

# H.R.1 Changes to Non-Citizen Eligibility for Medicaid, CHIP, and Marketplace Coverage

January 20, 2026

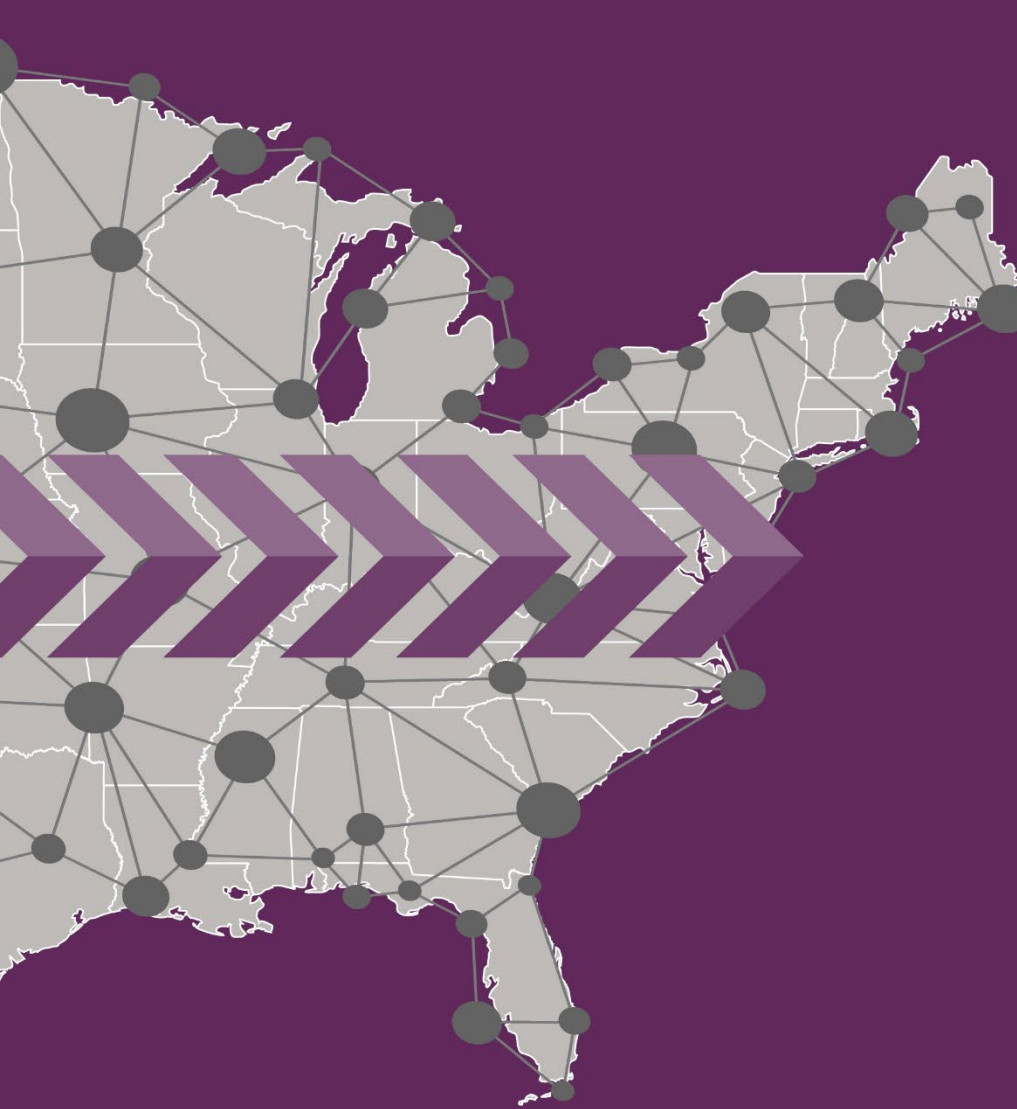
3:30 – 4:30 p.m. ET

*Please stand by, this webinar will begin shortly*

**STATE**  
Health & Value  
**STRATEGIES**

*Driving Innovation  
Across States*

*A grantee of the Robert Wood Johnson Foundation*



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# About State Health and Value Strategies

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**Questions?** Email Heather Howard at [heatherh@Princeton.edu](mailto:heatherh@Princeton.edu).

