedOp_6.22.26.pdf

Dust off your letter writing, social media posting skills

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- Many people have been sharing social media posts on what it would mean if there were no home care options or institutions once again became default public policy.
- REMEMBER: most people are not still not aware Medicaid cuts are coming and will impact home care. They will not understand the impact of this opinion unless we show them.
- Writing letters to the editor is also a good way to reach a broader audience (and have another thing to post on social media)
- [Send a Letter to the Editor: Wisconsin Newspaper List](#)
- You can contact your U.S. Senators, U.S. Representative with your thoughts and ask candidates questions about whether states should prioritize home care.



https://www.hngnews.com/tribune_enterprise/opinion/letters_to_editor/inclusive-communities-benefit-everyone

U.S. Dept of Education to move special education/rehabilitation services to U.S. HHS, civil rights enforcement to U.S. DOJ

- It is unknown how many staff currently working at the U.S. Dept of Education will be moving with the programs to new federal agencies.
- It is not clear where the Office of Special Education and Rehabilitation Services (OSERS) will be located within U.S. Dept of Health and Human Services.
- It is unclear whether the full amount Congress budgeted for these functions will move to the new agencies.



Statement on U.S. Dept. of Education announcement to shift special education responsibilities to other federal agencies.

June 17, 2026

Press Contact: Jenny Price, jenny.price@wisconsin.gov (608-220-2924)

Sydney Badeau, badeausydney@gmail.com

The U.S. Department of Education announced yesterday it will transfer some of its responsibilities to other federal agencies, including oversight of special education quality, programs that help students successfully move from school to work, and the enforcement of students with disabilities' civil right to an education.

Students with disabilities have the right to public education under the federal Individuals with Disabilities Education Act (IDEA). Before IDEA, students with disabilities were often refused admission to public schools or warehoused in substandard facilities where they learned little and had few rights. Congress gave the U.S. Department of Education primary responsibility for making sure states and schools are upholding the civil rights of students with disabilities to get a free and appropriate public education.

Responsibilities for special education quality and vocational rehabilitation are being transferred via interagency agreement to the U.S. Dept. of Health and Human Services. The responsibilities for investigating civil rights complaints from students and families will be transferred to the U.S. Department of Justice.

"Students with disabilities, families, teachers, and states benefit from having a central source of expertise focused on what is needed to help students with disabilities learn and excel. When a student's rights are not being upheld, it helps parents to have one place to go for support," said Jenny Price, Wisconsin Board for People with Developmental Disabilities (BPDD) Executive Director. "This announcement shifts important responsibilities to agencies that do not have education as their primary focus, and that do many other things."

Last year, the U.S. Dept. of Education laid off 40% of the staff responsible for investigating parent's complaints about schools that aren't doing enough to make sure their students' right to an education is honored. Half of the cases are related to special education.

Disability Groups Fear RFK Jr.'s New Special Education Role

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- Advocates worked for decades to convince local schools, state leaders and federal lawmakers to educate children with a range of disabilities, including physical limitations like deafness and blindness and neurodevelopmental disorders like autism, alongside other students.
- The 1998 Individuals with Disabilities Education Act guaranteed disabled students the opportunity for a free, appropriate public education.
- Edward M. Kennedy Jr., a civil rights advocate for people with disabilities and cousin of Secretary Kennedy, said he shares advocate concerns about shifting special education programs to the Health and Human Services Department.
- He worries the move signals a “policy and philosophical shift away from viewing children with disabilities as having strengths, potential and a right to be integrated into classrooms.
- “This shift to HHS reverts toward an antiquated, ‘medical model’ of disability policy that views disabled children as ‘sick’ and in need of health care, not an education,” Mr. Kennedy, a health care regulatory lawyer, said.

