Federal H.R. 1 Updates and Impact on Public Health

September 17, 2026 **King County Board of Health**

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Agenda

- **The Big Picture**
  - How It Passed, the National Numbers, Where Washington state fits in
- **Implementation Timing**
  - What has happened and what is next?
- **Effects on the Community**
  - What It Means for King County

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The Big Picture

The Big Picture

1	H.R. 1 is the law and is being implemented and Washington state will feel its impacts. In King County, coverage starts ending on September 30
2	October 2026 is an important milestone, then January 2027, then a long implementation tail that runs to 2029.
3	The costs ripple out to clinics, jails, crisis response and other areas that the county runs and funds.

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H.R. 1 Passed on Party-line Votes Through a Special Legislative Process

- Public Law 119-21, the One Big Beautiful Bill Act, signed July 4, 2025. Tax provisions increase the deficit; Medicaid, SNAP, student aid and energy changes act as offsets.
- Budget reconciliation: a majority vote with no filibuster in the senate. The House budget resolution directed Energy and Commerce to find $880 billion in savings and Agriculture $230 billion. In practice, that meant Medicaid and SNAP.
- Votes: 51–50 in the Senate with the Vice President breaking the tie, then 218–214 in the House.
- The case proponents made: Medicaid spending growing at more than twice the rate of inflation; provider taxes shifting costs to federal taxpayers; work requirements and tighter verification were needed for program integrity.
- According to CBO, H.R. 1 does not reduce the deficit; the tax provisions outweigh the spending cuts. The Congressional Budget Office (CBO) scores the enacted law as adding about $3.4 trillion to deficits over ten years because it also included tax cuts.

Nationally: $679B Out of State Medicaid Programs and 7.6 Million Fewer People Covered by 2034

Figure 2.1. Projected Change in Total State Budget, by Provision (2025–2034) (Net Change in Federal $ to States)

