3.07 Emerging Threats to Medicaid

2025 NATIONAL CONFERENCE ON ENDING HOMELESSNESS

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For individuals experiencing homelessness, Medicaid is often the only pathway to essential healthcare and critical services. Today, the program faces mounting threats. This session will examine how these developments jeopardize the health and stability of people without housing, and how weakening Medicaid can undermine efforts to end homelessness.

National Alliance to End Homelessness
Session 3.07: Emerging Threats to Medicaid

Tracy Johnson, Managing Director

July 1, 2025

Manatt is increasingly working at the intersection of Health and Housing

Health and Housing Focus Areas

- Engaging stakeholders
- Medicaid transformation
- Bridging services
- Program design
- Strategic planning
- Financing & payment
- Navigating legal issues
- Contracting strategy
- Cross-sector data exchange

Top-Line

- **Medicaid is vital to people who are unhoused**
- **Status update on Budget Reconciliation: It's not over yet …**
- **House Bill 1 (HR1) would create more un- and under-insured, through:**
  - Stricter Eligibility Requirements for Certain Adults
    - Work Requirements
    - More Frequent Eligibility Checks
    - Citizenship & Address Documentation
  - Increased Co-Payments for Certain Adults
  - Fewer Coverage Options for Non-Citizens
- **Implementation will occur over several years: It's not over yet …**

Medicaid's Structure and Welfare Program Roots

Medicaid was part of LBJ's 1965 Great Society Program, which also created Medicare. Medicaid eligibility was tied to Cash Assistance.

"Whatever we do or hope to do depends upon the health of our people. We cannot be satisfied until all Americans have available to them the best medical treatment that the best medical men [sic] can devise."

- **Federal framework, State-run program**
- **Originally: pregnancy, children & families, people w disabilities who receive cash assistance**
- **"Delinked" from "welfare" over time**
- **Broad medical benefits and specialized disability supports**
- **ACA option to expand Medicaid to nearly ALL adults**

Source: http://www.presidency.ucsb.edu/ws/index.php?pid=27351

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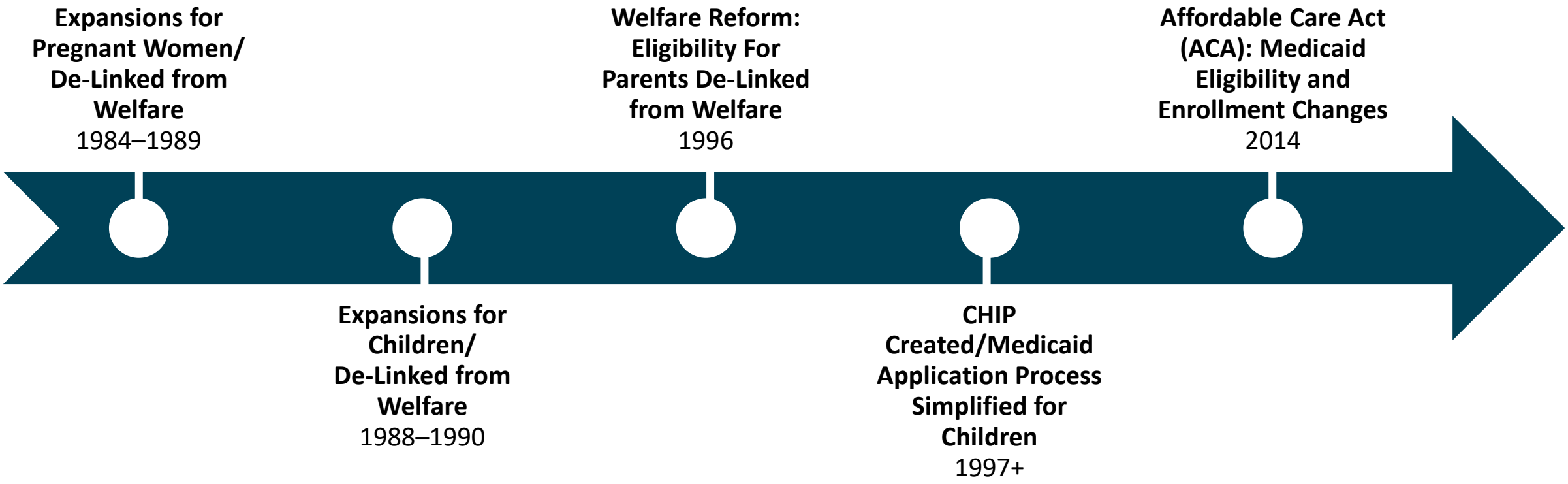
Medicaid Evolution: Broaden and Simplify Eligibility



Post-ACA, Medicaid fully evolved into an insurance program for low-income Americans.

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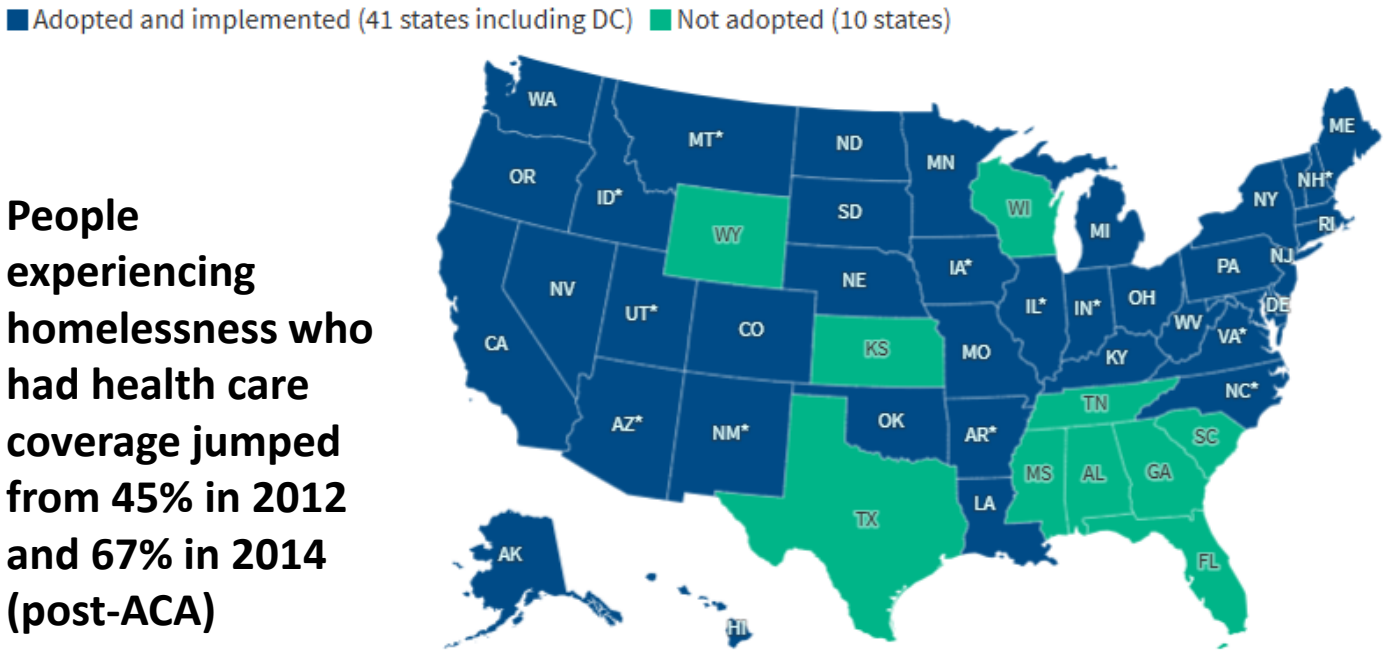
ACA Medicaid Expansion: Especially Helpful to People who are Homeless

The ACA added optional Medicaid eligibility for adults with incomes up to 138% FPL.



