



H.R. 1 Implementation Overview & Update

March 5, 2026



- **Welcome and Introductions**
- **Timeline of H.R. 1 Mandates**
- **Work to Date**
- **IT Initiatives and Solutions**
- **Feedback Overview**
- **Next Steps and Conclusion**



- **September 1, 2025: End of SNAP work requirements waivers**
 - HR 1 limited the ability of states to qualify for a waiver of SNAP work requirements. Previous waivers held by PA expired due to not reaching new threshold.
 - Approximately 132,000 SNAP recipients affected by the end of previous waivers.
- **October 27, 2025: Limitation of heating and shelter utility allowance**
 - Households that receive SNAP and LIHEAP previously able to receive extra SNAP benefits through heating and shelter utility allowance.
 - Limited to households with elderly or disabled member under HR1.
 - Approximately 71,826 households had SNAP allotments reduced.
- **November 1, 2025: Expansion of SNAP work requirements**
 - SNAP recipients must meet work requirements if they are:
 - 18-64 (up from 54);
 - Parents of a dependent child 14 or older (down from 18 or older); and,
 - Considered physically and mentally able to work.
 - Ended exemptions for veterans and current/former foster youth ages 18-24.
 - Expanded work requirements to approximately 112,000 SNAP recipients.



- **November 1, 2025: Non-citizen SNAP eligibility**
 - Changes based on immigration status take effect. Only the following non-citizens may receive SNAP:
 - Lawfully permanent residents;
 - Cuban or Haitian entrants; and,
 - Compacts of Free Association migrants.
 - Approximately 19,598 could lose SNAP benefits that they were previously legally able to receive.
- **January 1, 2026: SNAP recipients affected by 9/1 end of waivers can begin losing SNAP benefits.**
- **March 1, 2026: SNAP recipients affected by 11/1 expansion of work requirements can begin losing SNAP benefits.**
- **October 1, 2026: Administrative cost sharing shift**
 - States now responsible for 75% of SNAP administrative costs. \$120 million cost to PA once fully implemented.
- **October 1, 2026: End of SNAP-Ed**
 - National Education and Obesity Prevention Grant ended, removing \$29 million from programs across Pennsylvania.
 - Pennsylvania continuing programs for 2026 year due to carryover funding availability.
- **October 1, 2027: SNAP cost-sharing structure changes**
 - H.R. 1 changes SNAP benefits funding to potentially require states to fund a percentage of benefits based on SNAP error rate.
 - Could cost Pennsylvania up to an additional \$660 million in state funds based on worst case of current structure.



- **Enactment (July 4, 2025): Moratorium on CMS rules**
 - Delays implementation of three finalized CMS rules intended to streamline enrollment processes and impose new verification requirements for enrollees.
- **Enactment: Prohibition to entities that provide abortion services**
 - Bars Medicaid participation by certain providers of abortion services, including Planned Parenthood, for one year.
- **Enactment: Prohibition on new provider taxes**
 - States no longer able to establish new provider taxes or increase existing rates.
- **Enactment: Payment limit for state-directed payments**
 - SDPs now capped at 100% of Medicare payments instead of average commercial rate – roughly half of rates for many services.
 - Grandfathered payments reduced 10% each year until they reach Medicare limit beginning 1/1/2028. Could result in \$2B reduction.
- **January 1, 2026: Beginning of Rural Health Transformation Program grant period**
 - Pennsylvania awarded \$193M for first year of grant.



- **October 1, 2026: Non-citizen eligibility changes**
 - Refugees, humanitarian parolees, asylum grantees, certain abused spouses and children, trafficking victims, and other non-citizens would no longer be considered qualified aliens for purposes of Medicaid and CHIP.
 - Still assessing anticipated impact; individuals would still be eligible for Emergency Medicaid.
- **October 1, 2026: FMAP reduced for Emergency Medicaid**
 - States will only receive base FMAP for Emergency Medicaid services.
 - Will result in \$24M+ loss of federal funds annually
- **January 1, 2027: Work requirements begin for Medicaid expansion population**
 - States required to implement work/community engagement requirements for adults 19-64 for Medicaid expansion population and in waivers that provide minimum essential coverage.
- **January 1, 2027: Semiannual eligibility renewals for Medicaid expansion**
 - States required to redetermine eligibility for Medicaid expansion population every six months.
 - Will affect approx. 750,000 Medicaid recipients.