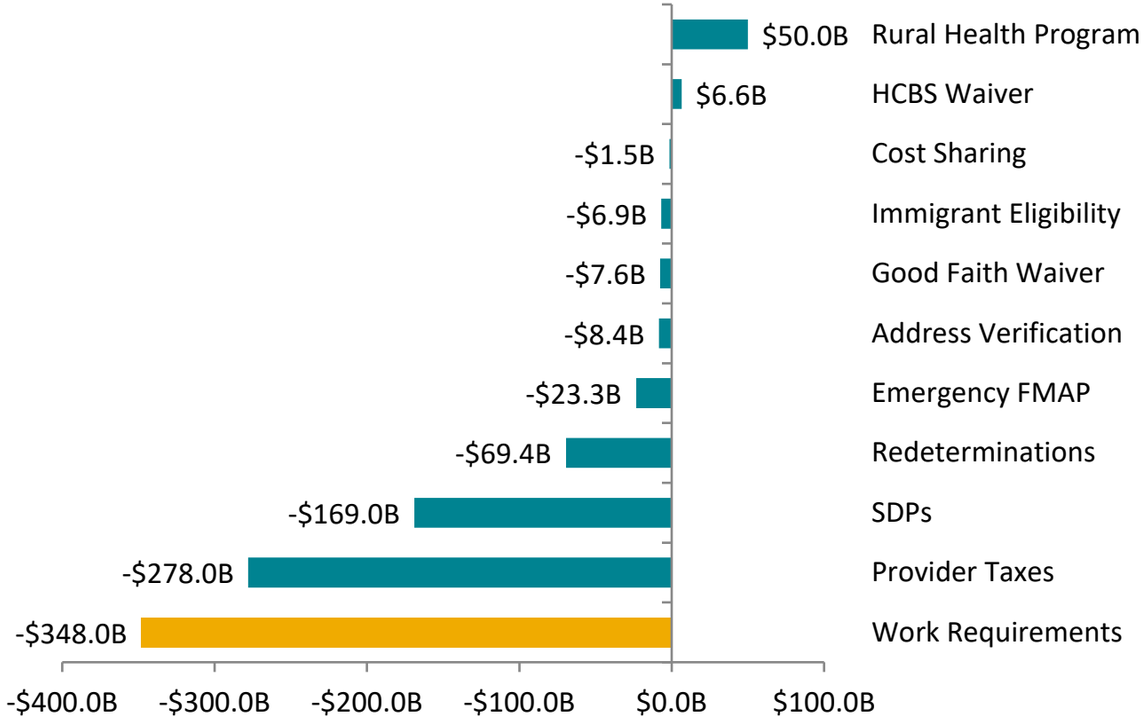
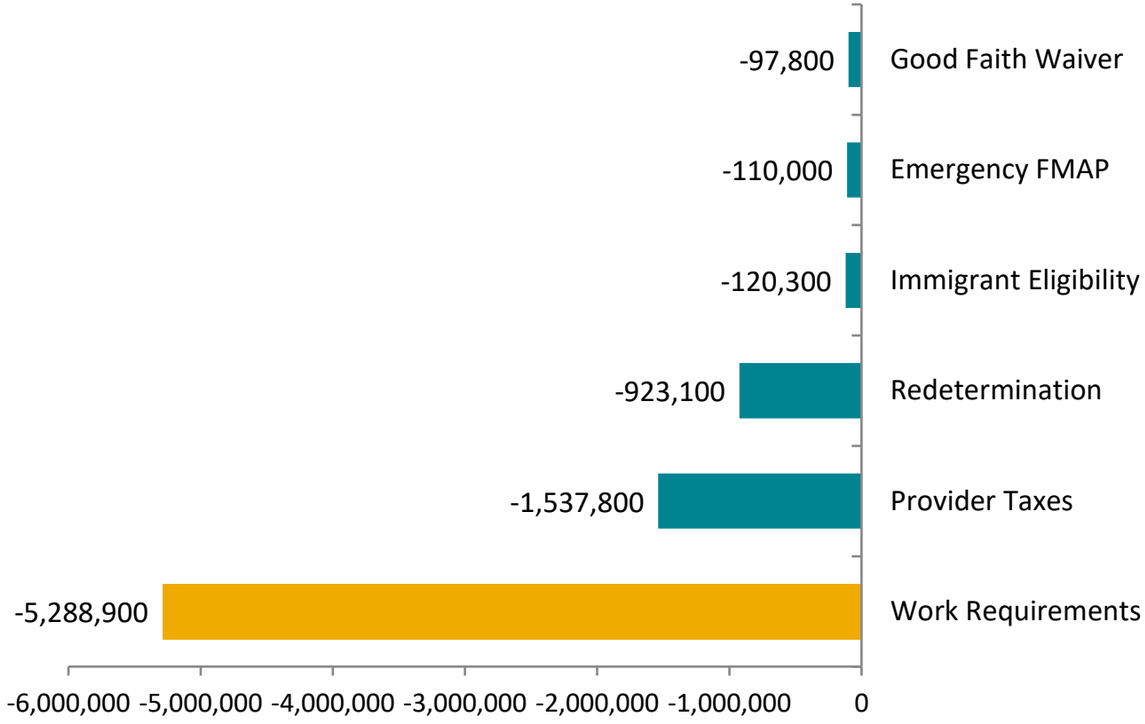


Figure 2.2. Enrollment Effects of Key Provisions (2034)



Sources: Rao, Preethi, Lawrence Baker, Federico Girosi, Elaine Li, Rose Kerber, and Christine Eibner, State-Level Impacts of Key Medicaid Provisions in the One Big Beautiful Bill Act. Santa Monica, CA: RAND Corporation, 2026, https://www.rand.org/pubs/research_reports/RRA4098-1-v2.html; Manatt Health, "CMS' Medicaid Work Requirements Rule: A 50-State Analysis of Additional Coverage Losses, FFY 2027–2034," July 16, 2026; Politico Pro; Manatt Health Highlights, August 25, 2026.