*Support for this webinar was provided by the Robert Wood Johnson Foundation.  
The views expressed here do not necessarily reflect the views of the Foundation.*

# About Manatt Health

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Manatt Health, a division of Manatt, Phelps & Phillips, LLP, is an integrated legal and consulting practice with over 160 professionals in nine locations across the country. Manatt Health supports states, providers, and insurers with understanding and navigating the complex and rapidly evolving healthcare policy and regulatory landscape. Manatt Health brings deep subject matter expertise to its clients, helping them expand coverage, increase access, and create new ways of organizing, paying for, and delivering care. For more information, visit [www.manatt.com/ManattHealth.aspx](http://www.manatt.com/ManattHealth.aspx).

# Housekeeping Details

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- Use the 'Q&A' function in Zoom to submit questions and comments to the meeting facilitators. **Note that you must select to submit a question anonymously.**
- All participant lines are muted.
- After the webinar, the slide deck and a recording will be available at [www.shvs.org](http://www.shvs.org).



# Agenda

- **Topline Takeaways**

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- **H.R.1's Changes to Medicaid/CHIP Coverage for Non-Citizens**

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- **H.R.1's Changes to Marketplace Coverage for Non-Citizens**

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- **Implications and Considerations for States**

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- **Looking Ahead**



# Topline Takeaways

# Topline Takeaways

**H.R.1 puts significant new limits on which lawfully present non-citizens are eligible for health coverage through Medicaid, the Children's Health Insurance Program (CHIP), and Affordable Care Act Marketplaces.**

- **H.R.1's changes to Medicaid/CHIP and subsidized Marketplace coverage will have significant implications for access to health coverage among many lawfully present non-citizens:**
  - The Congressional Budget Office (CBO) estimates about 1.3 million lawfully present immigrants will become uninsured as a result of these changes.
  - As immigrants are less likely to be insured compared to U.S. citizens, these changes are expected to widen existing health and coverage inequities impacting people who are non-citizens.
  
- **States are implementing these overlapping and complex eligibility and systems changes on top of other major changes enacted under H.R.1, such as Medicaid work reporting requirements, as well as other federal actions on immigration and healthcare.**
  - States will need to keep these concurrent changes and actions in mind as they implement H.R.1 and engage with impacted communities.

# Ongoing Federal Actions on Immigration and Health Compound the Effects of H.R.1



## Restrictions on non-citizen eligibility for federal programs:

- Expansion of eligibility restrictions under the [Personal Responsibility and Work Opportunity Reconciliation Act \(PRWORA\)](#) to new federal health, nutrition, and other programs [currently [suspended](#) in 21 states and the District of Columbia (DC) due to litigation]. The U.S. Department of the Treasury [recently announced](#) its intent to further restrict the refundable portion of premium tax credit(s) using PRWORA.



## Program integrity efforts:

- The Centers for Medicare & Medicaid Services (CMS) is providing states with [monthly data files](#) identifying individuals whose qualifying immigration status could not be confirmed via federal databases.
- Requirements that states [fully separate their emergency Medicaid services](#) and state-funded health programs for non-citizens from Medicaid managed care contracts for contract years after Sept. 30, 2026.



## Policies using healthcare to restrict immigrants' ability to enter or remain in the U.S.:

- Use of Medicaid data for immigration enforcement.
- Proposed rule on "[public charge](#)" expanding immigration officers' ability to consider a person's use of Medicaid, CHIP, and other programs in certain applications for a green card or visa.

### Collectively, these actions will compound H.R.1's impact for:

- **Immigrants' coverage and health** by contributing to confusion and chilling effects that discourage individuals – including immigrants and citizen family members – from seeking coverage and health services.
- **Operational burdens, complexities, and costs for states** navigating these changes.