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- **January 1, 2027: Retroactive coverage reduction**
 - Retroactive coverage period for Medicaid reduced from three months to one month for Medicaid expansion population and two months for all other Medicaid applicants.
- **January 1, 2027: Address verification requirements for enrollees**
 - States required to establish standardized processes to verify and update enrollees' addresses with National Change of Address database, returned mail, and other data sources.
 - Pennsylvania already has systems in place.
- **October 1, 2027: Provider tax limit reduction**
 - Provider tax limit will reduce by .5% each year until reaching a 3.5% cap in FFY2032. Could remove \$20B from PA's Medicaid program over subsequent 10 years.



- **Moved quickly to get information out to potentially affected SNAP recipients**
 - Sent exemption screener in August to help update information on file about SNAP recipients to collect information about potential exemptions
 - Launched www.dhs.pa.gov/work with comprehensive overview of new work requirements, how Pennsylvanians can meet requirements through work, volunteering, or education/training
 - Approx. 225,000 visits since September 2025
 - Published communications toolkit to help partners share information on changes
 - Launched Human Services Helpers Substack in October 2025 to improve information and resource sharing for H.R. 1 implementation and other DHS updates
 - Approx. 1900 subscribers so far – make sure you're signed up!





- **Moved quickly to get information out to potentially affected SNAP recipients**
 - Developed non-binding, interactive work requirements screener to help Pennsylvanians walk through their personal situation.
 - Designed to give idea if person must meet work requirement or if they qualify for an exemption; then directs individual to talk with caseworkers to be sure there is official record of work requirement compliance or qualification for an exemption.
 - Tool has been used nearly 4500 times since launch in Fall 2025.
 - Screener available at www.dhs.pa.gov/work



SNAP Work Requirements Screener

Determine if you're required to meet [SNAP work requirements](#) or are exempt from the new SNAP work requirements. Answer the eligibility questions, then contact your caseworker to report your hours or exemption. Your answers to the following questions do not officially document your exemption.

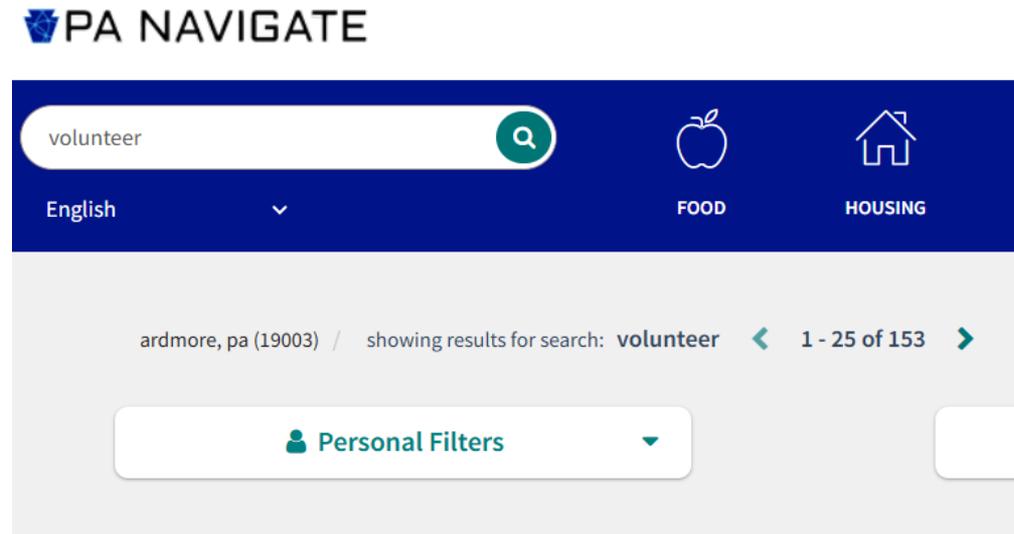
* Is anyone in your household under the age of 14?