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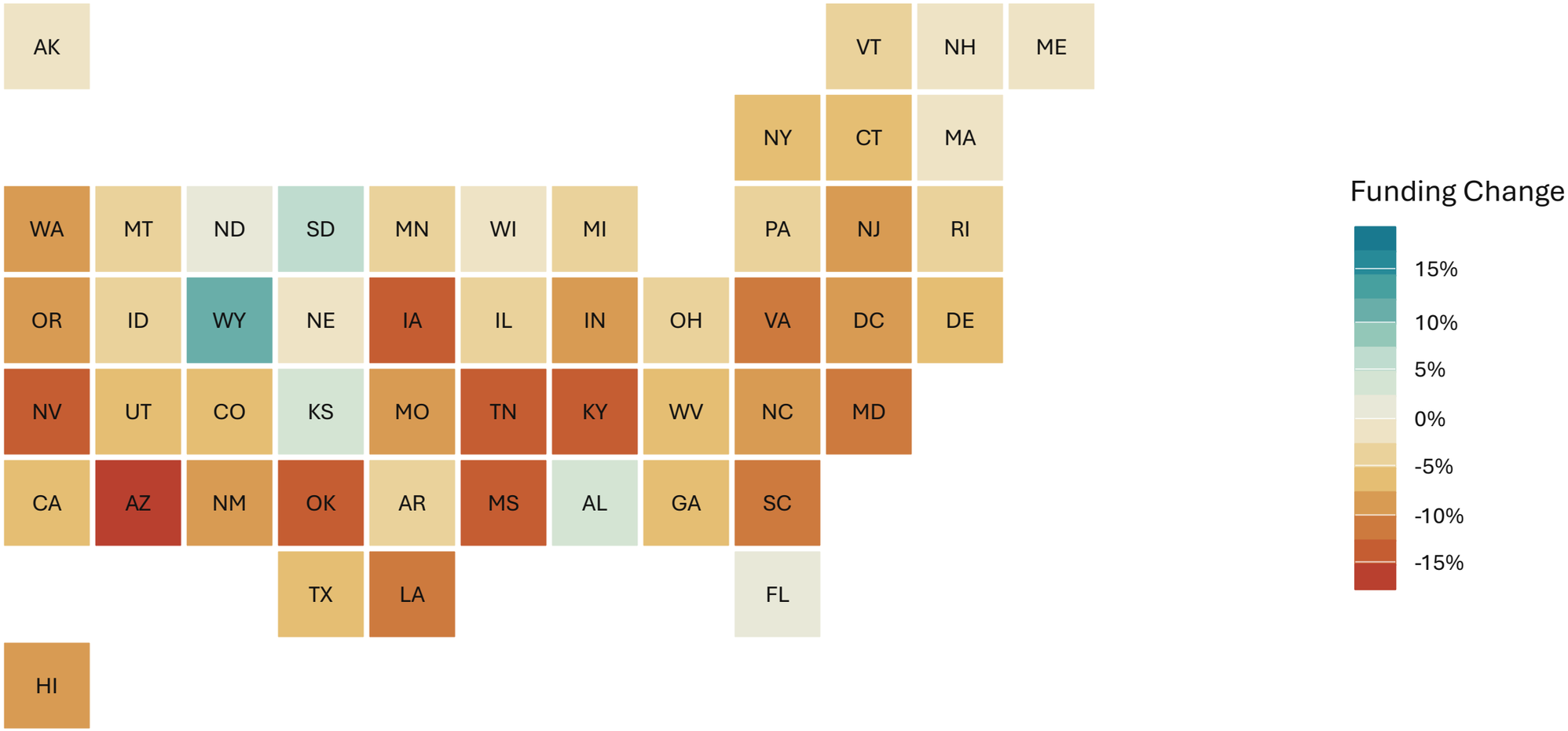
Washington Will Feel Impacts From H.R. 1

- Washington is a Medicaid expansion state that uses both state directed payments and provider taxes, so it is exposed to every major provision in the law.
- Medicaid funding: down $1.6 billion through 2028, $5.5 billion through 2030 and $17.6 billion through 2034, or 7.5% of the program. About $14 billion of that is federal money that stops flowing into Washington's health care system.
- Enrollment: 175,700 fewer Medicaid enrollees in 2034, about 10%. Washington ranks 29th of 51 on RAND's chart.
- What drives the impact: work requirements (52% of the impact), state directed payments (31%) and six-month renewals (11%). The Rural Health Transformation Program offsets about 6%.

Source: *RAND Tables 2.1, B.1, B.14 and B.15; Figures 2.3 and 2.5.*

Washington Will Feel Impacts From H.R. 1 (cont'd)



Source: RAND Figure 2.3: change in Medicaid funds by state, 2025–2034.