People experiencing homelessness who had health care coverage jumped from 45% in 2012 and 67% in 2014 (post-ACA)

The New Adult Group

Under age 65

Income at or below 138% FPL

In 2025, 138% FPL = $21,597 for a childless adult or $44,616 for a family of four

Source: How Medicaid and States Could Better Meet Health Needs of Persons Experiencing Homelessness | Journal of Ethics | American Medical Association
Status of State Medicaid Expansion Decisions | KFF

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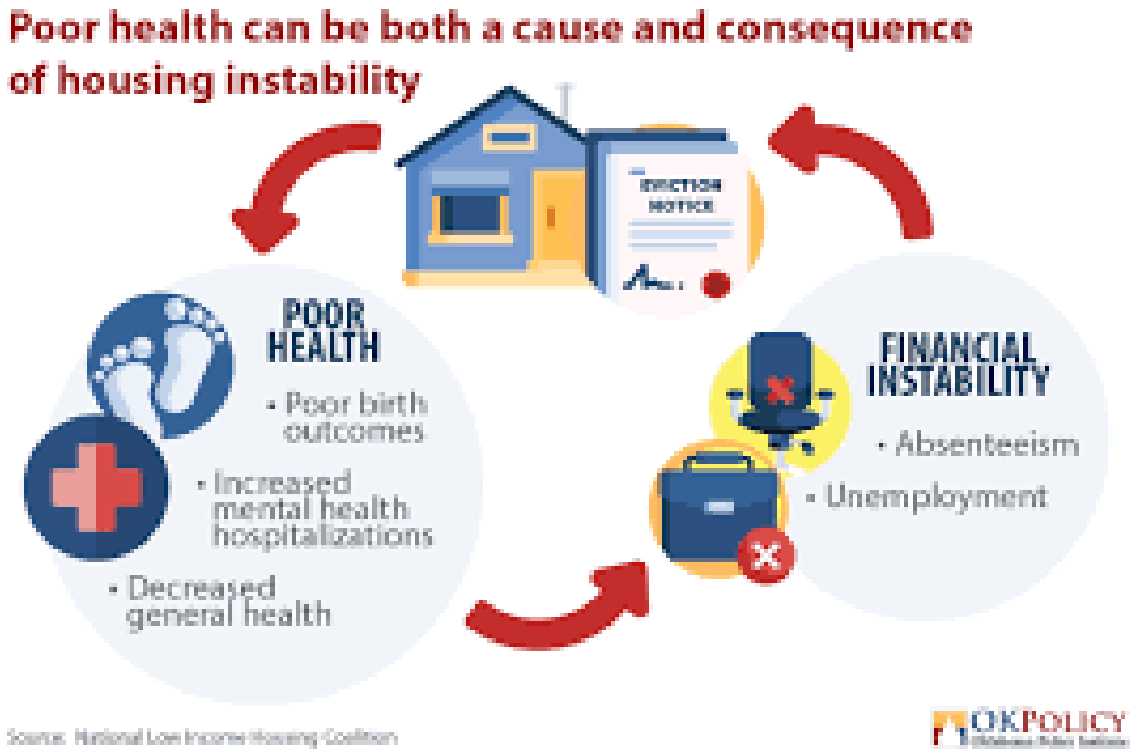
Why is Medicaid Critical for People Who are Homeless?

Medicaid Coverage

- **Covers essential health services**
- **Stabilizes health and reduces mortality**
- **Protects against financial instability, medical debt and evictions**
- **Helps ensure the success of people in permanent supportive housing**
- **Increasingly provides housing supports**

Medicaid saves lives; Prevents and buffers homelessness



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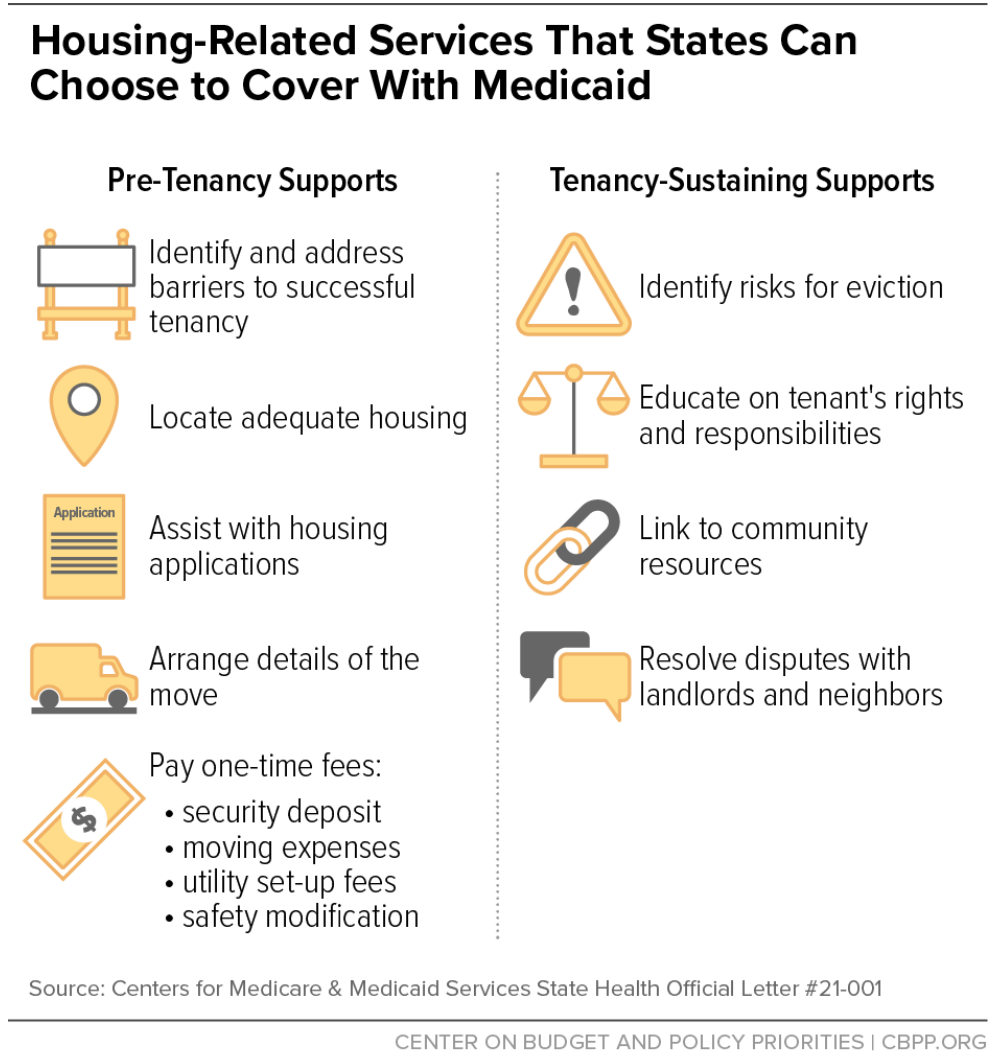
Many Medicaid Programs Can and Do Cover Housing Supports

