Keep Virginia Covered: H.R. 1 Briefing

Office of the SECRETARY *of* HEALTH AND HUMAN RESOURCES

September 23, 2026

Agenda

- **Overview of Federal Law**
- **Executive Order 20**
  - Medicaid
  - SNAP
  - EO Provisions

Overview of H.R. 1 Federal Legislation

H.R. 1's Effects Were Built Into Its Budget Math

HOW THE FEDERAL LAW WAS WRITTEN

$880B

House Energy & Commerce

10-year savings target

$230B

House Agriculture

10-year savings target

THE LEGISLATION IN PRACTICE

MEDICAID

- Federal work requirements
- Limits to retroactive eligibility
- Redetermination
- Eligibility lost

SNAP

- Expanded work requirements
- Greater state share of administrative funding
- Error rate penalties

Financial Impacts of H.R. 1

IMPACT OF H.R. 1

Estimated $1.8 – $2.6 billion in lost federal revenue, which could triple if proposed rules are finalized

Revenue losses include:

- Loss of administrative funds
- Reductions in reimbursement for providers who serve Medicaid patients
- Loss of enrollees in public programs

H.R. 1 also requires states to **invest new state funds** to overhaul their benefit eligibility and payment systems, with new financial penalties assessed for errors.

Timeline of H.R. 1 Implementation

Jul 4, 2025

Legislation passed

Nov 1, 2025

§ 10102
Expansion of SNAP work requirement rules

Dec 1, 2025

§ 10108
Non-Citizen SNAP eligibility limited

Oct 1, 2026

§ 71109
Noncitizen Medicaid eligibility limited

§ 71110
Reduced FMAP for Emergency Medicaid

§ 10106
Shift SNAP Administrative costs to states

Jan 1, 2027

§ 71103
Reducing duplicate enrollment

§ 71107
6- month eligibility renewals

§ 71112
Reducing retroactive coverage

§ 71119
Establish Medicaid work requirements

§ 71104
Ensuring deceased individuals do not remain enrolled

Oct 1, 2027

§ 71115
Provider assessments' percentage caps and begin decreasing annually by 0.5% until 3.5%

§ 10105
States with greater than a 6% payment error rate are required to pay a portion of benefit costs

Jul 1, 2028

§ 71116
State Directed Payments 10% annual step-down to 100% of Medicare

Oct 1, 2028

§ 71120
Cost sharing requirements for Expansion Adults

Oct 1, 2029

§ 71106
Payment reduction related to certain payment errors in Medicaid

Impacts will be Regional

SOUTHWEST VIRGINIA (GALAX, GRAYSON, CARROLL, WISE, LEE, SCOTT, BUCHANAN, DICKENSON, TAZEWELL)

Highest concentration of seasonal workers in agriculture, mining, and construction with irregular hours and thin documentation trails. Worst health deserts with highest rural hospital financial risk in the Commonwealth.

SOUTHSIDE VIRGINIA (MARTINSVILLE, EMPORIA, HALIFAX, PITTSYLVANIA, BRUNSWICK, LUNENBURG, MECKLENBURG)

High poverty, high Medicaid dependency, low digital access. Expansion adults here are disproportionately caregivers and agricultural workers with informal employment. Worst maternal health deserts in Commonwealth.

RICHMOND/PETERSBURG

High volume of members and highest concentration of behavioral health utilization, posing risk for losing coverage due to administrative barriers. Worst overall health outcomes in Commonwealth.

NORTHERN VIRGINIA (FAIRFAX, ALEXANDRIA, LOUDON, PRINCE WILLIAM, ARLINGTON)

Highest concentration of non-citizen Medicaid members facing the October 1 coverage cutoff. Largest immigrant population in Virginia.

HAMPTON ROADS (NORFOLK, VIRGINIA BEACH, NEWPORT NEWS)

Large military-adjacent and veteran population. Veterans with 100% disability are excluded from work requirements but many don't know it. Significant immigrant and refugee communities.

EASTERN SHORE (ACCOMACK, NORTHAMPTON)

Most geographically isolated region in Virginia. Significant migrant farmworker population. FQHC access is the only realistic entry point.