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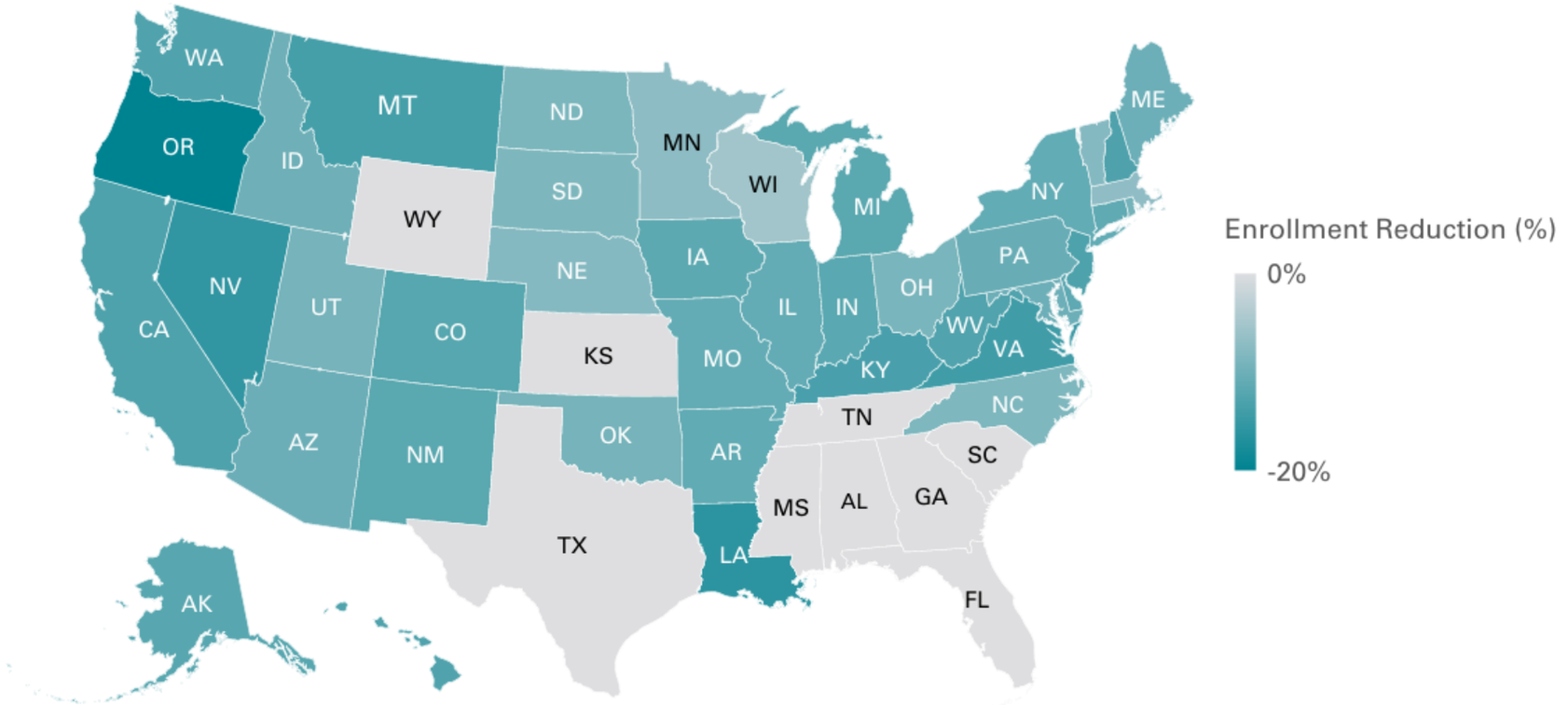
Washington Will Feel Impacts From H.R. 1 (cont'd)

Figure 3. Average Annual Percentage Reduction in Total Medicaid Enrollment from Baseline, Scenario 2, FFYs 2027–2034



Source: Manatt 50-State Medicaid Financing Model. © GeoNames, Microsoft, TomTom.