Multiple Federal Pathways Exist

- "Regular" Medicaid
- Disability-Related waivers
- Managed Care-Related waivers
- Research-Related (1115 waivers) – required for rent & medical respite
- SDOH guidance (2021)



https://www.medicaid.gov/federal-policy-guidance/downloads/sho21001.pdf

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Status Update on Budget Reconciliation

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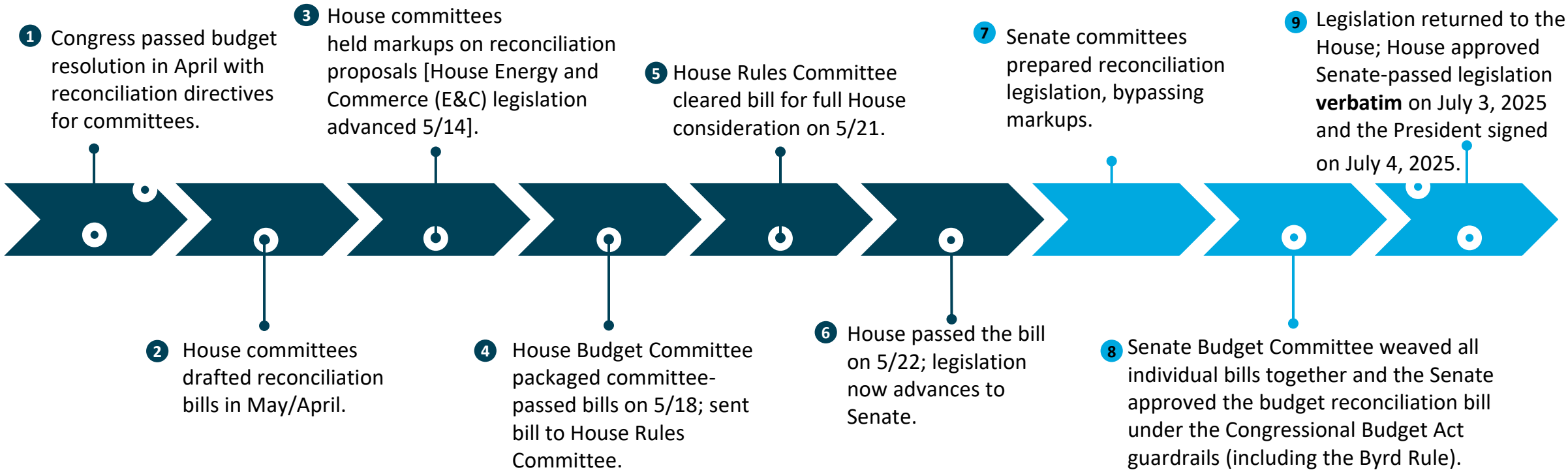
Budget Reconciliation Process for OBBA

Congress advanced large reductions in Medicaid funding through the budget reconciliation process.



- The only statutory deadline for congressional action is the end of the federal fiscal year on September 30.
- The de facto deadline for legislative action is the debt ceiling "X date"—the point at which the U.S. Treasury is no longer able to meet its obligations without additional borrowing authority—expected in August

OBBA: Medicaid Eligibility Changes will Increase Uninsured

More frequent eligibility checks, work requirements, new procedures to verify address and citizenship, less "retroactive" coverage, and greater federal scrutiny

Why does this increase uninsured?

- **Documents/Paperwork** – People lose Medicaid even when still eligible.
- **"Proving" compliance or exempt status**
- **Small/temporary increases in income --** cause eligibility "churn"
- **Impact worse for people who are unhoused**

"Cost-savings" result from people losing coverage

CBO has estimated that budget reconciliation bill changes to Medicaid (and Marketplace) will result in 11.8 million losing coverage

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OBBA: Medicaid Work Requirements are the Main Driver of Coverage Loss

Certain adults applying (or reapplying) for Medicaid would need to prove they meet work requirements

Work requirements mean new and more frequent paperwork, which can be hard for people who are unhoused

- **If not exempt, what counts as work?**
  - Defined as 80 hours for at least one month, during a 6-month period:
    - work, a work program, community service, part-time education, a combination, or
    - a monthly income of at least $580
- **To verify, states must:**
  - Check at application and every 6 months
  - Check IRS and other databases (*ex parte* data), if possible
  - Not make less burdensome (but can make stricter)

Medicaid work requirements alone would result in approximately 5.2 million adults losing Medicaid (H.R. 1)

Source: /https://www.cbo.gov/system/files/2025-06/Wyden-Pallone-Neal_Letter_6-4-25.pdf

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HB1: Many People Who are Homeless should be Exempted from Medicaid Work Requirements BUT Must Prove it

Required Exemptions. States *must* exempt the following individuals from work requirements for a given month if, at any point during that month, they are:

- Parents/guardians/caregivers of a dependent child or disabled individual
- Pregnant or receiving Medicaid postpartum coverage
- Foster youth and former foster youth under the age of 26
- American Indians and Alaska Natives
- Disabled veterans
- Incarcerated or recently released from incarceration within the past 90 days
- Entitled to Medicare Part A or enrolled in Medicare Part B
- Meeting TANF or SNAP work requirements
- Participating in a drug addiction or alcohol treatment program
- Medically frail:
  - Blind or disabled
  - Have a substance-use disorder
  - Have a disabling mental disorder
  - Have a significant physical, intellectual, or developmental disability
  - Have a serious or complex medical condition

Optional Temporary Exemptions. States *may* exempt individuals for a given month if, at any point during that month, they experience and request a "short-term hardship" exemption during that month, including:

- Receiving inpatient hospital care, nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities, inpatient psychiatric care, or other services of similar acuity (including related outpatient care) determined by the Secretary
- Living in a county impacted by a federally declared emergency or disaster
- Living in a county with a high unemployment rate (at or above the lesser of 8% or 150% of the national unemployment rate, which was 4.2% as of April 2025)

Source: House Committee on Rules, H.R. 1- One Big Beautiful Bill Act, Title IV, Sec. 44141.

Other Medicaid Expansion Policy Changes in Reconciliation Legislation

Other punitive policies that are especially harmful to people who are unhoused

Require Cost Sharing for Certain Medicaid Expansion Enrollees

- States **required to impose copayments on most services** for higher-income adults (> 100% FPL)
- Copays could be as high a **$35 per service** (subject to a limit of 5% of family income)
- People who are homeless "split pills", skip care and risk hospitalization when copays are too high

Require state automated processes to regularly verify addresses

- States **must update addresses monthly** for all Medicaid enrollees

REMOVED FROM THE FINAL BILL: Reduce Federal Funding for Medicaid Expansion for States that provide Immigrant Coverage

- But, some states have already pulled back on these optional coverage programs for immigrants

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What can you do now the OBBA is law?