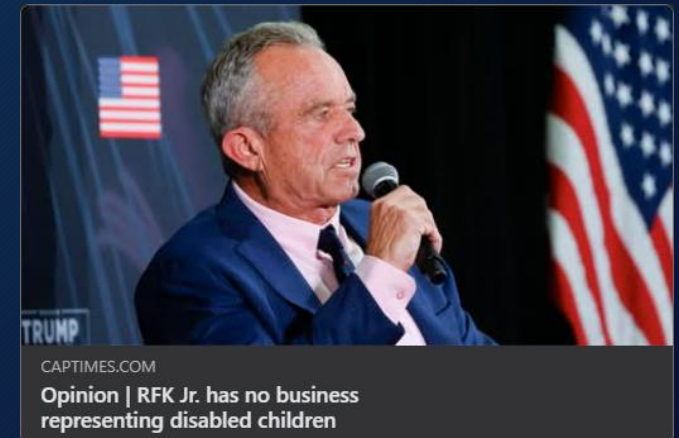


<https://www.nytimes.com/2026/06/20/us/politics/special-education-rfk.html>

Wisconsin Cap Times editorial on impact of moving special education

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- Jenny Price, executive director of the Wisconsin Board for People with Developmental Disabilities, who has an autistic child, knows the grueling task of sitting through scores of individualized education plan meetings and sifting through mountains of paperwork.
- She understands how confusing these systems are, so she isn't convinced that splitting up expertise across departments that don't focus on education will help streamline the process.
- “The initial reaction is confusion and worry that this is going to create chaos for families. These are families who, frankly, if they've reached the point where they're going to the federal government to file a complaint, they have been through a long walk up to that point,” Price said.
- “Add in people not knowing where to go, not getting responded to because they're in a transition, that feels like a lot of potential for more people to not get their needs met,” she said.



https://captimes.com/opinion/natalie-eilbert/opinion-rfk-jr-has-no-business-representing-disabled-children/article_8e5a6948-cb31-486e-ba46-54c7911b00c0.html

DOJ announces \$6.5B healthcare fraud takedown with record Medicaid enforcement

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- The Department of Justice unveiled charges against 455 people, for alleged participation in healthcare schemes that involved more than \$6.5 billion in false claims and other patient harm.
- 295 charged defendants and more than \$518 million of false claims were related to Medicaid (roughly 13% of the total)
- CMS suspended 1,079 providers and revoked billing privileges for 1,403 providers.
- “Prosecuting criminals who steal from American patients is necessary—but stopping them before a single dollar leaves the building is smarter,” CMS Administrator Mehmet Oz, M.D., said in the DOJ’s release. “CMS is done playing catch-up. We’re deploying advanced data analytics to expose fraud networks, freeze suspicious payments, and shut down bad actors before they can do damage to the programs that millions of Americans depend on.”



<https://www.fiercehealthcare.com/regulatory/doj-announces-65b-healthcare-fraud-takedown-record-medicaid-enforcement>

States are choosing to highlight new Medicaid fraud charges amid national fraud crackdown

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- [Wisconsin](#) charged five people with Medicaid fraud.
- [Oregon](#) announced charges against four people who filed fraudulent Medicaid reimbursement claims.
- [Ohio](#) charged six providers with fraud.
- Remember, of the \$6.5 B in fraud enforcement CMS announced, only \$518 B (13%) was Medicaid.
- Nationally, there are upwards of 410 million Medicaid reimbursement claims made per year, 6% of which are improper payments (77% of those are due to incomplete documentation, not fraud).



Supreme Court ruling allows administration to revoke Temporary Protected Status from Haitians

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- Thursday, the Supreme Court said the Trump administration can end the Temporary Protected Status program that has allowed hundreds of thousands of people from Haiti and Syria to live and work legally in the United States.
- Many Haitians immigrants work in the home care and facility based care workforce.
- This decision impacts 350,000 Haitians.
- The ripple effects of fewer care workers would be more seniors and people with disabilities going into facilities rather than staying at home, and fewer staff at these facilities.