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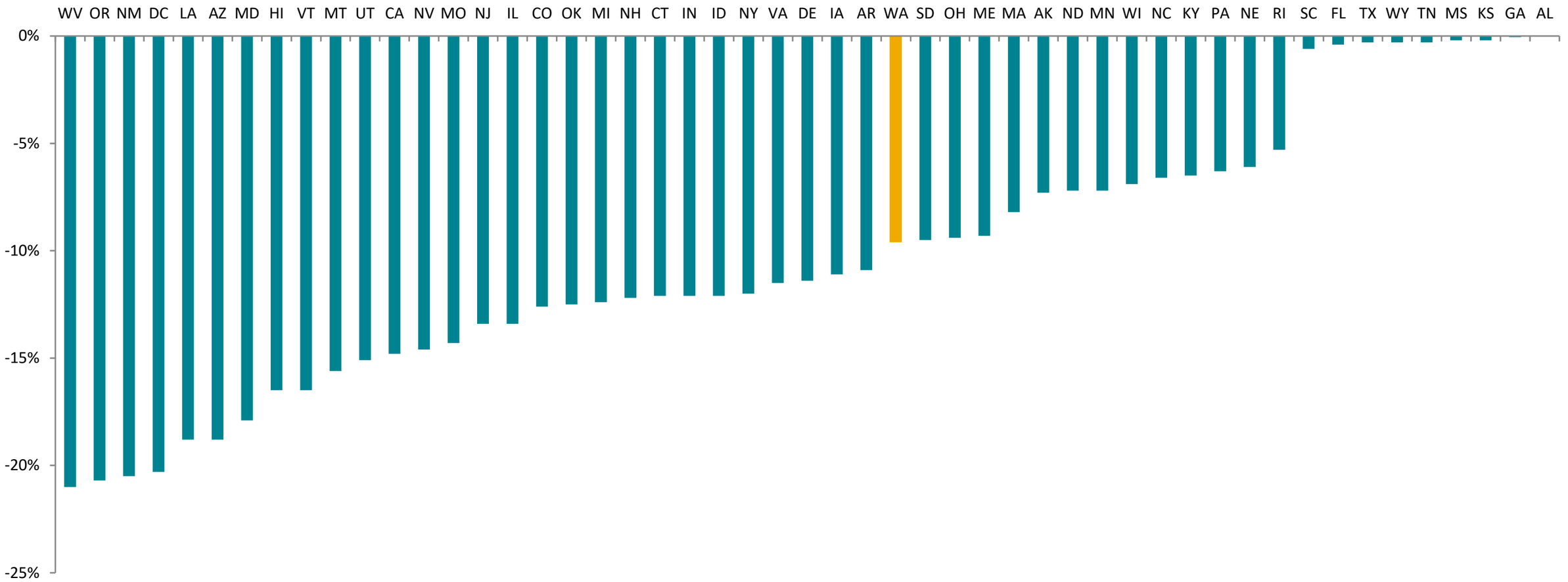
Washington Will Feel Impacts From H.R. 1: Enrollment Impacts (cont'd)



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Implementation Timing

What Has Already Happened

- ☑July 4, 2025: SNAP work requirements extended to age 64 and exemptions narrowed for parents of teens, homeless individuals, veterans and former foster youth (137,300 Washingtonians).
- ☑October 1, 2025: SNAP-Ed eliminated, $12 million a year and about 180 jobs across 60-plus local health departments, tribes, health care organizations and WSU Extension offices in Washington.
- ☑December 2025 and January 2026: Apple Health Expansion closed to new enrollment; enhanced marketplace credits expired.
- ☑May 1, 2026: Nebraska began running Medicaid work requirements under H.R. 1. June 1: CMS interim final rule. June 29: 26 states sued. July 31: rule in effect.
- ☑September 3, 2026: Governor Ferguson's executive order. HCA renewal notices are now going to enrollees three months ahead of each renewal.

Source: Manatt Health client alert, June 5, 2026; Manatt Health, July 16, 2026; HCA; KOMO and The Spokesman-Review, September 3–4, 2026.

The Road Ahead: October, then January and Beyond

Date	What changes
September 30, 2026	11,000 lawfully present Washington residents who are asylees, refugees, and survivors of human trafficking to lose federally funded Medicaid eligibility.
October 1, 2026	Federal share of SNAP administration drops; Washington's share rises from 50% to 75%.
November 1, 2026– January 15, 2027	Marketplace open enrollment. No automatic renewal.
January 1, 2027	Work requirements for Apple Health adults: 80 hours a month of work, community service or a work program, $580 in monthly income or half-time school. Six-month renewals. Retroactive coverage cut to one month for adults and two months for everyone else. Marketplace credits and Medicare eligibility narrowed for non-citizens. Anyone disenrolled for the work requirement is barred from subsidized marketplace coverage. The state may look back one to three months before application.