The devil is in the detail, implementation matters

- Help clients gather vital documents
- Help clients secure disability status, where appropriate
- Work with federal agencies on implementation, for example:
  - Regulations that influence operational requirements, especially re: address verification, citizenship verification and work requirements (including exemptions)
- Work with state Medicaid agencies on implementation processes, for example:
  - Share data to help identify persons exempt from work requirements
  - Encourage states to minimize co-payments

Appendices

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HB1: Policy Changes Impacting Coverage for Non-Citizens

The legislation seeks to discourage Medicaid coverage of certain immigrant populations by cutting federal funding to states that support such coverage, even with state only dollars.

Federal Medicaid Funding Disallowed when Self-Attested Citizenship or Qualifying Immigration Status Cannot be Verified

- Prohibit federal reimbursement for services during the "reasonable opportunity period" (to establish citizenship/immigration status)
- States may choose to continue providing coverage during this period, but they will be financially at risk
- People who are homeless have known challenges producing identifying documents

Reduce Federal Funding for Medicaid Expansion for States that Support Coverage for Certain Immigrants

- States that provide certain types of health coverage for undocumented would face a reduced federal match rate (from 90% to 80%) for their Medicaid expansion population.
  - State-operated programs providing "comprehensive health benefits coverage" to undocumented individuals or financial assistance to help undocumented immigrants purchase "health insurance coverage")
- Ambiguity about which immigrant groups trigger this
- Federal funding cuts would vary by state, with California and New York being hit particularly hard: $41 billion and $17 billion over ten years

Source: House Committee on Rules, H.R. ____ - One Big Beautiful Bill Act, Title IV, Sec. Sec. 44110, 44111. CHIPRA = Children's Health Insurance Program Reauthorization Act.

House Budget Bill Proposals Impacting Medicaid

Key Provisions		Section	Effective Date
Medicaid Work Requirements	Sub-regulatory guidance promulgated by the United States (U.S.) Department of Health and Human Services (HHS)	44141	December 31, 2025
	Begin conducting outreach to enrollees on work requirements		September 30, 2026
	Implement mandatory work requirements		December 31, 2026
Medicaid Expansion	Redetermine eligibility for certain adults every six months	44108	December 31, 2026
	Sunset eligibility for American Rescue Plan Act (ARPA) increased FMAP for expansion states	44131	January 1, 2026
	Require cost sharing for certain Medicaid expansion enrollees	44142	October 1, 2028
Medicaid Eligibility	Stop implementation of Biden-era eligibility and enrollment (E&E) final rule	44101, 44102	Date of enactment
	Reduce retroactive coverage under Medicaid and CHIP	44122	December 31, 2026
	Establish a standardized process to regularly update address information	44103	January 1, 2027
	New national federal database for address verification established by HHS		October 1, 2029
	New administrative requirements to ensure deceased individuals are not enrolled	44104	January 1, 2028
	Revise home equity limit for determining eligibility for long-term care services	44109	
	Remove good faith waiver for payment reduction related to eligibility-related improper payments	44107	October 1, 2029

House Budget Bill Proposals Impacting Medicaid *(Continued)*

Key Provisions		Section	Effective Date
Medicaid Payment and Financing	Ban on any new or increased provider taxes	44132	Date of enactment
	Prohibit certain existing provider taxes	44134	
	Payment limit for SDPs capped at 100% of Medicare for expansion states and 110% of Medicare for non-expansion states	44133	
	Require budget neutrality for section 1115 Medicaid demonstration projects	44135	Date of enactment
	Delay of disproportionate share hospital (DSH) reductions	44303	October 1, 2028
Gender-Affirming Care	Prohibit federal Medicaid and CHIP funding for gender-affirming medications and procedures	44125	Not specified (we assume date of enactment)
Provider Participation and Oversight	Bar Planned Parenthood from participating in Medicaid (for providing abortion services)	44126	Not specified (we assume date of enactment)
	Stop implementation of Biden-era nursing home staffing final rule	44121	Date of enactment
	Additional Medicaid provider screening requirements (including new administrative requirements to ensure providers are not deceased)	44105, 44106	January 1, 2028
	Streamlined enrollment process for eligible out-of-state providers under Medicaid and CHIP	44302	Four years after enactment
Non-Citizen Coverage	Prohibition on federal financial participation (FFP) for applicants whose self-attested U.S. citizenship or qualifying immigration status cannot be verified	44110	October 1, 2026
	Reduce expansion FMAP for states that support coverage for certain immigrants	44111	October 1, 2027

NATIONAL HEALTH CARE for the HOMELESS COUNCIL

Emerging Threats to Medicaid

Barbara DiPietro, Ph.D.
Senior Director of Policy
July 1, 2025

Homelessness, Health & Medicaid

NATIONAL HEALTH CARE for the HOMELESS COUNCIL

1. Poor health causes homelessness
2. Homelessness causes poor health (& makes existing conditions worse)
3. Experiencing homelessness makes it harder to engage in care

- Medicaid = primary health insurance program for unhoused people
- Comprehensive care + optional services
- States can tailor systems and services (e.g., medical respite care, tenancy supports in supportive housing)

Fact Sheet: Homelessness and Medicaid: What's the Connection?