<https://www.thebulwark.com/p/trumps-deportation-agenda-awaits-supreme-court-grandma-haitians-temporary-protected-status-heath-aides>

<https://www.nytimes.com/2026/06/25/us/politics/supreme-court-temporary-protected-status.html>

Supreme Court allows a ruling that ends a tool to protect minority voters in 7 states

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- The Supreme Court announced Monday that it will not review an Arkansas-based lawsuit, upholding a 2025 appeals panel ruling that ends a long-used tool for protecting minority voters from discrimination seven mainly Midwestern states.
- That ruling found private individuals and groups do not have the right to sue to enforce what's known as Section 208 of the Voting Rights Act, which generally allows voters with a disability or inability to read or write to get help with voting from a person of their choice.
- For decades private individuals and groups have sued when they believe the federal law is being violated.
- The ruling said only the U.S. attorney general as the right to sue under Section 208.
- That is likely to lead to a dramatic decline in voting rights lawsuits because of the Justice Department's limited resources and shifting priorities under different presidential administrations.



NPR.ORG

Supreme Court allows a ruling that ends a tool to protect minority voters in 7 states

<https://www.npr.org/2026/06/22/nx-s1-5863532/supreme-court-voting-rights-act-private-right-arkansas>

U.S. Postal Service proposed rule would insert federal oversight into state mail in voting

- The U.S. Postal Service rule proposed this month would require state election officials to share with the Postal Service a list of mail-in voters.
- States would have to provide voter specific ballot data to USPS, adopt uniform ballot-racking standards, and integrate their election systems with a new federal verification process before federal election ballots are mailed.
- Currently states managed their own elections including absentee ballot processes and USPS acts as a carrier.
- The Postmaster General testified before the Senate Homeland Security committee that under the proposed new rule USPS will not deliver election mail in states that refuse to turn over their voting lists to the federal government.



<https://www.newsfromthestates.com/article/postal-service-skips-hearing-wa-lawmakers-mail-ballot-rules>

<https://www.democracydocket.com/news-alerts/postal-service-trump-attack-mail-voting-proposed-rule/>

Action Step: Submit comments on USPS rule that impacts voting by mail

- Proposed rule:
<https://www.federalregister.gov/documents/2026/06/02/2026-10968/ballot-mail-for-federal-elections#addresses>
- Submit public comment:
- Email comments to:
PCFederalRegister@usps.gov, with a subject line of “Ballot Mail.”
- **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.**

- Many voters with disabilities rely on absentee (mail-in) voting because of transportation, accessibility, or supports that cannot be guaranteed to be available on election day
- Adding more administrative requirements for certain voters and certain methods of voting means any administrative errors could delay ballot delivery and create barriers to voters who already face barriers exercising their right to vote.

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

- BPDD analysis on who fits--and doesn't fit--into exemptions ([listen, slides](#))
- BPDD analysis of community engagement requirements ([listen, slides](#)).
- [NHELP analysis of rule](#)
- June 18, 2026: [WI DHS Webinar recording | slides \(PDF\)](#)
- [Read the CMS rule](#)

Wisconsin DHS overview of the Community Engagement requirement, the implementation timeline, and planned communication to Medicaid members.

- 200,000 in BadgerCare will need to prove work or exempt status
- Model predicts 63,000 at high 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.

Yet Another Administrative Burden for Doctors: Medicaid Work Requirements

- Many clinicians are worried they will be asked to help determine eligibility for Medicaid for their patients and end up doing a lot more paperwork.
- Physicians aren't able to determine ability to participate in the labor market at scale, and do not make major work determinations as a routine part of clinical care.
- But new rules mean diagnosis and documentation will be needed for people to meet the new medical frailty exemption



MEDPAGETODAY.COM

Opinion | Yet Another Administrative Burden
for Doctors: Medicaid Work Requirements

<https://www.medpagetoday.com/opinion/second-opinions/121883>

Yet Another Administrative Burden for Doctors: Medicaid Work Requirements

- Doctors and paperwork now have major coverage consequences -- whether someone has health insurance -- to work determinations.
- But it doesn't give health care workers the time, guidance, or support typically required to determine someone's ability or inability to work.
- Physicians may be asked to assess work capacity during a brief office visit, amidst many other administrative requirements, while trying to manage more immediate medical concerns.



<https://www.medpagetoday.com/opinion/second-opinions/121883>

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.

