

Medicaid Funding Changes: What Patients & Families Need to Know

The One Big Beautiful Bill Act (OBBBA) recently passed by Congress reduces Medicaid funding by [nearly \\$1 trillion](#) by making **significant changes to Medicaid's enrollment process, eligibility, benefits and how states generate program funding**.

While these changes do not take effect immediately, your state Medicaid program will likely make changes as to who is eligible for Medicaid, how individuals can enroll in the program or maintain their coverage, what benefits they can access and how much they will pay for certain services. That's why it is critical to stay informed and engaged about possible changes to your coverage and benefits.

One of the most important steps you can take right now is to make sure your contact information is up to date with your state Medicaid office. [Click here](#) to find your state's website. Your state will be reaching out with important notices and instructions, and ensuring they can reach you helps protect your coverage during these upcoming changes.

Who Will Be Impacted by Medicaid Changes?

These changes will not affect all Medicaid enrollees in the same way. While many people may experience little or no change right away, **adults covered through Medicaid expansion (ages 19–64)** will feel the most direct impacts.

Group	What Might Change
Medicaid Expansion Adults (ages 19-64)	Most of the new rules apply directly to adults living in states that have expanded Medicaid.¹ This includes possible requirements to work or complete other activities each month, new copays for some services and more frequent check-ins to keep coverage.
Adults with Medicaid coverage in all states	All adults with Medicaid coverage, regardless of where they live, may experience changes depending on what their state decides to do. This could mean more steps to stay enrolled or changes to certain services.
Children (0-18), older adults (65+), pregnant individuals and people with disabilities in all states	While many of the new rules do not apply directly to these groups, they could still feel changes. States may have less money for the Medicaid program, which could lead to changes in services or benefits for many different people who rely on Medicaid. <i>Note: just because changes apply to some people in a household, does not necessarily mean they apply to all family members.</i>

¹ AK, AZ, AR, CA, CO, CT, DE, DC, HI, ID, IL, IN, IA, KY, LA, ME, MD, MA, MI, MN, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SD, UT, VT, VA, WA, WV

What Changes Should You Watch For?

Group	What Might Change
Eligibility and Enrollment	<ul style="list-style-type: none"> Enrolling in Medicaid may take longer and require more paperwork Covered individuals may need to prove their eligibility more frequently Starting in 2026, many refugees and lawfully present immigrants will no longer be eligible for Medicaid under new federal rules
Work Requirements	<ul style="list-style-type: none"> In states that expanded Medicaid, adults aged 19-64 may need to work or participate in certain activities for at least 80 hours per month to keep coverage Exemptions will apply for certain adults (e.g., parents of young children, pregnant individuals, people with disabilities, caregivers) Applicants will need to show proof of work hours from past 1-3 months
Covered Benefits	<ul style="list-style-type: none"> States may consider changes to the services covered by Medicaid States may place limits on how services and supports are delivered to patients

When Changes Will Take Effect

2025

- Federal agencies start to provide guidance on how states should implement OBBBA
- Governors and state Medicaid directors begin evaluating how changes will impact their state Medicaid program

2026

- States propose, debate, determine and begin to implement specific changes to eligibility, benefits and costs
- Work requirements implemented by all states
- Medicaid enrollees may begin seeing changes to coverage, benefits and/or costs

2027

- Approved changes continue to be implemented
- Timing and specific benefits changes will vary across states

2028

- Cost-sharing implemented by all states
- Provider tax rates begin to reduce annually, potentially impacting benefits, coverage and access to care for Medicaid enrollees
- Medicaid enrollees may continue seeing changes to coverage, benefits and/or costs

How to Stay Informed and Engaged

It's important to know where to find reliable information on your Medicaid coverage and benefits.

Here are a few steps you can take to stay informed and engaged:

- ✓ Check your state Medicaid website for official updates. [Click here to find your state's website.](#)
- ✓ Be cautious of misinformation or unofficial claims.
- ✓ Reach out to your Medicaid managed care plan (MCO) or a local advocacy or patient organization if you need help understanding your coverage options.

Despite the ongoing uncertainty, the Modern Medicaid Alliance and our partners are committed to working with policymakers and the public to support a strong, sustainable Medicaid program.

For more information about the Medicaid provisions and implementation of OBBBA, [click here.](#)