Insurance & Revenue at HCH Programs

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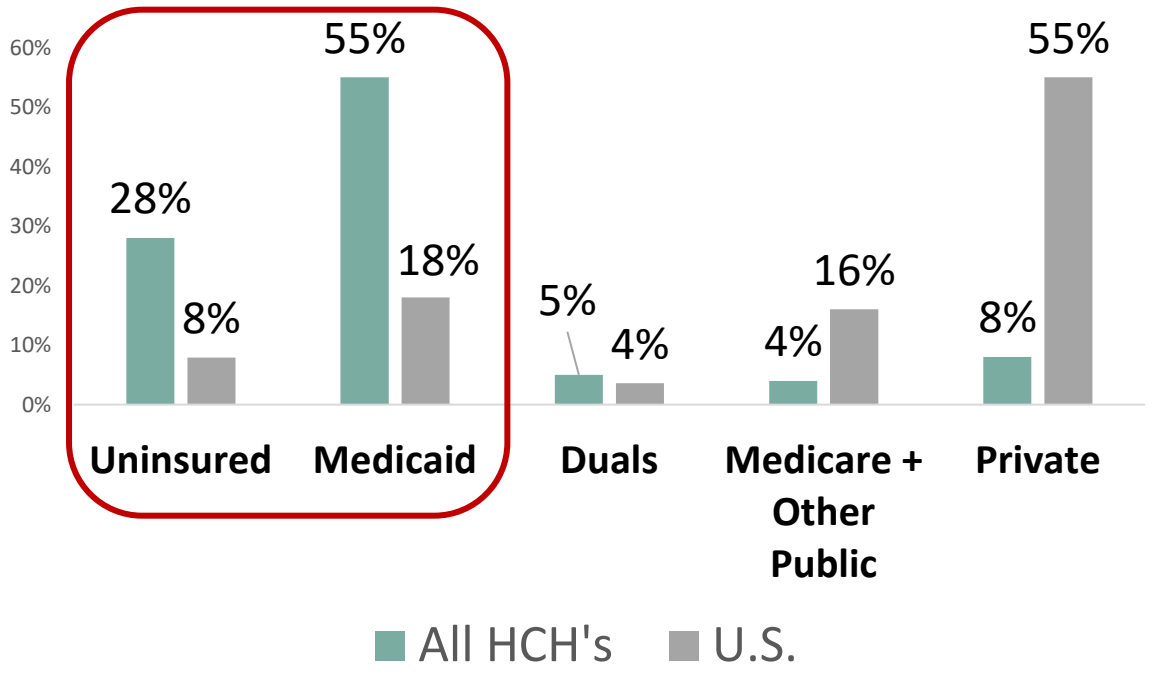
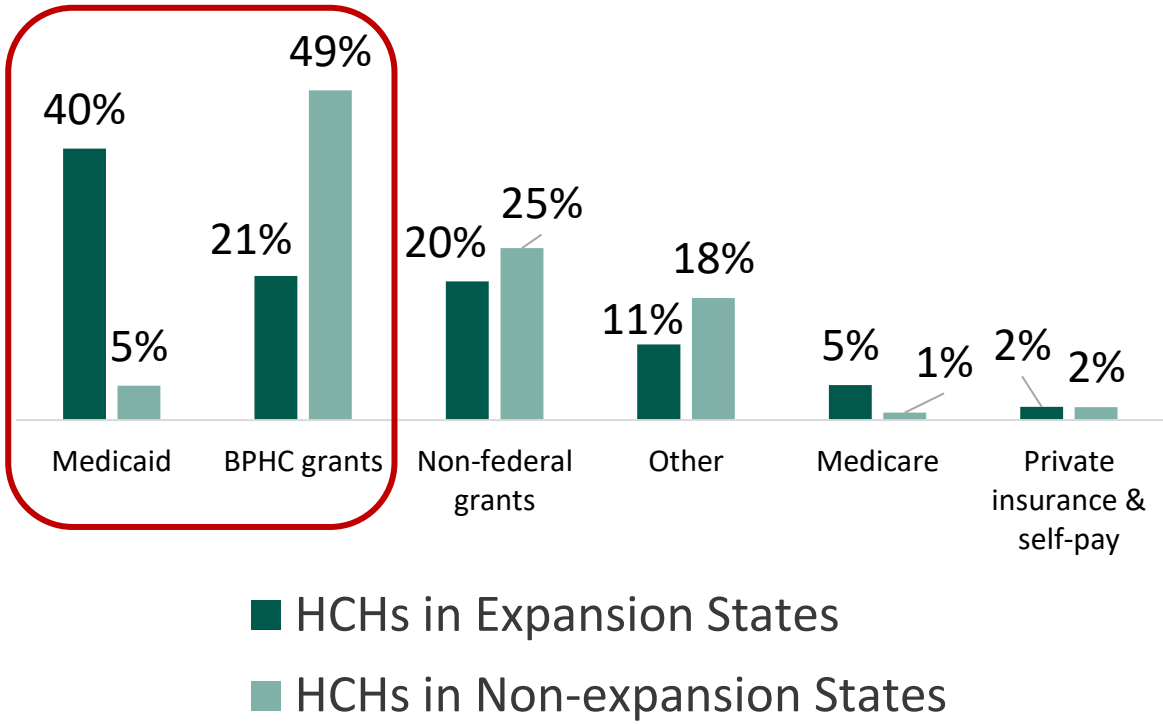
HCH Patient Insurance Sources, 2023



Funding for HCH Programs, 2023



Fact Sheet: Health Insurance at HCH Programs, 2023

Changes Most Impactful to Unhoused People

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Work Reporting Requirements


Address Verification


Citizenship Verification


Eligibility Checks Every 6 Months

Other provisions:

- Penalties to states for noncitizen coverage
- Out of pocket cost sharing ($35!)
- Prohibits all gender affirming care
- Slashes retroactive coverage

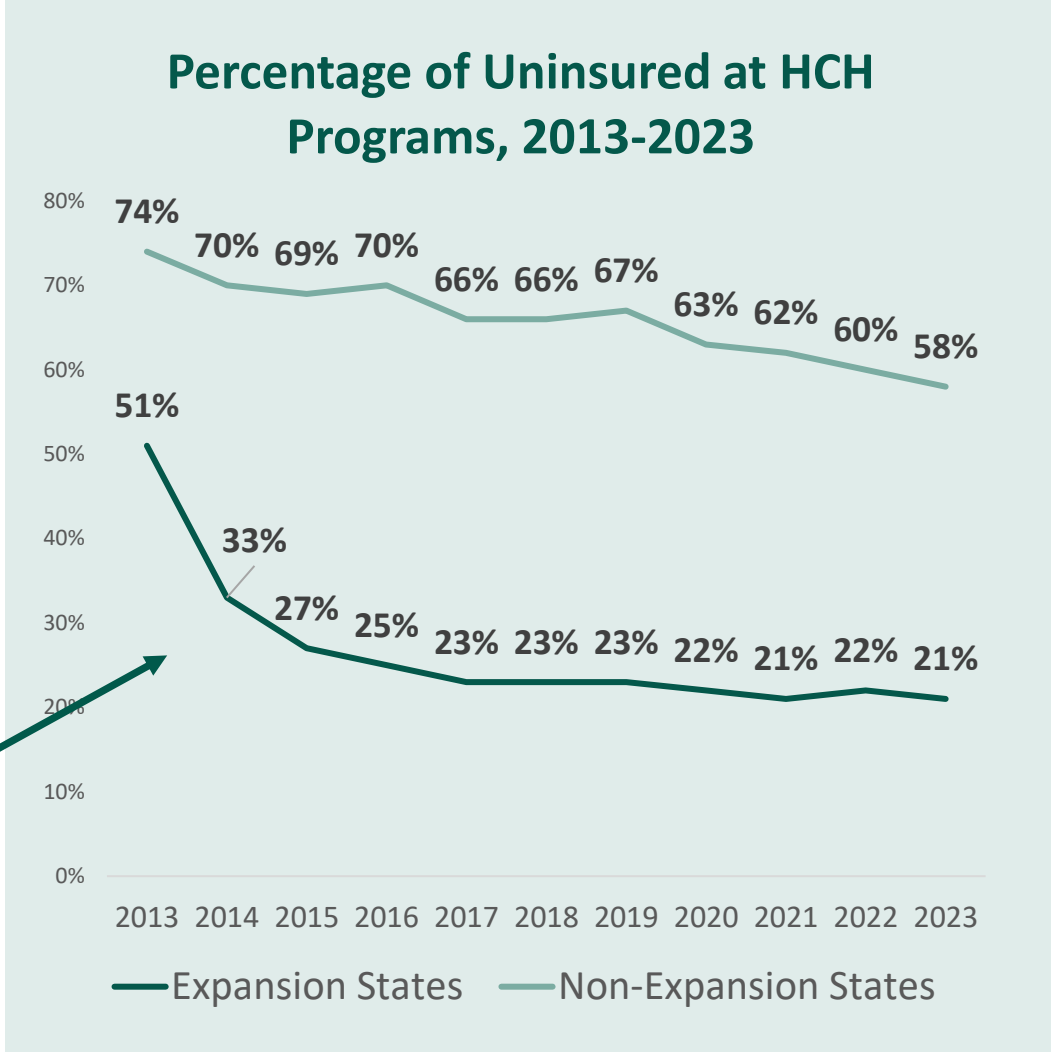
BARRIERS

- **Prove it!** Difficulty navigating online systems and proving work hours every month—or any exemptions
- **Don't have one!** Lack of address and documentation makes verifying address & citizenship difficult
- **Didn't get the notice?** Frequent eligibility determinations aim to keep at you until you fall off the rolls
- **So much paperwork!** These changes bury people and providers in needless documentation and bureaucratic red tape