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

[Summary from](#) Lawyers for Good Government (LFGG)

[Summary from a nationwide law firm](#)

[Summary](#) from the National Council for Nonprofits

[Points to raise in public comments](#)

Make sure your local community and non-profit groups know about this rule

- OMB proposed a 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 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.

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

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- Proposed 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.**

- The administration wants the rule to go into effect Oct 1st, 2026.
- It says it would impact 40+ federal agencies and more than \$1 Trillion in federal funding.

Continued coverage of impact of Reconciliation bill

Lots of
articles to
share.

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Wisconsin: Medicaid program has \$263 M shortfall.

Wisconsin's Department of health service says Medicaid faces a projected \$263.5 million shortfall in state dollars by June 30, 2027.

The Medicaid Director said the state has some "flexibility" on how to fill the current \$263 M hole. She mentioned potential rate adjustments as a possible solution as changes would happen Jan. 1, 2027.

Other states have considered changes in who they cover to fill in budget holes, she said. And the Legislature could choose to support the program with more funding.

Dreyer said "theoretically" Wisconsin could choose to balance the Medicaid budget by stopping payment to providers or delaying claims until money becomes available.

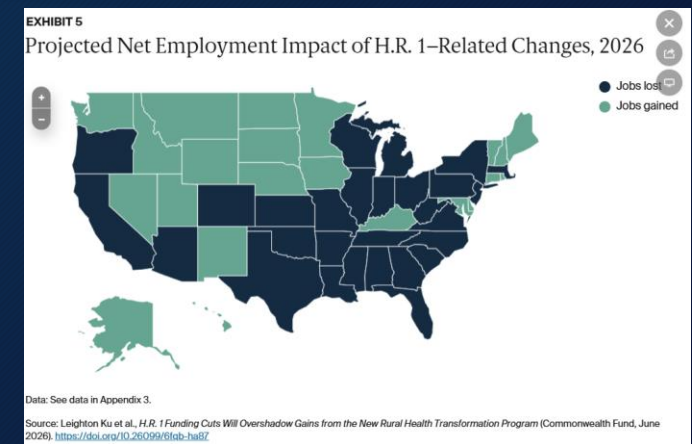
"We can't go into July of 2027 carrying a deficit. We have to be neutral by that point."

The next quarterly report on the program's finances is due at the end of June.

Report calculates economic consequences of Medicaid, SNAP cuts, ACA subsidy expiration

30

- A new report by the [Commonwealth fund](#) calculates the economic impact of key HR 1 Medicaid and SNAP provisions and the expiration of the affordable care act subsidies on states.
- Every state will see net job and economic losses from H.R. 1's health cuts, regardless of Medicaid expansion status.
- In 2026 alone, 229,000 jobs are projected to disappear.
- By 2029, Medicaid and ACA funding reductions will shrink state economic activity by \$197 billion and eliminate 1.65 million jobs nationwide
- Half of those jobs will be health-related, including in hospitals, clinics, pharmacies, or nursing homes.



<https://www.commonwealthfund.org/publications/issue-briefs/2026/jun/hr-1-funding-cuts-rural-health-transformation>

<https://ohiocapitaljournal.com/2026/06/22/ohio-will-lose-51k-jobs-5-3b-to-trump-cuts-by-2029-new-analysis-finds/>

Medicaid and ACA enrollment falls by more than 5 million, new report finds

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- The number of people enrolled in Medicaid and Affordable Care Act plans fell by more than 5 million in the last 12 months, according to [a new report](#).
- The decline is due to changes in HR1 that impacted the ACA and Medicaid, and the expiration of ACA subsidies.
- The Congressional Budget Office, [estimated last year](#) that there would be roughly 15 million more uninsured people by 2034 due to the Medicaid cuts and expiring subsidies.
- “We’re already at 5 million,” said Brad Woodhouse, executive director of Protect Our Care. “This is going to get worse.”
- The scale of the decline suggests many people likely lost their health coverage.