EXECUTIVE ORDER 20:
Keep Virginia Covered

EXECUTIVE ORDER 20

Our Mandate

Maximize Available Funding

Draw down every eligible federal dollar before it is lost.

Simplify Administration

Reduce friction in eligibility, renewals, and verification.

Promote Economic Mobility

Connect people to work, training, and support.

Reopen the Contingency Fund

Federal Uncertainty Contingency Fund reactivated for urgent needs.

Engage Communities

Reach members, providers, and advocates directly.

Provide Alternative Coverage

Give people another path when Medicaid eligibility ends.

Medicaid

Key Provisions

OCT 1, 2026

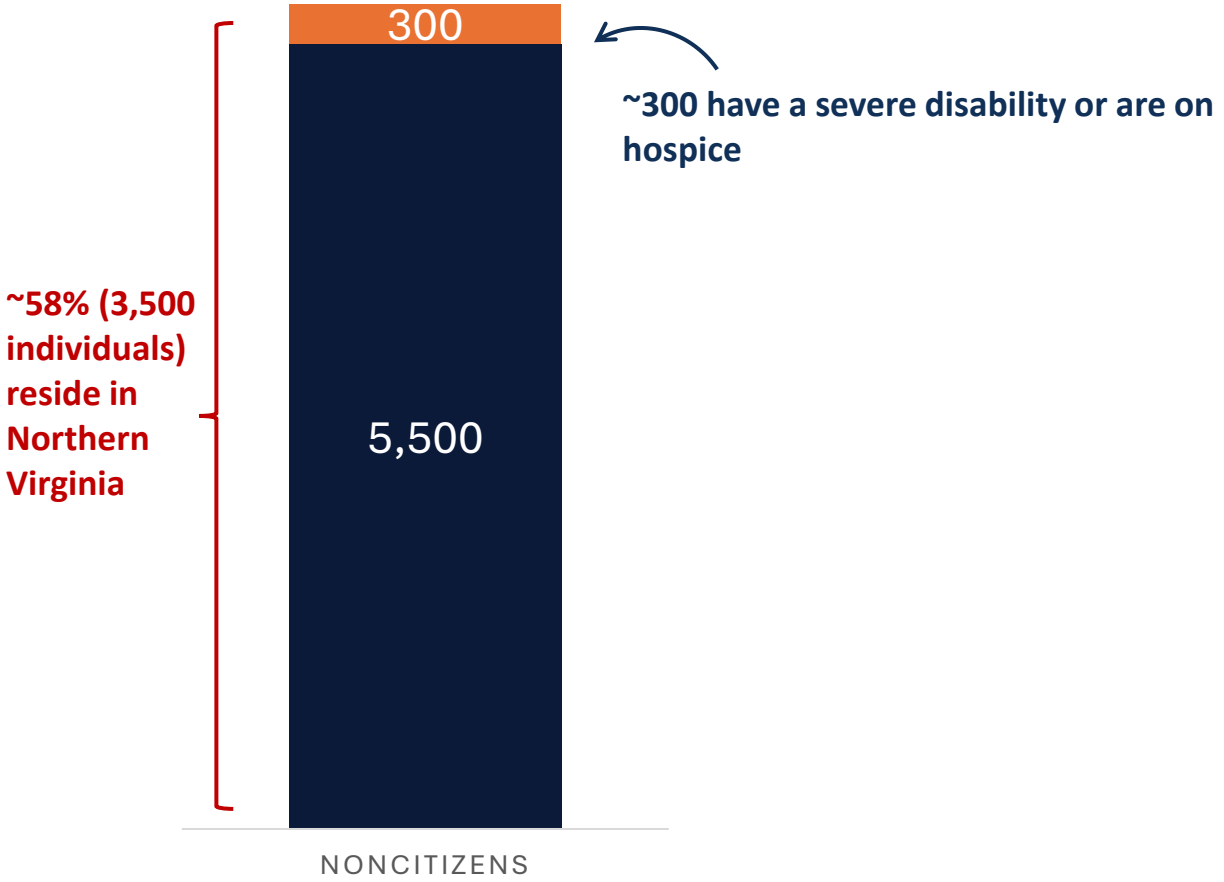
MEDICAID LAWFULLY PRESENT NON-CITIZEN ELIGIBILITY