No

Yes



- **Worked with Health Information Organizations and findhelp to launch volunteer search on PA Navigate**
 - Pennsylvanians can use PA Navigate to search for volunteer opportunities AND allows organizations seeking volunteers to indicate that they have opportunities available





- **Beginning to see impacts of H.R. 1 on SNAP enrollment:**
 - June 2025: Portion of previous geographical waivers expired (unrelated to H.R. 1 changes)
 - January 2026: First disenrollments related to 9/1 geographic waivers ending (ended due to H.R. 1 changes)
 - March 2026: Newly required to meet work requirements will begin to lose SNAP if not reporting exemption or compliance with requirement
- **As of January 2026, DHS estimates:**
 - 83,334 Pennsylvanians have lost SNAP benefits since 6/1/25
 - 59,578 Pennsylvanians have lost SNAP benefits since 9/1/25



- **H.R. 1 requires that recipients who are ‘medically fail’ be exempt from work and community engagement requirements – how do we properly assess for medical frailty?**
- **Can Medicaid claims help spot likely medical frailty exemptions?**
 - Some exemptions already captured at eligibility determination (e.g., disability benefits)
 - Claims may identify additional people who likely qualify



- **Proactive review can:**
 - Improve efficiency for DHS staff
 - Reduce paperwork burdens on staff, clinicians, and Medicaid recipients
 - Reduce rates of procedural terminations
 - Reduce potentially avoidable appeals to Bureau of Hearings and Appeals
 - Lower churn and related costs



- **How we are approaching medical frailty claims reviews:**
 1. Gather existing definitions:
 - DHS program criteria
 - Other states' processes
 - Research
 2. Clinical review
 3. Try a few variations to test stability
 - Lookback window
 - Definition strictness
- **Output**
 - Small set of candidate definitions
 - Flexibility to update with evolving guidance



- **Claims data can help spot medical frailty**
 - Higher acuity (inpatient stays)
 - Behavioral health and substance use disorder service use
 - Serious medical complexity
 - High-intensity treatments
 - Major events
 - Reliance on medical equipment
- **Piloting similar approach with SNAP to confirm exemptions; prevent avoidable benefit loss and churn**



- **Next steps:**
 - Working with Health Information Organizations to connect to additional data sources
 - Refining clinical definitions of medical frailty as guidance evolves
 - Building repeatable workflow for eligibility
 - Expanding SNAP pilot for Medicaid work/community engagement requirement implementation
 - Tracking data and other metrics



HR1 made sweeping changes to Medicaid and SNAP

- Established state matching requirements for SNAP from 0% to 15% based on SNAP payment error rate
- Eliminated SNAP and Medicaid eligibility for certain noncitizens
- Changed Medicaid FMAP reimbursement for Emergency Medical Assistance
- Established a Six-Month Eligibility Redeterminations for the Adult expansion population
- Imposed Community Engagement Requirements for the Adult expansion population



Key Implementation Dates

**October 1
2025**



SNAP Case Checker

Provides supervisors a list of potential errors allowing them to focus review time on high-risk cases.

Status Tracker

Allows applicants to track the status of their application

Password Reset

Allows users to send a one-time password (OTP) via email or SMS to reset their COMPASS password and regain account access.

Intelligent Document Processing (IDP)

Increases usable document uploads by flagging blurry and incorrect images to users. Reduces call center volume.

Consent Based Verification

Verify income digitally to improve consistency and quality of income reporting by self-employed and employed applicants.

**October 1
2026**



Qualified Alien

New rules for SNAP and Medicaid eligibility for certain noncitizens goes into effect.