<https://www.nbcnews.com/health/health-news/medicaid-aca-enrollment-falls-5-million-new-report-finds-rcna351157>

https://www.protectourcare.org/wp-content/uploads/2026/06/Report_5-Million-Americans-Lost-Coverage.pdf

Trump's hunger crisis

- One of the SNAP changes in HR 1 slaps big penalties applied on states—like in the hundreds of millions of dollars in penalties—if they get things wrong.
- Lawmakers said HR 1 penalizes states for “fraud.” That’s not actually true.
- It penalizes states if a SNAP beneficiary receives the incorrect amount of funds—even if by accident, and even if that amount of funds is an *underpayment*.
- A penny too high, or a penny too low, gets counted toward the state’s “payment error rate.”
- Note the operative word here is “error,” not “fraud.”



<https://www.thebulwark.com/p/trumps-one-big-beautiful-hunger-crisis>

<https://www.politico.com/live-updates/2026/06/22/congress/senate-republicans-farm-bill-food-aid-00970786>

Trump's hunger crisis

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- However, under the law, the error rate is calculated by examining only the population of households *actively receiving benefits*.
- So if someone were improperly denied benefits *entirely*, that wouldn't count toward the state's error rate.
- States are better off denying someone benefits altogether rather than getting the precise EBT payment amount slightly wrong—at least if the state doesn't want to get hit with a sudden financial penalty equivalent to the entire budget for their community college system or state highway patrol.



<https://www.thebulwark.com/p/trumps-one-big-beautiful-hunger-crisis>

<https://www.politico.com/live-updates/2026/06/22/congress/senate-republicans-farm-bill-food-aid-00970786>

Only nine states won't have pay more for federal SNAP benefits

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- The majority of U.S. states will soon have to pay 5% to 15% of federal nutrition assistance benefits in their state, according to the U.S. Department of Agriculture's release Wednesday of Supplemental Nutrition Assistance Program payment error rates.
- HR 1 penalizes states with SNAP payment error rates greater than 6% would be required to foot 5%, 10% or 15% of SNAP benefits costs in their state.
- Only nine states have an error rate below 6% (Iowa, Idaho, Kentucky, Nebraska, Utah, Vermont, Wisconsin and Wyoming)



<https://www.newsfromthestates.com/article/iowa-one-nine-states-wont-have-match-portion-federal-snap-benefits>

<https://apnews.com/article/snap-food-aid-error-rates-4fa06549e3ec2bd1a1c665b1985cefea>

Florida: Largest Medicaid pediatric provider sues DeSantis administration over pay rates

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- Florida's largest Medicaid pediatric healthcare provider is suing the administration of Gov. Ron DeSantis, saying the rate payments that went into effect in February 2025 is flawed and that mistakes have not been fixed.
- The new rates “changed the funding formula for (managed care) in a way that has dramatically reduced funding for pediatric care — primary, specialist, and acute — by as much as 20 to 30% in some counties.
- Overall, Florida has experienced a roughly 15% drop in reimbursement for core pediatric care — approximately \$15 million per month in cuts to essential funding — even as the cost of providing this care has risen.
- “AHCA’s changes have jeopardized pediatric care for hundreds of thousands of Florida families. Many pediatricians caring for children on Medicaid are now being paid less than it costs to provide care.”



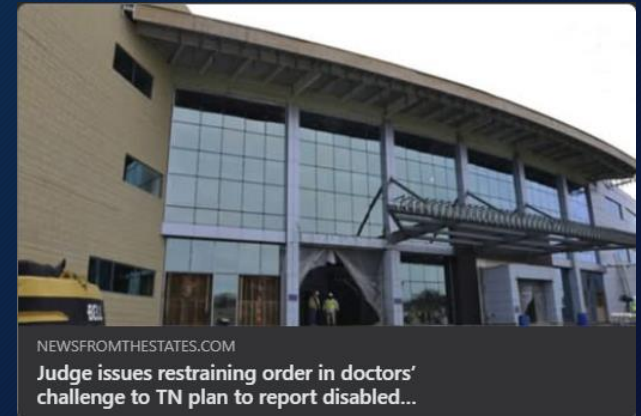
<https://www.newsfromthestates.com/article/largest-medicaid-pediatric-provider-sues-desantis-administration-over-pay-rates>

