

H.R. 1 - Medicaid

This is a high-level summary of the Medicaid provisions, and related changes. Where possible, cost estimates and the impact on people have been added. The data provided are preliminary and likely to change as additional guidance and specifics are released over the coming months and years.

Highlights

- Approximately 32,700 - 44,700 Utahns may lose Medicaid coverage
- One-time costs (state funds): \$72,100
- Ongoing costs (state funds): \$16.1M
- Estimated savings (General Fund): \$35.4M
- Estimated savings (Medicaid ACA Fund): \$34.6M - \$52M
- Estimated federal savings: \$950M - \$1B

Medicaid Provisions with Impacts to Utah

- ☑ **Community Engagement.** Mandates states to institute a work requirement of 80 hours as a condition of eligibility for some adults ages 19-64 in the month prior to eligibility and between reviews. [Effect. 1/1/27]
 - Approximately 19,000 - 31,000 individuals may lose coverage
 - Ongoing annual savings to state. Medicaid ACA Fund: \$28.6M - \$46.7M; Federal Funds: \$285M - \$466M; Total Savings: \$313M - \$513M
 - One-time programming cost to state SFY27. Medicaid ACA Fund: \$28,840; Federal Funds: \$259,560; Total One-Time Cost: \$288,400
 - One-time cost to state SFY27. Medicaid ACA Fund: \$4.1M
 - Ongoing cost to state starting SFY28. Medicaid ACA Fund: \$6.9M
- ☑ **Increased Eligibility Determinations.** Increase frequency of eligibility reviews for Adult Medicaid from every 12 months to 6 months. Tribal members would be exempt from this requirement. [Effect. 1/1/27]
 - Approximately 1,800 individuals may lose coverage and 81,000 may have more frequent reviews
 - Ongoing annual savings to state. Medicaid ACA Fund: \$2.7M; Federal Funds: \$24.5M; Total Savings: \$27.2M
 - One-time programming cost to state SFY27. Medicaid ACA Fund: \$14,420; Federal Funds: \$129,780; Total Ongoing Cost: \$144,200
 - One-time cost to state SFY27. Medicaid ACA Fund: \$2.7M; Federal Funds: \$8.1M; Total Ongoing Cost: \$10.8M
 - Ongoing cost to state starting SFY28. Medicaid ACA Fund: \$3.6M; Federal Funds: \$10.8M; Total Ongoing Cost: \$14,441,913

- ☑ **Reduce Retroactive Coverage.** Retroactive coverage shortened from 3 months to: 1-month for Adult Medicaid and 2 months for all other groups. [Effect. 1/1/27]
 - Approximately 8,000 members may lose at least one month of retroactive coverage annually
 - Ongoing annual savings to state. General Fund: \$3.4M; Medicaid ACA Fund: \$300,000; Federal Funds: \$9.6M; Total Savings: \$13.8M
 - One-time programming cost to state. General Fund: \$14,420; Federal Funds: \$129,780; Total Cost: \$144,200
- ☑ **Limits provider taxes and state-directed payments.** Freezes current provider tax and reduces to 3.5% cap by FY2032 [Effect. 10/1/27] and limits state-directed payments to 100% of Medicare rate [Effect. 7/4/25]
 - Combined impact on Utah providers may reach \$670M by 2033
- ☑ **FMAP for Emergency Medicaid.** Reduces the FMAP for individuals receiving Emergency Medicaid who would have otherwise been eligible but do not qualify because of their immigration status. [Effect. 10/1/26]
 - Approximately 1,000 individuals for which Utah may receive a reduced FMAP
 - \$5.5M+ ongoing annual cost to state (ACA Fund)
- ☑ **New definition of “qualified immigrant”.** Limit eligibility to lawful permanent residents, certain Cuban immigrants, and Compact of Free Association (COFA) migrants. Those with temporary protected status, refugees, and asylees may no longer be eligible. [Effect. 10/1/26]
 - Ongoing annual savings to state. General Fund: \$12M; Medicaid ACA Fund: \$1M; Federal Funds: \$44M; Total Savings: \$57M
 - One-time programming cost to state. General Fund: \$14,420; Federal Funds: \$129,780
Total Cost: \$144,200
- ☑ **Waiver Options.** More stringent cost neutrality standard for 1115 waivers [Effect. 10/1/27] and a new 1915(c) waiver option to expand HCBS criteria [Effect. 7/1/28]
- ☑ **Eligibility Final Rule.** Prohibition on implementation of rule relating to eligibility and enrollment for Medicaid and CHIP through 10/1/2034.
 - Approximately 6,400 individuals may lose coverage
 - Ongoing annual savings to state: General Fund: \$20M; Medicaid ACA Fund: \$2M; Federal Funds: \$56M; Total Savings: \$80M

Medicaid Provisions with Little to No Impact to Utah

- Allow recoupment of erroneous payments beyond the Payment Error Rate Measurement.
- Cap home equity asset limit for Long Term Supports and Services to \$1M.
- Require cost sharing up to \$35 per service.
- Medicaid provider screening requirements.
- Require regular duplicate enrollment checks, address verification, and death file checks.