Emergency Medicaid

Emergency medical services provided to non-citizens will no longer be eligible for the enhanced FMAP rates (90%) and instead, the federal share will be limited to each state's regular match rate of ~50%

**January 1
2027**



Community Engagement

States must have requirement in place for specific adults, aged 19-64, to complete a minimum of 80 hours of qualifying community engagement activities

Redeterminations

States must redetermine eligibility for the adult expansion population every six months, regardless of whether they are new applicants or existing recipients.



Projects Overview

- SNAP Payment Error Reductions
- Noncitizen Eligibility Changes
- Medicaid Community Engagement Requirements (CER)
- Increasing System Efficiency



SNAP Payment Error Reduction

Work continues around on SNAP error reduction and reducing caseworker burden

Initial Work

- Case checker for Supervisors
- IDP – ensured clearer document uploads, reduced the “back and forth” on document submission
- Password reset and Status tracker – reduced call center calls
- Consent based verification for SNAP renewals

Upcoming Work

- Caseworker Alerts – finding opportunities to automate, remove, and update to reduce “alert fatigue”
- Review notices and forms for clarity, opportunities for enhancing and updating



Noncitizen Changes: Overview

Overview

DHS is launching this initiative to ensure eligibility determinations and payment for services align with the HR1 mandates. The work updates system logic to align with the new eligibility policy and will be applied consistently at application and renewal.

What's Changing

Eligibility rules + system logic will be updated to validate citizenship or qualifying noncitizen categories, including:

- Lawful Permanent Residents (LPRs) (with specified subgroups, including certain Special Immigrant Visa (SIV) entrants and certain tribal-related categories)
- Cuban/Haitian Entrants (CHE)
- Compacts of Free Association (COFA) migrants
- Noncitizen U.S. nationals
- Defined exceptions that allow continued MA/CHIP and SNAP benefits
- Addition of new EMA benefit package

Safeguards and Oversight

DHS is incorporating a comprehensive set of safeguards in order to:

- Protect continuity of coverage for vulnerable groups by maintaining Emergency Medical Assistance/Emergency Medical Condition (EMA/EMC) support via a new Health Care Benefit Package (HCBP)
- Strengthen due process and communications with new/updated denial and closure notices ensuring timely, clear guidance and appeal rights as applicable.
- Preserve transparency and compliance reporting by maintaining audit logs, supporting T-MSIS reporting, and enabling ad hoc metrics reporting through the Enterprise Data Warehouse (EDW).
- Enable operational oversight and member support by keeping determinations/outreach/appeals auditable and equipping workers with tools needed to guide beneficiaries, track noncitizen status, and facilitate documentation submission.



CER: Overview

Overview

- The Department of Human Services (DHS) is introducing a robust Community Engagement Requirements (CER) initiative to **align with HR1 mandates and CMS standards, streamline Medicaid eligibility, and promote meaningful community involvement among expansion adults.**
- This initiative requires that applicants and beneficiaries demonstrate **80 hours per month** of paid work, community service, participation in an approved work program, or enrollment at least half-time in educational programs with a focus on conducting automatic verification using payroll, program, and enrollment data wherever possible.
- A **comprehensive set of exceptions and exclusions** will protect vulnerable populations, such as youth, caregivers, those with medical or situational hardships, and individuals meeting SNAP or TANF work requirements.
- The engagement will focus on the **Medicaid Expansion population** (individuals in an MG90/91 budget), representing approximately **750,000 Pennsylvanians.**