- Eliminates benefit coverage for certain legally residing non-citizen, non-pregnant adults (i.e., asylees, refugees, survivors of human trafficking)

SNAP ADMINISTRATIVE COSTS

- Reduces current federal administrative match from 50/50 to 25/75

5,800 Medicaid Members are at risk of losing coverage under non-citizen changes



EXEMPTIONS

H.R. 1 requires adults (19-64) enrolled in Virginia Medicaid Expansion to meet a work requirement to qualify for their Medicaid coverage. This does not apply to:

- Children
- Former foster youth under age 26
- Adults age 65 and older
- People with disabilities (*ABD, SSI recipient*)
- American Indians and Alaska Natives
- Individuals currently incarcerated or recently released (within the past 3 months)

- Pregnant and postpartum individuals
- Parents/Caregivers of children under age 14
- Parents/Caregivers of a disabled individual of any age
- Veterans with 100% disability
- Participants of a certified drug/alcohol treatment program
- Individuals identified as medically frail

550,000 Virginians will be subject to the new work requirements

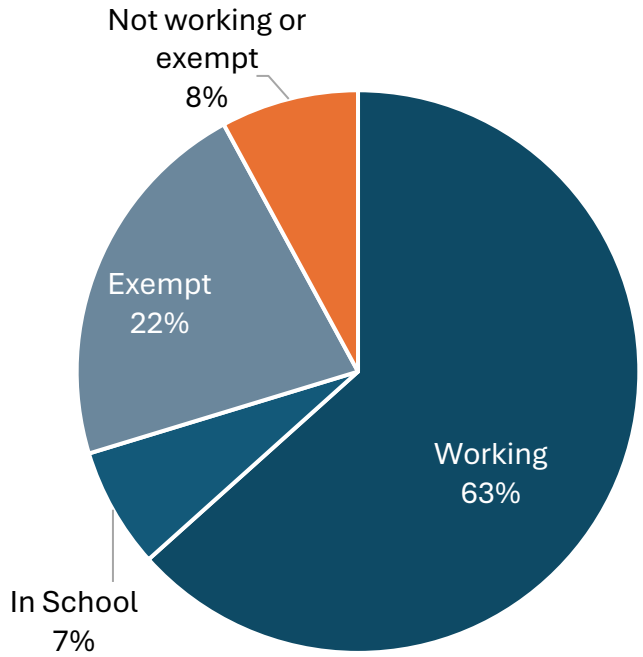
How to comply with new work requirements

Non-exempt Medicaid Expansion adults to comply must either:

- Complete 80 hours of work, job training, or volunteering
- Have an income of at least $580 per month
- Attend school (*college, GED or trade program*) at least half-time.

Individuals can also meet the requirement through a combination of work, volunteering, and school

National studies show that only 8% of Medicaid adults are not working



yet when work requirements are implemented, 25% of subjected adults lose coverage

Source: Kaiser Family Foundation, 2025

CMS's Interim Final Rule makes the law harder to implement

Narrows the definition of "Medically Frail" by requiring that someone's condition must significantly impair them from working.

Pre-IFR: Could exempt someone as medically frail using trusted data sources and Virginia's medically frail code list.

Post-IFR: Must measure the severity of someone's condition. Data can still be used, but in many cases, a doctor's assessment may be needed to determine the impact on someone's ability to work.

A hearing for the multistate litigation will take place in October.

Key Provisions

JAN 1, 2027

MEDICAID WORK REQUIREMENT

- Medicaid Expansion applicants/members will need to prove compliance with or exemption from Medicaid work requirements.