A Deeper Dive on Medicaid Work Requirements

- **WR systems are expensive**
- The goal is to drive loss of coverage
- **Does not increase employment**
- *Ironically: increases unemployment*
- Takes revenue from providers
- Adds administrative burden on providers & patients
- Undermines progress over last 10 years

Fact Sheet:
Impact of Medicaid Work Requirements for Unhoused People



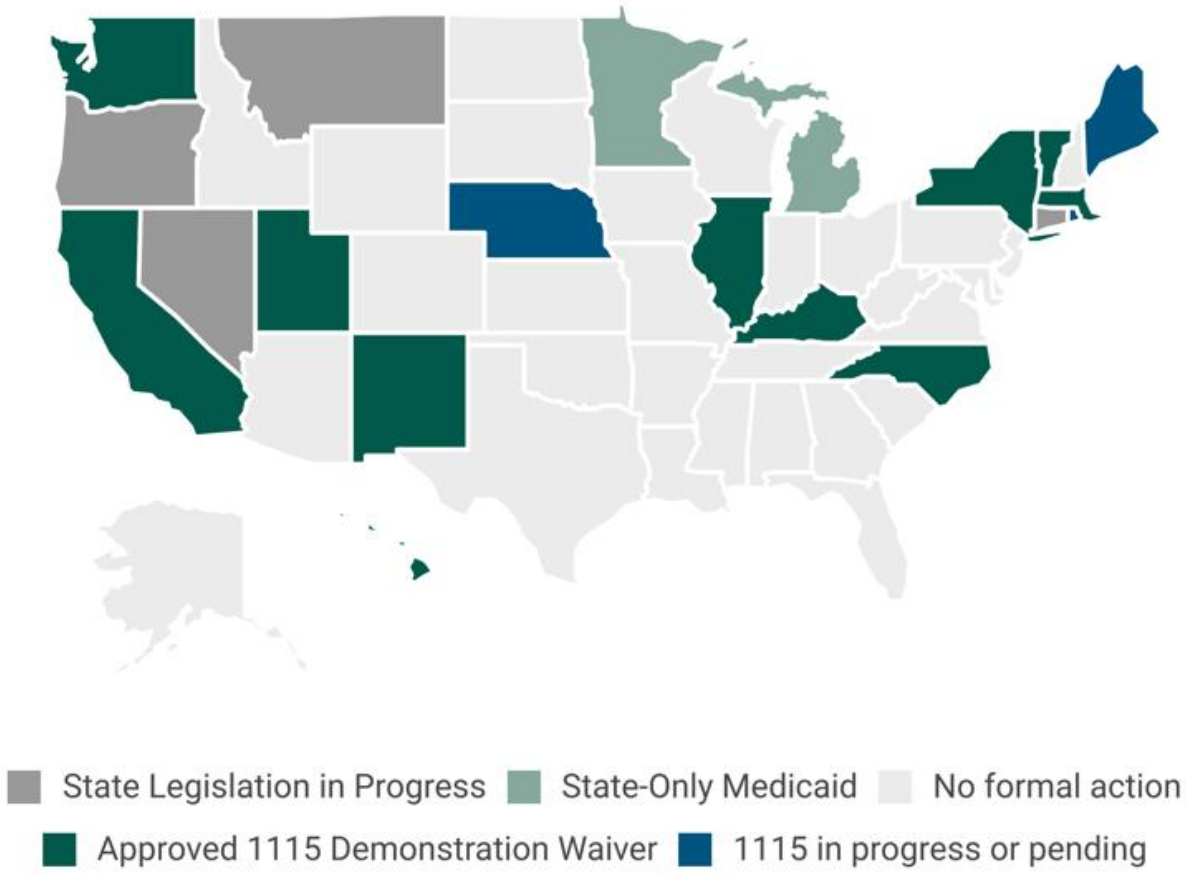
Fact Sheet: Health Insurance at HCH Programs, 2023

Added Services: Medical Respite Care (1115 waivers)

- Provides ongoing care & residential stability after hospitalization for those needing rest/recuperation
- ~150 programs across 40 states
- Located in shelters, stand-alone facilities, transitional housing, etc.
- 18 states have/pursuing 1115 waiver for statewide service

Great resource: Expanding Options for Health Care Within Homelessness Services: CoC Partnerships with Medical Respite Care Programs

Status of Statewide Medicaid Benefits for Medical Respite Care



More details at Status of Statewide Medicaid Benefits for Medical Respite Care

Impact on Health Care: Providers and Patients

NATIONAL HEALTH CARE for the HOMELESS COUNCIL

1. States **cut eligibility & services** (or raise revenue to cover federal losses)
2. Significant **loss of Medicaid coverage** & increase in uninsured
3. Increased **administrative burden** on providers
4. **Lower provider revenue** as patients lose coverage
5. Greater **uncompensated care** at hospitals/EDs (leading to hospital closures, esp in rural areas)
6. **Higher unemployment**/workforce reductions
7. **Greater homelessness**, illness, disability, and mortality

Report: The Collateral Damage of Medicaid Work Requirements:

449,000 jobs lost/year

15,4000 **lives** lost/year

HCH Fact Sheet: One Big Beautiful Bill Act: Impact on the HCH Community

State Responses to Changes

- **Unclear:** State response to federal cuts, further impact on local gov't
- **Unclear:** Impact of current state budget shortfalls
- **Unclear:** Actions on undocumented coverage
- **Unclear:** How additional services—like tenancy supports and medical respite care—will continue
- **Unclear:** Impact on health care organizations ability to retain certain staff/services

Most likely response: States will cut eligibility and services—especially noncitizen coverage and added services

Take-Away Points

Patients lose insurance

=

Providers don't get paid & can't cover operations/staff

=

Staff lose jobs

Services end, clinics close

=

Access to care falls & medical debt rises

=

More suffering, illness, disability, homelessness & death

Action Steps: What Can You DO?

NATIONAL HEALTH CARE for the HOMELESS COUNCIL

The fight right now is to preserve Medicaid.

Will you help?