Operational Approach

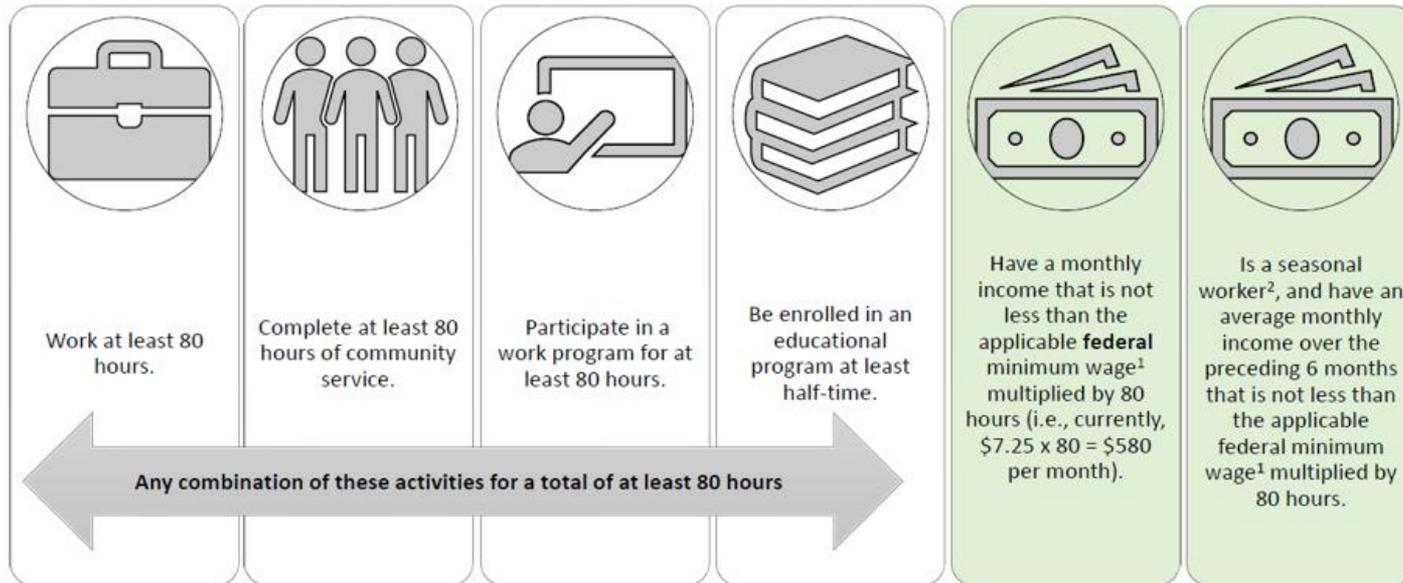
- DHS will also automate periodic compliance checks to verify compliance and flag non-compliance, issue clear multi-channel notifications and allow the 30-day grace period to avoid disruptions.
- To **support transparency, all determinations, outreach, and appeals will be fully auditable,** call centers and online portals will offer clear guidance, track CER status, and **readily accept** supporting documentation.
- This client-centered approach not only **upholds equity** by safeguarding excluded groups but also **leverages ongoing data integration** with workforce and education systems, enhances program integrity, and preserves eligibility rights and due process.
- Ultimately, the DHS CE initiative will protect health coverage for those eligible or exempt, **foster work and community engagement opportunities,** support compliance through automation, and support robust outreach



CER Compliance

Community Engagement Compliance

To meet C-E requirements in a given month, applicable individuals must do one or more of the following, if they are neither excepted nor excluded:





CER: Scope Topic Areas

Case Worker Portal and Case Management Updates

Includes eCIS Data collection, new logic to consolidate CE hours across exclusions and exceptions, worker dashboard modifications, and modified CE workflows. Includes additional topic areas such as correspondence, WLD, system integration, and eCISance.

Eligibility Determination Logic

Includes eligibility, eligibility rule modifications for application, renewal, and change/case maintenance.

Application

Includes COMPASS Website modifications to include relevant questions related exemption criteria and/or work/qualifying activities and hours.

Change in Circumstance Update

Includes COMPASS Website modifications for change reporting workflows and Auto Actions.

Notices and Forms

Includes client notices (one-time and eligibility approval/denial notice inclusions of CE).