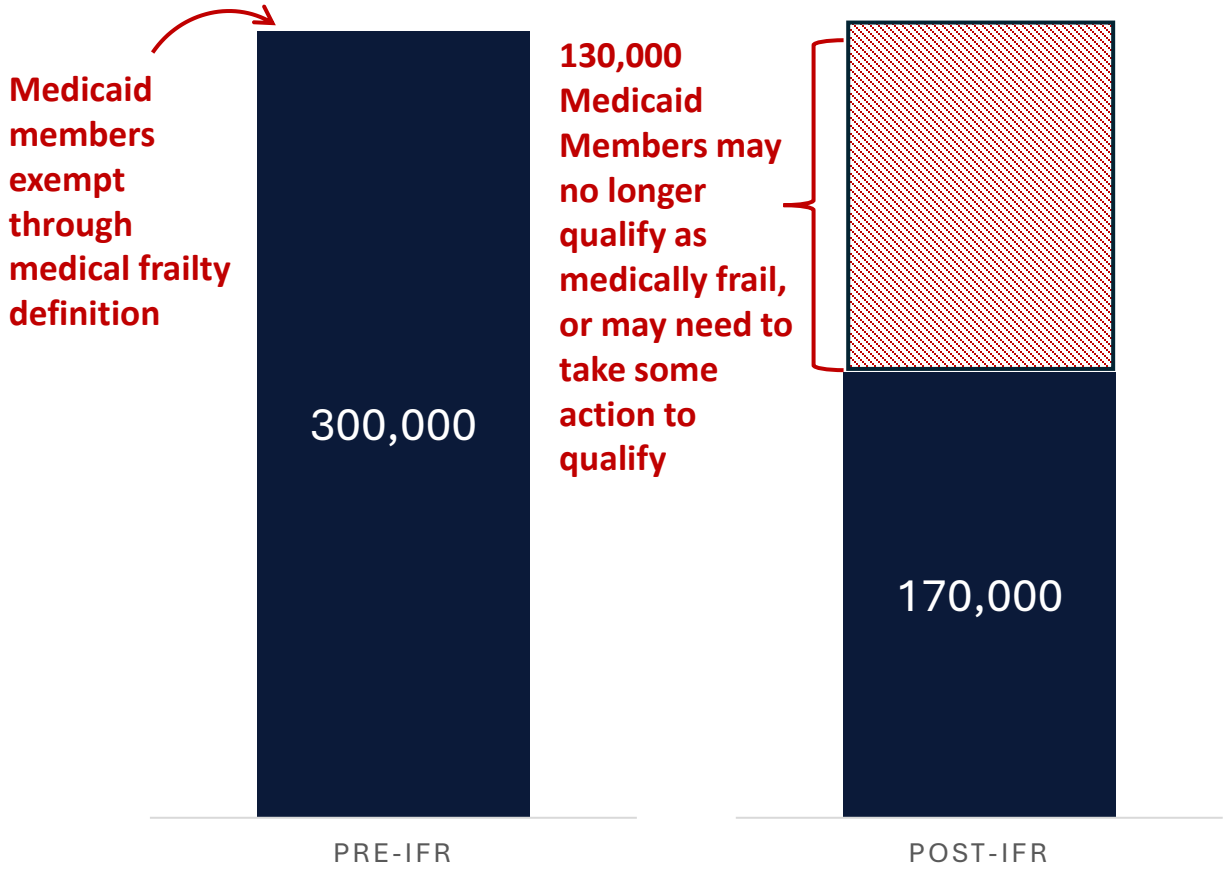
6-MONTH REDETERMINATION

- All Expansion adults will be required to undergo eligibility redetermination every 6 months.

REDUCE RETROACTIVE ELIGIBILITY

- Virginia currently provides 3 months of retroactive eligibility. This will be cut to 1 or 2 months depending on the population.

Nearly 550,000 Medicaid Members are subject to work requirements



Medicaid systems and applications/renewals

SYSTEMS

IN PROGRESS

NEW WorkReport Portal: Portal will help individuals complete work requirement information for their Medicaid application and renewals.

ONGOING

Data Analytics for Exemptions: Completed novel data source collection, preliminary revised exemption definitions, and determined best hierarchy of exemptions.

IN PROGRESS

Ex-Parte: New changes to increase automated eligibility determinations.

TIMELY APPLICATION AND RENWALS

IN PROGRESS

Connection to the Marketplace: Interim Final Rule required reassessment of connection to Marketplace. New plan is being developed with decision date end of September.

COMPLETE

Cover Virginia Operations: Major new workforce and operational support at CoverVA to support renewal processing, call center capacity, and more (50% increase in workforce).

ONGOING

Overdue Renewals: 58k reduction in overdue renewals from 95k in June 2026 to 36k in August 2026. Reducing the backlog will improve staff capacity ahead of work requirements.