<https://www.wusf.org/health-news-florida/2026-06-24/childrens-healthcare-giant-challenges-florida-ahca-over-medicaid-rate-change?>

Doctors' challenge to TN plan to report disabled immigrant kids

36

- Wednesday a judge issued a restraining order preventing the Tennessee Department of Health from turning over the names of about 400 disabled and critically ill kids to federal immigration enforcement.
- Three Tennessee doctors are challenging the state
- The doctors argue the health department's immigration reporting mandate poses grave harm to their young patients and is a misinterpretation of state law, preempted by federal law and is contrary to the "public good."
- Absent immediate intervention, the doctors argued, their medically fragile patients will suffer irreparable harm or death as parents withdraw from the program rather than place their children and families at risk for being a target of immigration enforcement.



<https://www.newsfromthestates.com/article/judge-issues-restraining-order-doctors-challenge-tn-plan-report-disabled-immigrant-kids>

Congress

What are
they doing?
(and not
doing)

House hearing: State Medicaid Program Integrity, Examining Fraud Risks and Oversight Deficiencies.

- Subcommittee hearing focused “in rooting out systemic fraud in Medicaid and strengthening program integrity across the nation.”
- *“Fraud puts the Medicaid program at risk, harming beneficiaries and reducing access to quality health care for the most vulnerable Americans. States have a duty to be responsible stewards of public resources, but a lack of stringent guardrails at the state level has left Medicaid programs highly susceptible to fraud,”* said Chairmen Guthrie and Joyce. *“The Committee is conducting meaningful oversight to address fraud and moving forward with the next phase of our oversight work to eradicate systemic fraud and fortify Medicaid program integrity nationwide.”*
- https://d1dth6e84htgma.cloudfront.net/6_25_26_State_Medicaid_Oversight_Hearing_Memo_0d528e8e27.pdf

ONE HUNDRED NINETEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115
Majority (202) 225-3641
Minority (202) 225-2927

June 23, 2026

MEMORANDUM

To: Subcommittee on Oversight and Investigations Members and Staff
From: Committee Majority Staff
Re: Subcommittee on Oversight and Investigations Hearing on June 25, 2026

I. INTRODUCTION

The Subcommittee on Oversight and Investigations will hold a hearing on Thursday, June 25, 2026, at 10:15 a.m. (ET), in 2123 Rayburn House Office Building. The hearing is entitled “State Medicaid Program Integrity: Examining Fraud Risks and Oversight Deficiencies.”

II. WITNESSES

- **John Connolly**, Temporary Commissioner and State Medicaid Director, Minnesota Department of Human Services;
- **Tyler Sadwith**, State Medicaid Director, California Department of Health Care Services;
- **Amir Bassiri**, State Medicaid Director, New York State Department of Health; and
- **Scott Partika**, Director, Ohio Department of Medicaid.

III. BACKGROUND

Medicaid fraud occurs in every state, district, and territory, squandering American taxpayer dollars and driving up health care costs.¹ States are the first line of defense in the fight against fraud, which occurs in many health care sectors and exploits taxpayer-funded government health care programs that are intended to serve vulnerable populations, including the elderly, disabled, children, and pregnant women.² Every Medicaid dollar that is paid to fraudsters, scammers, and criminal organizations is a dollar that is not spent on high quality

House moving forward on 3rd reconciliation bill

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The House is interested in moving another Reconciliation bill, but they will likely miss their July 4th goal of passing a budget resolution and will not be able to pass before the August recess.



President Trump says he will not sign a bi-partisan housing bill unless the SAVE Act is passed. This week the House pitched ideas on what SAVE act like provisions could be included in a reconciliation bill.



Fiscal conservatives say they won't approve the resolution needed to start the reconciliation process unless spending increases are paid for (with cuts) on a yearly basis without budget gimmicks.