Marketplace Coordination

Includes EDX, including modifications within SBE referral services contract, validation of self-reported hours and modifications to existing income verification services

Citizen or Client Portal: COMPASS & myCOMPASS PA Mobile App

Includes new COMPASS application screens to capture CE information, modifications to workflows, change reporting, summary PDF, MCA Dashboard, and Home page, as well as myCOMPASS PA Mobile App benefits screen, alerts, app change reporting, and document upload.

Audits

Includes data warehouse, audit logs of all CE-related decisions (both system and worker-initiated and audit views).

Verification Logic and Exemption Assessment

Includes Auto Actions (Day 0 changes and modifications to apply verification and exemption, automatically verify CE compliance.

Data Analytics and Reporting

Includes workload dashboard, real-time eligibility, legacy MA Reporting, EKMS Support, New Cognos Reporting Objects, and eCIS T-MSIS.

Outreach

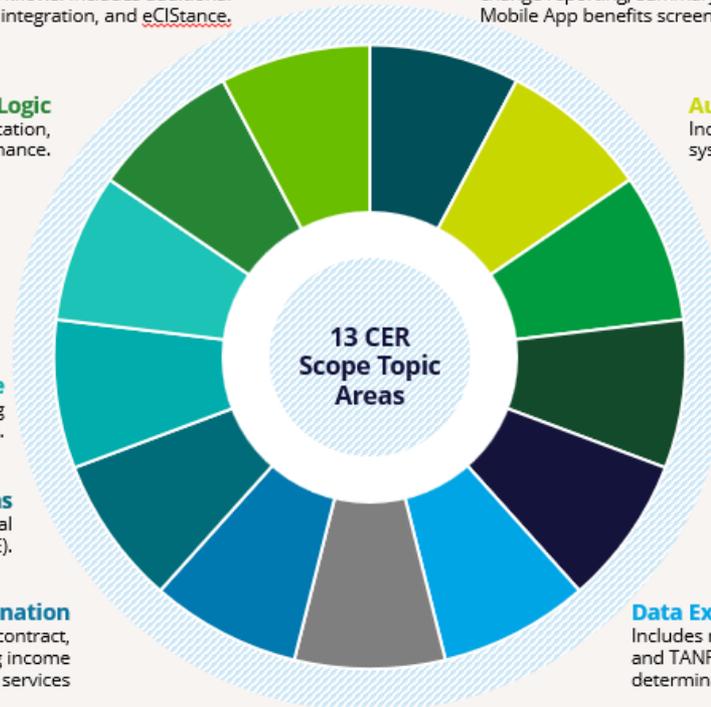
Includes one-time outreach notices and COMPASS Website outreach mechanisms.

Data Exchanges

Includes modification to MCO Weekly alert files, new process to access SNAP and TANF data for determining CE, and integrating CE data at application, initial determination, renewal, and ongoing change.