SNAP

SNAP Losses

SNAP has experienced a 13.9% (125,885) decline in participants since June 2025.

Top 10 by Count

Locality	Count	Percentage
Fairfax	-8,506	-14.6
Henrico	-6,615	-16.8
Virginia Beach	-5,985	-17.1
Norfolk	-5,665	-14.1
Prince William	-5,299	-14.7
Chesterfield	-5,287	-15.5
Newport News	-5,238	-15.1
Richmond City	-5,173	-12.8
Hampton	-3,143	-13.8
Chesapeake	-3,056	-14.1

Top 10 by Percentage

Locality	Count	Percentage
Clarke	-304	-32.1
Harrisonburg	-1,146	-22.6
King George	-427	-20.9
Dinwiddie	-896	-19.8
Powhatan	-293	-19.0
Highland	-35	-18.4
Alexandria	-2,360	-18.4
King & Queen	-203	-17.6
Manassas	-701	-17.4
Virginia Beach	-5,985	-17.1

Henrico County, Virginia Beach, Chesterfield County, Alexandria, and Stafford County ranked among the top twenty for the largest count decline and the largest percentage decrease.

SNAP Error Rate

Average Error Rate
8.88%

Month	Payment Error Rate (PER)
October (2025)	16.32%
November	5.68%
December	11.38%
January (2026)	3.86%
February	8.43%
March	11.24%
April	6.57%

Estimated SNAP Payment Error Penalties based on FY24 Dollars

SNAP Error Rate	~ State Cost ($)
Below 6%	$0
6-7.99%	$90M
8-9.99%	$180M
Above 10%	$270M

What's Driving It, and What We're Doing

~40% of Virginia's SNAP errors trace to missing paperwork in the case file, not fraud

Action	Status	Expected Result
Ended self-attestation of expenses	**In effect since Oct 1**	State staff now independently verify applicant expenses
Household composition verification	**Required by Mar 2027**	Reduces a documented source of case-file error
Policy & audit bot	**Deployed**	Catch errors earlier, before payment goes out
Expanded interview hours / reduced paperwork	**Being explored**	Fewer missed interviews and documentation-related denials
WIC data connection	**Launches Oct 1, 2026**	More WIC-eligible families aware of and enrolled in SNAP

Medicaid and SNAP

Done, Ongoing and Next

1 Already Done

- **Member Notices –** August 24 alerting them to upcoming changes.
- **Medicaid Townhalls**
- **Stakeholder Roundtables**
- **MCO Clarifying Guidance**
- **Regional Workshops –** *8/13 completed*
- **Trusted Messenger Trainings**

2 Ongoing

- **The Virginia Compact –** partner organizations finalizing their commitments
- **Next Regional Workshops**
  - Lynchburg (Oct. 1) and Farmville (Oct. 2)
- **Next Town Halls**
  - "What began October 1 and what is next"
  - "How to read your notice and get help"

3 Coming Next

- **Keep Virginia Covered campaign** launches October 1 (bus routes, radio, social, TV) and expands through November
  - *Media mix still being finalized, including multi-language TV ads*

Full town hall and regional workshop calendars are provided in the appendix.

A Path to Coverage for Those Eligible for It

$150M

VIRGINIA PREMIUM SAVINGS PROGRAM

Passed by the General Assembly and championed by Governor Spanberger

70%

average reduction in monthly net premiums, HBE partnership

Who qualifies

- Income 138%–250% FPL.
- Non-citizens must hold a “lawfully present” immigration status to access the Marketplace or this subsidy at all.

What changes October 1

Plan Year 2027 window shopping opens on Virginia's Health Benefit Exchange. Virginians will be able to see their specific savings before enrolling.

The open question

How many of the ~100,000 people lost will return or choose to go uninsured

EO20 PILLAR: FEDERAL UNCERTAINTY CONTINGENCY FUND

Where the Fund Stands Today

ONLY USE IDENTIFIED TO DATE FOR $225M FUND

~300

Medicaid members with a severe disability or on hospice

DMAS is preparing to submit a request to the Fund for transitional care support for these members, who lose Medicaid coverage under the federal non-citizen eligibility change that removes coverage for lawfully present non-citizens effective October 1, 2026.

