

HR 1: Implications for Medicaid and Badgercare

Shawn Tessmann, Administrator
DCDHS Economic Assistance and Work Services Division



HR 1 Overview

- HR 1 was enacted in July, 2025
- Also called the “One Big Beautiful Bill Act”
- Major policy changes for both **SNAP (Supplemental Nutrition Assistance Program, or Foodshare in Wisconsin)** and **Medicaid/Badgercare programs**.

This presentation discusses health-care only and does not detail the Foodshare changes related to administrative and benefit cost sharing, and the expansion of work requirements.

- The Wisconsin Department of Health Services estimates that at full implementation: **HR1 will cost Wisconsin taxpayers \$142 million/year.***
- These new policies will be implemented over the next several years.
- Estimates from the Congressional Budget Office indicate **more than 276,000 Wisconsinites could lose health care coverage**, either from Medicaid or the Affordable Care Act (ACA).

*Reference: “Impact of Federal Budget Reconciliation Bill on Wisconsinites, August 2025. Wisconsin Department of Health Services



Community Engagement

- December 31, 2026: **Badgercare members, 19-64 years old (without a child under 19) will have to report 80 hours of work, training or volunteering** to remain eligible for healthcare coverage.

This provision is called “community engagement” and mirrors work requirements for other programs like Foodshare.

- June 2026: Centers for Medicare & Medicaid Services (CMS) final regulations due
- October 2026: Outreach
- January 2027: Implementation
- Note:
 - Childless adult population only—estimated **12,000 Dane County residents will be immediately impacted**, 20,000 for Capital Consortia Counties.
 - Customers must be given one month to cure before losing eligibility.



Community Engagement-Exemptions

- Exemptions from the requirement, people who are:
 - Member of a Tribe
 - Disabled veterans
 - Already in W-2 or FSET
 - Recently released from incarceration
 - In active BH/AODA treatment
 - Individuals who are medically frail or otherwise have special medical needs, including an individual:
 - Who is blind or disabled
 - With a chronic substance use disorder
 - With a disabling mental disorder
 - With a physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more activities of daily living
 - With a serious or complex medical condition



Community Engagement

➤ Mitigating Strategies?

- Not an ongoing requirement, at application and once during year
- Administrative focus on finding and documenting exemptions
- Very robust FSET partnerships and programming for those who are co-enrolled in Foodshare
- States must use information available to determine whether individuals are meeting, deemed to meet, or are excluded from the requirement (new and better data exchanges?)
- *Outreach to partners, awareness, collaboration possibilities*



Additional Changes

- Changes that will make it **harder and less attractive to expand Medicaid in Wisconsin:**
 - Loss of \$1.3B one-time incentive payment
 - Requiring 6 month eligibility reviews for the expansion population
 - Moratorium on new or increased provider taxes—Wisconsin's hospital assessment helps fund hospital coverage for Medicaid members
- Mandated rate reductions to hospitals and EMS providers made through managed care organizations (MCO's)
- Shortening retroactive coverage from three months to two
- A new prohibition for payments to providers like Planned Parenthood who provide access to reproductive health care (*currently under federal injunction*).



Thank you

Dane County Department of Human Services
Economic Assistance and Work Services Division

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