President Trump wants \$350 B increases in military spending and SAVE Act provision. There is interest in Health Savings Accounts (HSAs), further cuts to Medicaid, and parts of anti-fraud bills that could let CMS stop Medicaid/homecare payments.

House moving forward on 3rd reconciliation bill

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Medicaid could be targeted again like it was in HR1 because it is a big part of federal spending, and many of the anti-fraud bills will not save money when scored by the Congressional Budget Office.



The first step in the Reconciliation process is a Budget Resolution, which sets the overall amount of spending increases and decreases the bill wants, and then assigns committees to find spending cuts or increases within programs it oversees.

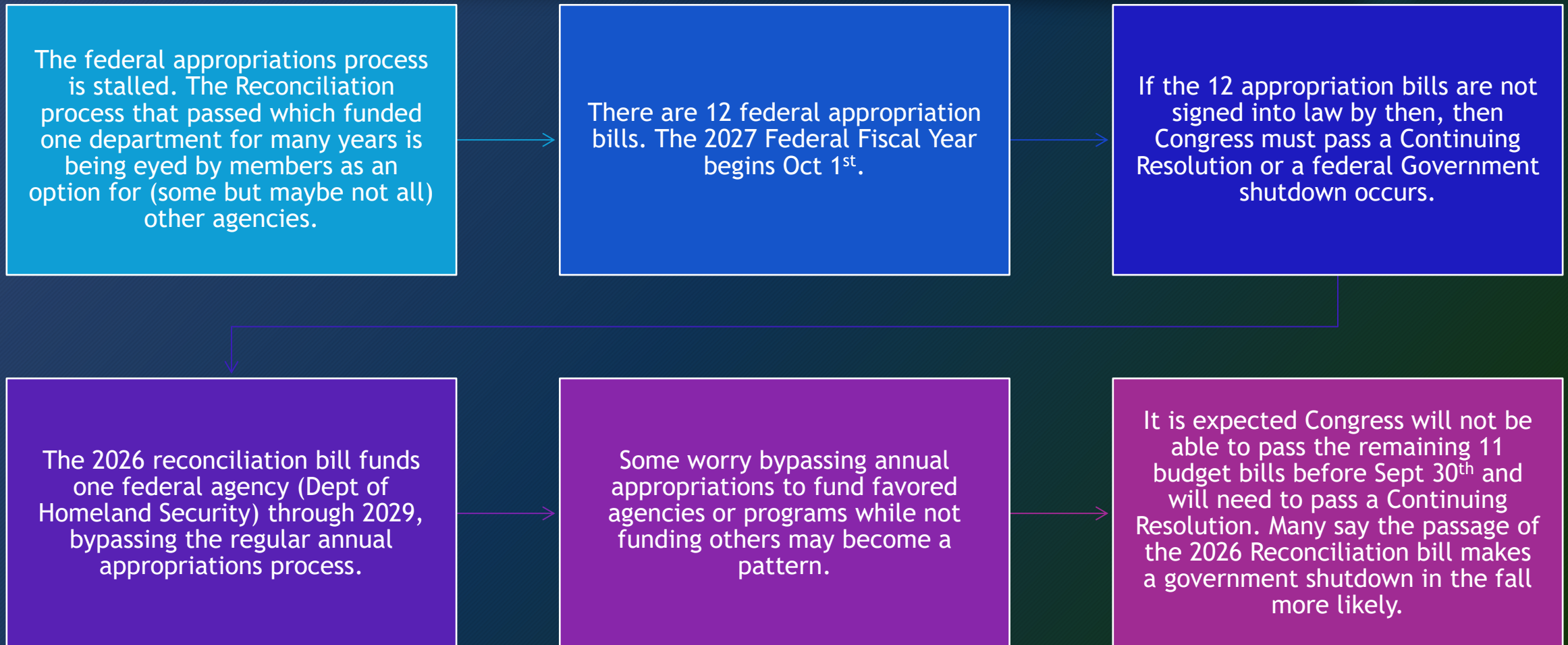


In HR1, advocates knew Medicaid cuts were coming because the House Energy and Commerce Committee was assigned at least \$800 B in cuts and Medicaid was the only program larger than the amount of cuts proposed.