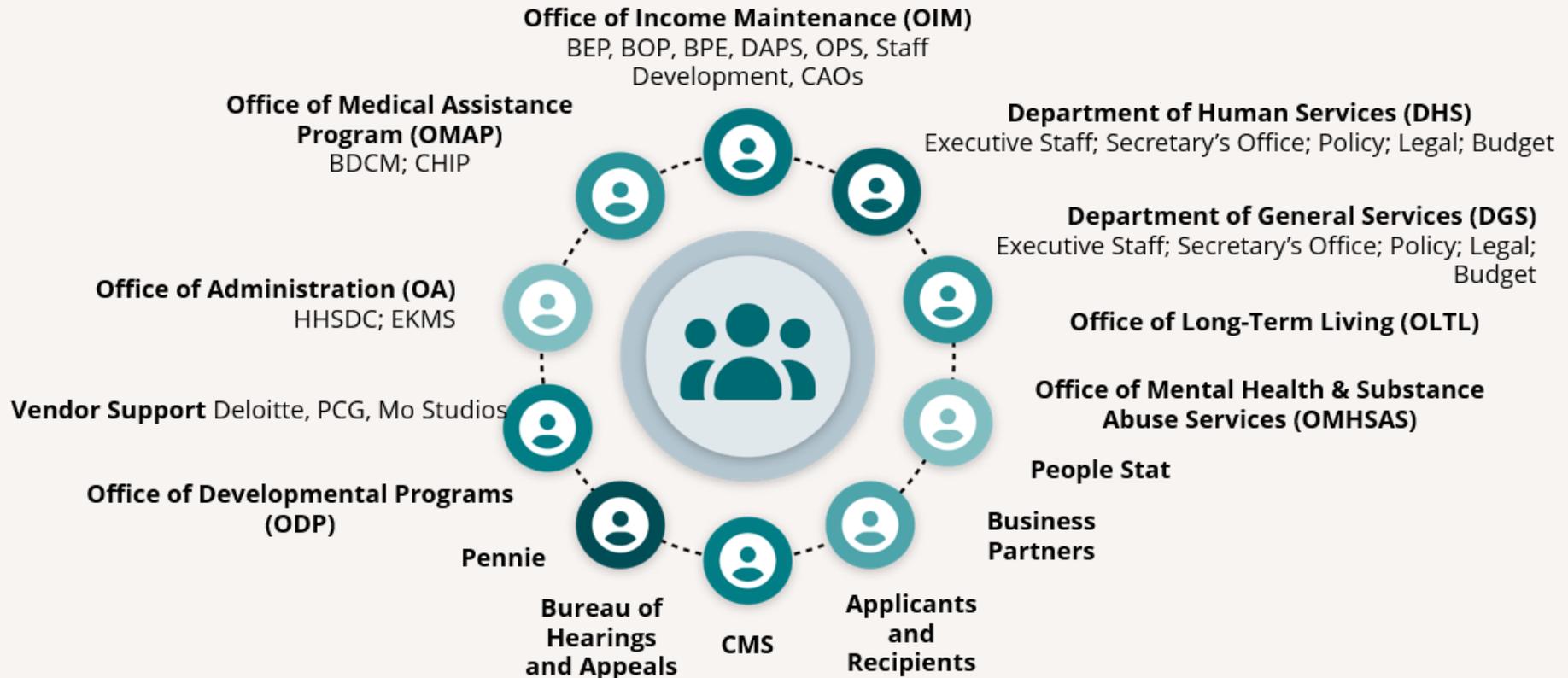
Ex Parte Renewal Logic

Includes client notices and automated actions related to Ex Parte.





CER: Stakeholders





CER: Timeline

9 Months





Increasing system efficiency

DHS is implementing system enhancements to increase the state's ex parte renewal rate and reduce caseworker and client burden.

By reviewing system capabilities to enable individual-level ex parte processing, allow certain non-MAGI budgets to pass thorough ex parte, and introduce policy-aligned strategic hierarchy that prioritizes reliable case information to maximize ex parte throughput while maintaining program integrity.

- Individual-Level Ex Parte
- Use reliable Case Information
- Use a strategic Data Hierarchy
- Add Asset Verification System (AVS) to ex parte processes where possible
- Update client notice
- Update renewal packets
- Update EMR Dashboard

Implementation scheduled for October 2026



- **Investments in Health: \$2.8M in state funds to leverage \$7.5M in total funding to support better health for Pennsylvanians covered by Medicaid**
 - Food is medicine
 - Housing
 - Reentry supports
- Leverages proven strategies to prioritize core foundations of health to improve health outcomes and reduce health care spending
 - Opportunity to reshape our Medicaid program to what works as we face potential for significant funding challenges created by H.R. 1



- **Concerns**

- Service/Eligibility Cuts
- Administrative Burden
- Communications to recipients
- Work Requirement Reporting

- **Goals for the Meetings**

- Understand the HR 1 requirements, timeline, and DHS plans for implementation
- Provide feedback on DHS plans for implementation
- Learn what information and resources can be shared with communities about upcoming changes



- **Upcoming meetings:**
 - May 6; 2:30-4 p.m.
 - July 14; 1-2:30 p.m.
 - Will move to monthly in the fall
- **Remember to sign up for the Substack!**