- Call your federal and state policymakers
- Tell your story about why Medicaid is vital
- Reject the narrative of "waste, fraud & abuse"
- **Connect issue of homelessness to Medicaid & current cuts**
- Explain why work requirements don't work!
- Sign up to get our advocacy alert, ***The Mobilizer***

NATIONAL HEALTH CARE for the HOMELESS COUNCIL

Follow us on social media!

National Health Care for the Homeless Council

Emerging Threats to Medicaid

Marcella A. Maguire, Ph.D.
Director, Health Systems Integration

About CSH

CSH is 501c3 nonprofit intermediary organization and CDFI that advances **supportive housing** as an approach to **help people thrive.**

Since our founding in 1991, CSH has distributed more than **$1.7 billion in loans and grants that** has created over **467,000 homes for individuals and families** exiting long-term homelessness.

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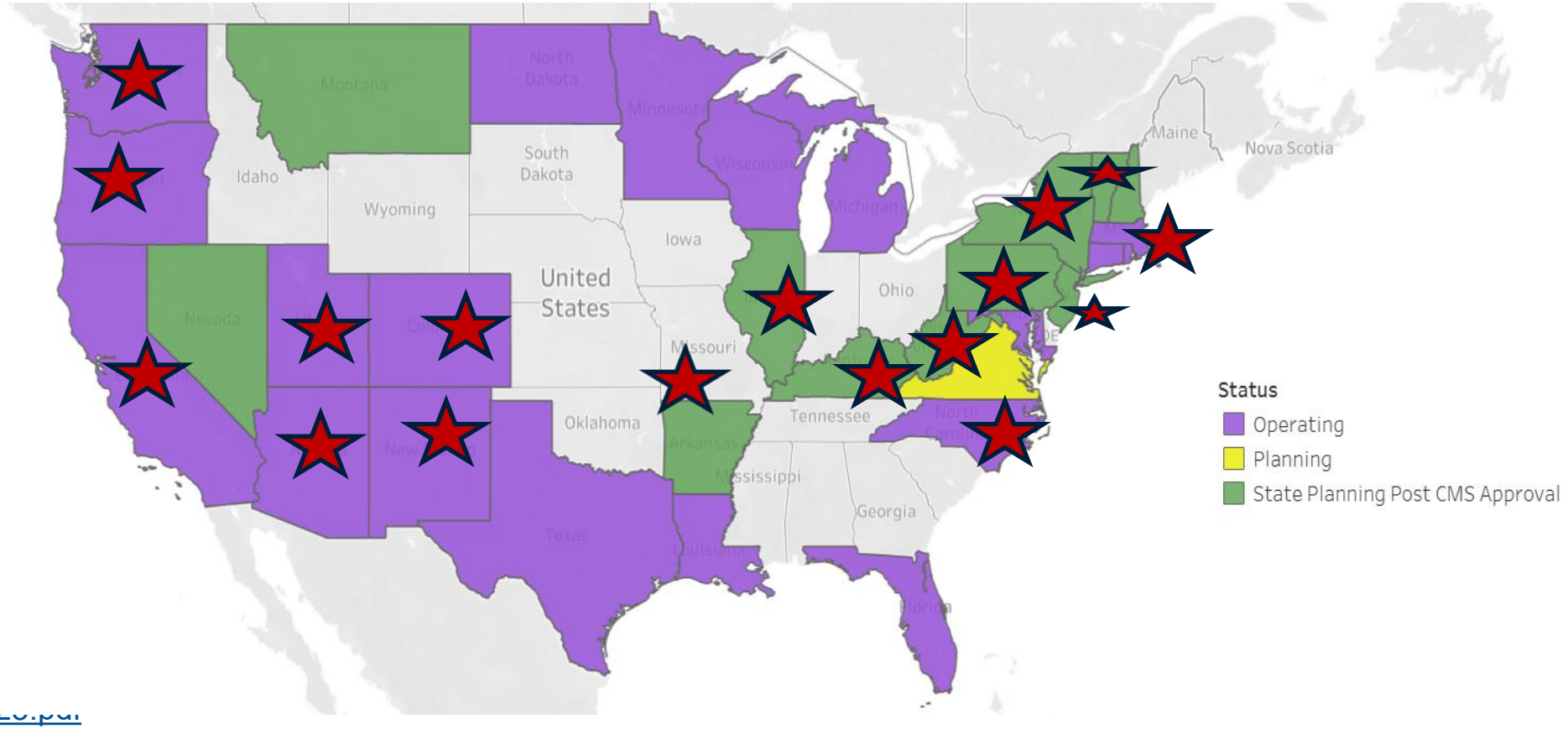
Phases of State Development of Medicaid Housing Related Services

Has your state expanded Medicaid?

- Yes
  - Does your state cover housing related services via Medicaid?
    - No → **Phase 2** → Work with the state to design and gain approval of housing related services.
    - Yes → **Phase 3** → Was the benefit for housing related services approved in the last 1-3 years?
      - No → You are in later implementation. Provide ongoing implementation support and address challenges as they come up.
      - Yes → You are in early implementation. Use the six strategies to support development of the benefit.
- No → **Phase 1** → Develop a strategy to advocate for Medicaid expansion.

Medicaid Update 2025 | Tableau Public

States with a ★ have an approved **Health-Related Social Needs** waiver



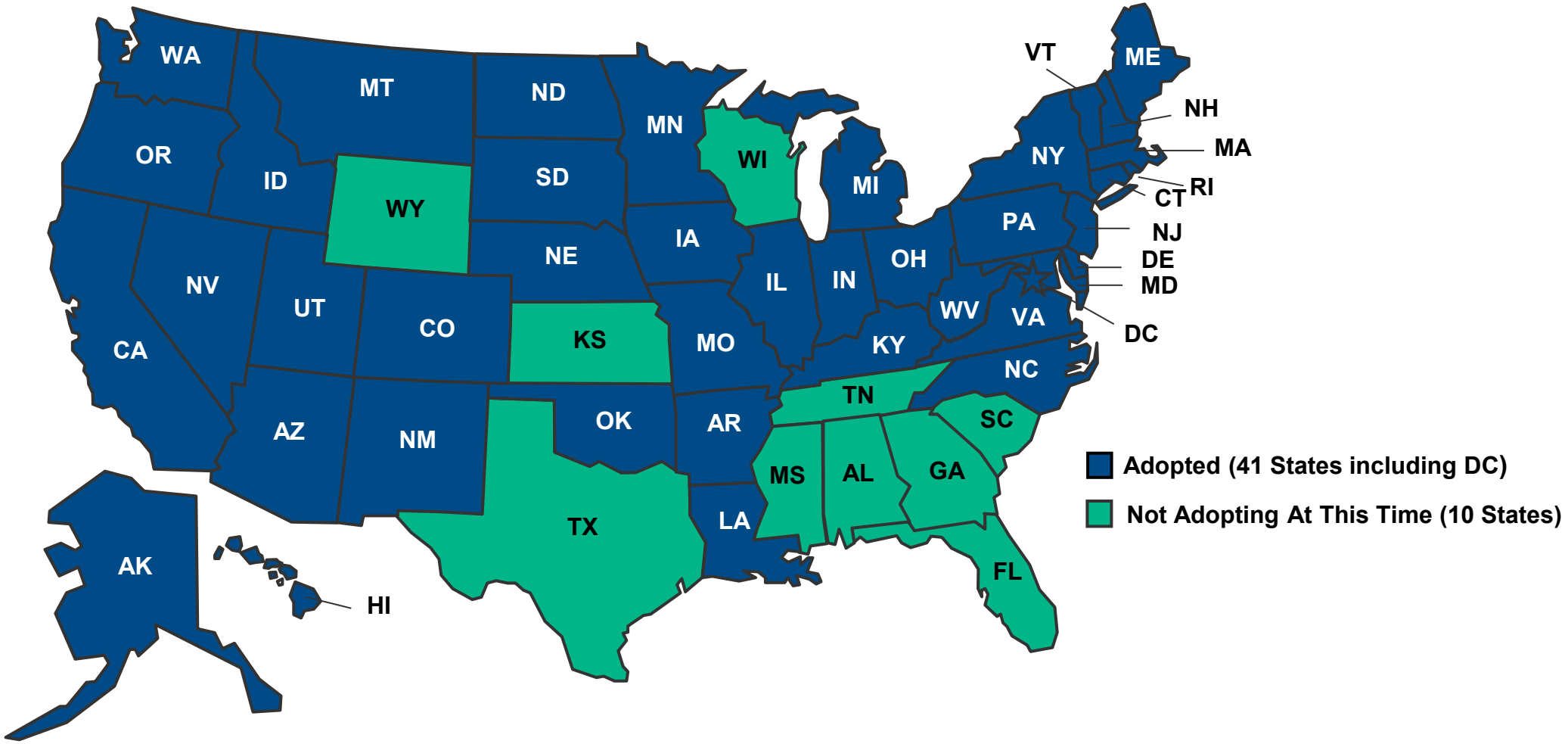
CSH Summary of Medica
State Actions - Spring 20