The Senate claims it is not interested in passing another reconciliation bill. (That could change).


2027 Federal Budget: 4 months until shutdown fight




Let Congress know you are paying attention

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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.

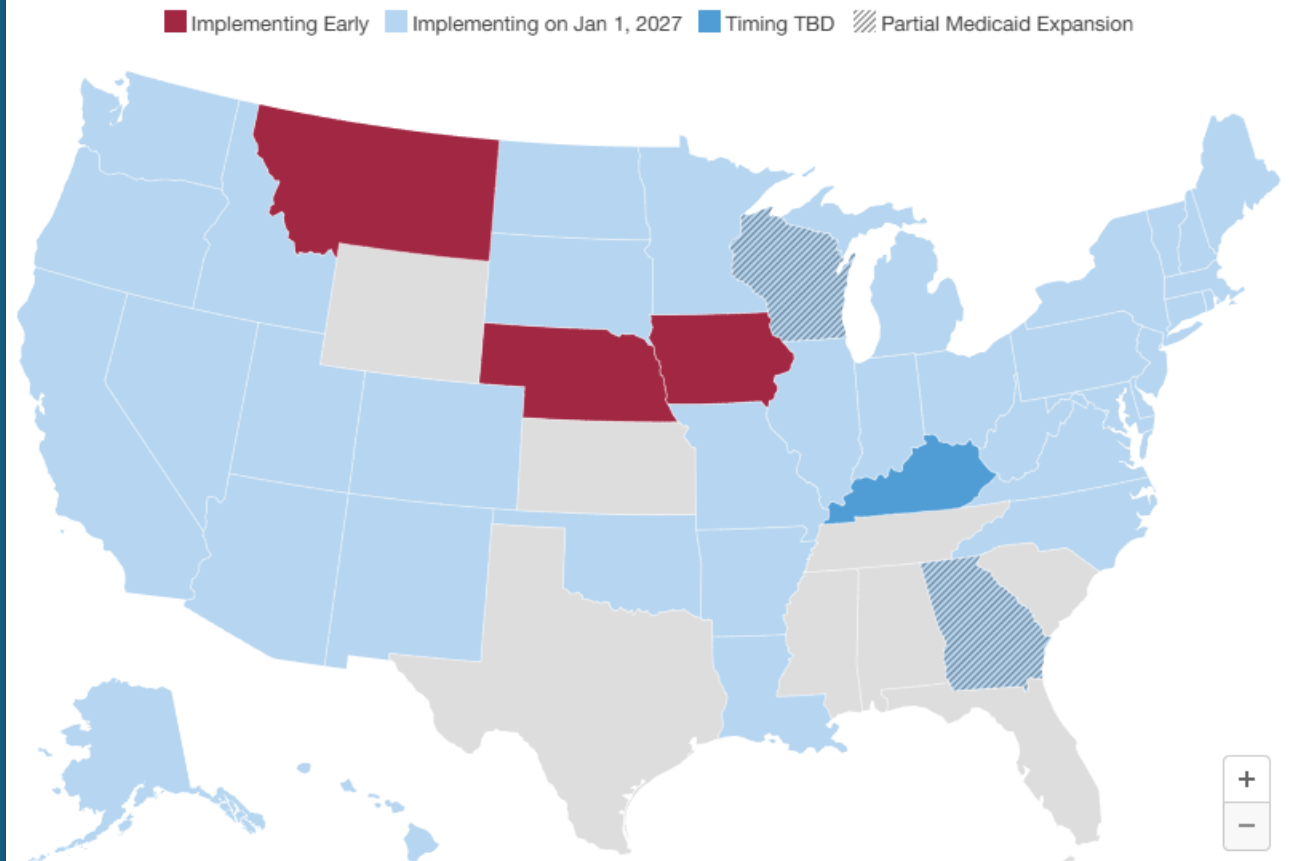
Tracking how states are implementing “prove you’re working/exempt” requirements

- 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.



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?|