Source: *Public Health – Seattle & King County, "The Road Ahead"; Manatt Health client alert, June 5, 2026; Manatt Health Highlights, August 25, 2026;*

The Road Ahead: October, then January and Beyond (cont'd)

Date	What changes
2027 versus 2028	Self-attestation allowed in 2027 when data are missing. From 2028, documentation is required wherever it is "reasonably available," and medical frailty can be attested only once per enrollment period.
October 1, 2027 (FFY 2028)	SNAP benefit cost sharing begins for states at or above a 6% error rate. Washington's anticipated share is 5%, or $100–300 million a year
October 1, 2028	Co-pays up to $35 per service for Apple Health adults above 100% of poverty (78,000 Washingtonians). December 31, 2028: last day any good-faith extension can run.
October 1, 2029	Address verification for adult Apple Health. Full effect of the law by 2034.

Source: *Public Health – Seattle & King County, "The Road Ahead"; Manatt Health client alert, June 5, 2026; Manatt Health Highlights, August 25, 2026; Politico Pro.*

CMS's June Rule Makes Situation More Difficult

- Medical frailty narrowed at federal level (WA State still developing its approach): a diagnosis is no longer enough. The condition must "significantly impair" the ability to comply, which claims data can't show. States will lean on provider attestations and paper.
- Self-attestation allowed in 2027, restricted from 2028.
- Community service counts only if a public agency or nonprofit supervises it and tracks the hours; many food pantries and faith-based groups can't do that.
- Excluded from the requirement: American Indians and Alaska Natives (who also keep 12-month renewals), pregnant and postpartum individuals, parents and caregivers of children under 14 or of disabled family members, the medically frail, SNAP household members subject to SNAP work rules, veterans rated totally disabled, former foster youth under 26 and people in substance use treatment.
- Exclusions have to be found and verified. RAND assumes 10% of compliant or exempt people lose coverage each year to process. Manatt assumes a 40% loss rate among people subject to the requirement, based on New Hampshire's experience.
- Good-faith waivers: CMS assumes ten states apply and two get relief, six months at a time, nothing past December 31, 2028.

Source: *Manatt Health client alert, "CMS Releases Interim Final Rule on Medicaid Work Requirements," June 5, 2026; Manatt Health, July 16, 2026; RAND.*

Effects on the Community

The Cascade: Coverage Loss Becomes Uncompensated Care, Sicker Patients and Fuller Jails

1. **First order.** People lose Apple Health, SNAP or marketplace coverage, and hospitals lose directed payment revenue.

2. **Second order.** Uncompensated care at Harborview, the community health centers and Public Health clinics (at International Community Health Services, nearly 55% of patients are on Apple Health). Delayed care and higher acuity when people do come in. Behavioral health and substance use treatment interrupted, which shows up as crisis calls and overdoses. Food bank demand rising as SNAP shrinks.

3. **Third order, the county's own budgets.** Jail Health Services carries the cost (with narrow exceptions) of people who cycle in with untreated conditions, because Medicaid doesn't pay inside the jail. Six-month renewals mean churn twice a year, and other counties have seen enrollment screening time increasing. Hospital finances weaken as directed payments phase down from 2028.

Public Health's own projections show an operating gap beginning in 2028, before H.R. 1. is fully implemented.

King County and Other Local Governments Absorb HR 1 Impacts

WHAT THE COUNTY CAN DO

- About one in five adults subject to the new Medicaid work requirements also receives SNAP. Match Apple Health and SNAP caseloads to find people who are excluded
- Increase coordination in the enrollment workforce for SNAP and Medicaid.
- Plan the county's own systems for demand: jail health, crisis response, the clinics and Harborview.
- Use the tools the Legislature provided this spring.
- Track leading indicators and report them here.

WHAT IT CAN'T DO

- **Backfill.** The Governor says the state can't backfill the costs ($3.2 billion a biennium).
- **Spend its way out.** Every case takes longer under the new rules, and the navigators and eligibility workers who do that work are already scarce. Second and third order effects would carry costs that don't show up in any budget line.
- **Treat it as a trade-off.** The state general fund "saves" about $3.3 billion over the decade by covering fewer people and paying providers less. But people become sicker.

Source: *Manatt Health Highlights, "One Law, Two Programs: Coordinating Medicaid and SNAP Implementation," August 25, 2026; Manatt Health client alert, June 5, 2026; RAND Table B.1;*

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