

NATIONAL
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HEALTHY MINDS
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H.R.1: Overview of Major Medicaid Provisions

RCPA Medicaid Summit

May 11, 2026

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for Mental
Wellbeing

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Major Medicaid Provisions in H.R. 1

Provisions Effective 2026

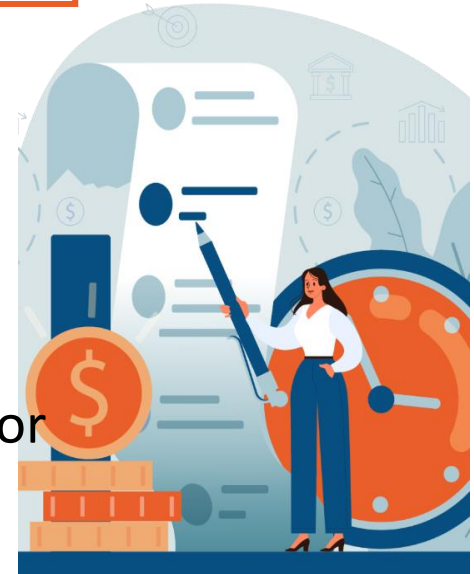
Rural Health Transformation Program (RHTP)

The RHTP provides a **\$50 billion relief fund** for rural healthcare and will distribute **\$10 billion per year from 2026 to 2030**.

- *CCBHCs, CMHCs, and OTPs are eligible provider types under the program.*

Updates:

- In December, CMS announced total first-year award levels for all 50 states.
- Total first-year awards per state ranged from \$147 million (NJ) to \$281 million (TX). PA received \$193 million.
- The focus now shifts to states, some of which are planning to issue Requests for Production (RFPs) or Requests for Grant Applications (RFGAs) in order to determine which activities and providers will receive funding.
 - The timeline for funding disbursements will vary by state.



Provisions Effective 2027

Community Engagement (Work) Requirements

Effective Jan. 2027, expansion enrollees must complete at least 80 hours of work or qualifying activities per month.

- *Exemptions include those for individuals with a substance use disorder, disabling mental disorder, or in a Drug Addiction or Alcoholic Treatment or Rehabilitation Program.*

Updates:

- CMS must issue an interim final rule with guidance to states on initial implementation by **June 1, 2026**.
 - Some states have announced plans to begin the process early; Nebraska went live May 1, 2026. Existing enrollees will have claims data reviewed for 90 days before renewal. New enrollees can self-attest but will require documentation to confirm.
 - CMS has so far evenly distributed to all states and D.C. half of the \$200 million that Congress provided to help states implement work requirements.



Eligibility Redeterminations

Effective Jan. 1, 2027, states must conduct eligibility redeterminations for the expansion population **every six months**, down from the current twelve-month requirement.

Updates:

- CMS released [guidance](#) in March and provides states with two options for implementation.
 - National Council's [memo](#) overviewing this guidance
- The bill appropriates \$76 million to CMS for FY 2026 to carry out this provision.



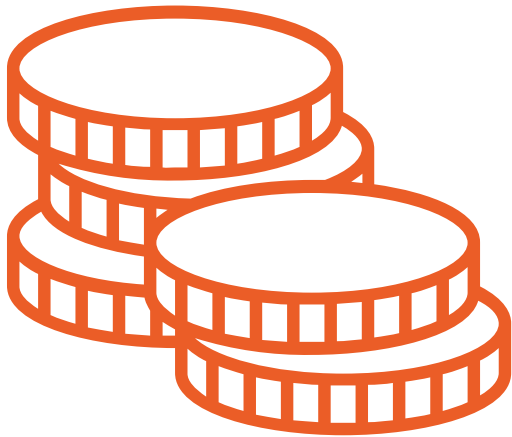
Retroactive Coverage

- **Effective** Jan. 1, 2027
- Under current law, Medicaid enrollees may receive retroactive coverage of services that would have otherwise been covered under the program for up to three months prior to the individual's application date, if that the individual would have been eligible for Medicaid during that time.
- Limits retroactive coverage for medical assistance for the expansion population to one month before the individual made an application for benefits, and limits to two months for the non-expansion population.



Provisions Effective 2028

Cost Sharing Requirements



- Effective **Oct. 1, 2028**
- Requires cost sharing greater than **\$0 up to \$35 per service** on expansion population.
 - The total aggregate amount of cost sharing that a state may impose for all individuals in a family may not exceed 5% of the family income, as applied on a quarterly or monthly basis.
- Includes exceptions for primary care, mental health, and substance use disorder services, and specifically exempts services furnished by CCBHCs, FQHCs, and RHCs.