PENDING SUBMISSION

Context: of the 5,800 members losing coverage under this change, about 58% (3,415) reside in Northern Virginia.

HOW WE ARE DECIDING

1

Most Urgent Needs First

Requests are sequenced by how immediate the harm is if funding is delayed.

2

Populations at Greatest Risk

Priority goes to Virginians facing the most severe consequences of coverage loss.

Additional funding decisions will be brought to this committee as they are finalized.

Technology & Systems: One Plan to Make This Easier

TONI

IN TESTING

Tools, Outreach, Navigation & Insight

Problem: Members have no single place to get help navigating SNAP & Medicaid rules 24/7.
For members: Round-the-clock automated support for common questions.

ServeVA ↔ VaCMS

TARGET: MAR 2027

Volunteer-hours integration

Problem: Volunteer hours toward work requirements aren't automatically recorded.
For members: Hours logged in ServeVA count toward the requirement automatically.

Steady-IQ Partnership

TARGET: MAR 2027

Consent-based verification & document processing

Problem: Gig and 1099 workers carry an outsized paperwork burden to prove qualifying hours.
For members: Pay stubs and work documentation are verified and processed automatically.

CommonHelp Redesign

EARLY STAGE

Client-facing portal

Problem: The current portal is difficult for members to use when applying or managing benefits.
For members: A simpler, more intuitive application and case-management experience.

Removing Barriers to Work

The goal is not simply to tell people to work but it is to help address what may be keeping them from it: child care, transportation, training, and other support.

"ASK, REFER, SUPPORT" MODEL

1

ASK

Local departments use a standard set of questions to identify barriers for SNAP and Medicaid members subject to work requirements.

2

REFER

Members are routed to partner organizations matched to their specific needs.

3

SUPPORT

Follow-up tracks whether the connection led to real progress.

VIRGINIA WORKS PILOT

VDSS is piloting this model with Virginia Works, which is now receiving data on SNAP recipients subject to work requirements to begin case management referrals. Medicaid/SNAP combination cases will be piloted next.

Metrics being tracked:

- Referrals made
- Contact rate
- Enrollment rate
- Engagement within 30 days

Broader launch timing depends on capacity and the work-requirement portal build-out.

TIMING PENDING

Medicaid MCOs are required to provide coordination and inform members of offered employment supports and value-added services

Thank You

Regional Workshops

DMAS and DSS are hosting 13 regional workshops to map regional resources to help Medicaid and SNAP recipients navigate work requirements.

Locality	Date
Richmond	1-Sep
Petersburg	3-Sep
Norfolk / Hampton	8-Sep
Eastern Shore (Melfa)	9-Sep
Fredericksburg	15-Sep
Fairfax / Annandale	16-Sep
Charlottesville / Culpeper	22-Sep
Harrisonburg / Front Royal	23-Sep
Lynchburg	1-Oct
Farmville / South Boston	2-Oct
Martinsville	6-Oct
Tazewell / Abingdon	8-Oct
Christiansburg / Radford	9-Oct

Virtual Townhalls

In August, DMAS hosted a townhall for non-citizen Medicaid Members, providers and advocates with over 2,000 attendees.

Tentative Date/Time	Target audience	Main topic	Desired outcome
September 15, 2026 12pm-1pm	Members	"What is changing and who is affected?"	Create awareness before October eligibility changes
September 24, 2026 11am-12pm	Providers	"How to prepare your patients and workflows"	Prepare offices, health systems, and MCO partners for questions and referrals
October 22, 2026 1pm-2pm	Advocates	"What began October 1 and what is next"	Equip partners to do community outreach after noncitizen eligibility changes begin
October 27, 2026 12pm-1pm	Members	"How to read your notice and get help"	Reduce confusion after notices go out
November 10, 2026 11am-12pm	Providers	"Renewals, exemptions, and documentation"	Build readiness for January 2027 renewal and work/community engagement
November 17, 2026 3pm-4pm	Advocates	"Coverage protection and outreach toolkit"	Align advocacy groups on messaging, referrals, and escalation channels
February 10, 2027 12pm-1pm	Members	HR1 requirements are here—what do they mean for me, and what should I do?	Help members understand key changes, how they affect their coverage, and what actions—if any—they need to take