States in PURPLE have an approved waiver and can cover SH services in some way.

States with STARS have housing services, usually including short term rent and also nutrition services

csh.org

Status of State Medicaid Expansion Decisions



NOTES: Current status for each state is based on KFF tracking and analysis of state activity. See link below for additional state-specific notes.
SOURCE: "Status of State Medicaid Expansion Decisions: Interactive Map," https://www.kff.org/medicaid/issue-brief/status-of-state-medicaid-expansion-decisions-interactive-map/

KFF

Federal Financial Partnership

- Partnership between federal government and states
- Federal oversight and structure with significant state flexibility
- Each state is required to have a state Medicaid plan that outlines how Medicaid works in that state
- For non-expansion Medicaid recipients, the feds pay 50% or above and the state pays the balance. For expansion Medicaid recipients, the feds pay 90% and the state pays 10%.

Critical State-Level Partnerships

Identify potential state advocacy partners

- Medicaid offices- State Medicaid Websites - Hemophilia Federation of America
- Directory of PCAs & HCCNs - NACHC
- State legislatures and staffers on relevant health committees
- List of State health departments | USAGov
- Health Department Directories | Public Health Gateway | CDC
- https://www.healthyfla.org/national-health-advocacy-organizations

Data You Need for Advocacy

- How many people you serve
- What are their health challenges
- How has housing improved their health
- What is their health care coverage
- How many are uninsured
- Who lost health coverage and how recently
- For those on Medicaid, who are their Managed Care Organizations (MCOs)/ Managed Care Plans (MCPs)/Managed Care Entities (MCEs)?
- How are people storing their vital documents- e.g. Disability Hub MN - My Vault

- What did you do when eligibility redetermination started after COVID- what did you learn?
- IF THE BILL PASSES
  - How is my state verifying addresses?
  - How is my state verifying citizenship status?
  - What populations are my residents in from a Medicaid lens. If they are expansion population, what new requirements are in place?
  - How can we support people who now have more frequent re-determinations?

CSH

Ensuring Continuous Medicaid Coverage

Without continuous health care coverage, a person's access to physicians, medications and the supports and services they need is threatened and commonly terminated until coverage is restored.

SOAR- SSI/ SSDI access means most people are no longer in the expansion population, but now in the AGED, BLIND and DISABLED (ABD) population where work requirements and more frequent eligibility determinations can't touch them.

Sign-up for CSH's health blog, via Linkedin will keep you up-to- date on all this from a Housing and Homelessness Lens. *CSH Housing Solutions: Posts* | *LinkedIn*

Support compliance with the new Medicaid requirements

Store and track vital documents for your clients.

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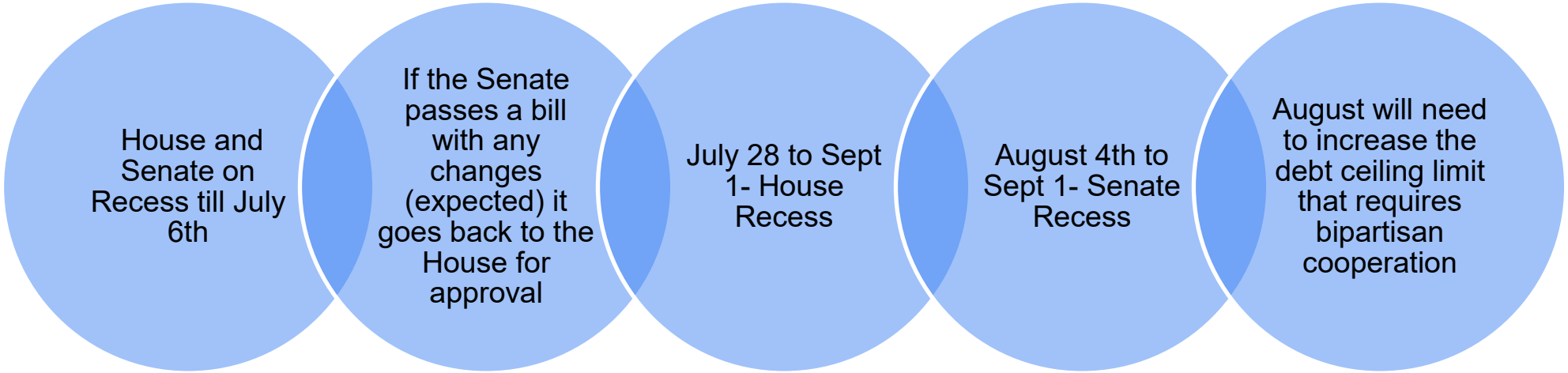
Time to ACT



Any time there is a recess, it's time to organize and share the impact of Medicaid on your clients and program with your Congressional members.

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Trusted Messengers

Not all of us are the same here.

- Whose lives will be immediately directly impacted by Medicaid cuts: THEY LEAD THE CONVERSATION
- Who are the swing votes in the Senate and House
- How many people will lose Medicaid coverage in my state or Congressional District- Medicaid/CHIP Coverage by Congressional District, 2023 – Center For Children and Families

Thank you!

Learn more at www.csh.org

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Stay in Touch!

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(9) CSH Housing Solutions: Posts | LinkedIn

TAKE ACTION TO ADVANCE A SOLUTIONS-ORIENTED BUDGET

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National Alliance to End Homelessness

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SAVE THE DATE

Virtual Capitol Hill Day:
September 17

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