# **H.R.1's Changes to Medicaid/CHIP Coverage for Non-Citizens**

# Background: Medicaid/CHIP Coverage for Non-Citizens

Full-scope Medicaid and CHIP coverage are available to “qualified non-citizens” (QNCs) and, at states’ option, additional lawfully-residing non-citizens.<sup>1</sup>

**QNCs are defined under PRWORA. Certain QNCs must satisfy a 5-year waiting period before becoming eligible.**

QNCs subject to the five-year bar:	QNCs not subject to the 5-year waiting period:	
<ul style="list-style-type: none"> <li>▪ Lawful permanent residents (LPRs)</li> <li>▪ Paroled into the U.S. for at least one year</li> <li>▪ Conditional entrant granted before 1980</li> <li>▪ Battered non-citizens, spouses, children, or parents</li> </ul>	<ul style="list-style-type: none"> <li>▪ Refugees</li> <li>▪ Asylees</li> <li>▪ Cuban/Haitian entrant</li> <li>▪ People residing under the Compact of Free Association (COFA migrants)</li> <li>▪ Victims of trafficking and their spouse, child, sibling, or parents</li> <li>▪ Granted withholding of deportation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Iraqi and Afghani special immigrants and parolees</li> <li>▪ Amerasian immigrants</li> <li>▪ Certain LPRs (e.g., long-term work history)</li> <li>▪ Veterans or active-duty military and spouses or unmarried dependents who also have QNC status</li> </ul>

States may provide Medicaid/CHIP to lawfully-residing children and pregnant individuals through an option created under the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). Roughly **three-quarters of states** use the CHIPRA 214 option today.<sup>2</sup>

Examples of lawfully residing individuals under this option are below:		
<ul style="list-style-type: none"> <li>▪ QNCs (including during 5-year waiting period)</li> <li>▪ Individuals with a valid nonimmigrant status</li> <li>▪ Individuals paroled into the U.S. for less than one year (with exceptions)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Temporary Protected Status recipient</li> <li>▪ Individual with approved visa petition with pending application for adjustment of status</li> <li>▪ Individual with pending asylum application</li> </ul>	<ul style="list-style-type: none"> <li>▪ Child with pending application for Special Immigrant Juvenile classification</li> <li>▪ Individuals lawfully present in American Samoa</li> </ul>

1. A summary of qualifying statuses can be found at [CMS, Immigrant Eligibility for Marketplace and Medicaid and CHIP Coverage](#) (Aug. 2024). Statuses listed are not exhaustive.

2. A child or pregnant individual is "lawfully residing" if they're "lawfully present" as described in State Health Official Letters [10-006](#) and [12-002](#).

# Background: Medicaid/CHIP Coverage for Non-Citizens

Additional non-citizens can receive Medicaid and/or CHIP coverage through certain other pathways.



**Emergency Medicaid.** Per federal law, states must provide Medicaid coverage for emergency services provided to individuals who, but for their immigration status, would qualify for full-scope Medicaid.



**From-Conception-to-End-of-Pregnancy (FCEP) Option.** States may provide CHIP coverage for prenatal and pregnancy-related care from conception to end of pregnancy, regardless of the pregnant individual's immigration status. [24 states plus D.C.](#) have taken up this option.



**CHIP Health Services Initiatives (HSIs).** States can use limited CHIP dollars for initiatives to improve the health of low-income children. Some states have used this pathway to provide health services to immigrants (e.g., to extend postpartum coverage).



**State-funded health programs.** States may use their own funding to provide “lookalike” coverage to non-citizens who are ineligible for federally-funded health programs. As of September 2025, [14 states and D.C.](#) provide state-funded coverage for children regardless of immigration status. Seven states and D.C. have provided state-funded coverage to income-eligible adults (though budget pressures are leading some programs to scale back).

# H.R.1 Adds New Restrictions on Non-Citizens' Medicaid/CHIP Eligibility Beginning October 1, 2026

Beginning October 1, 2026, only the following immigrants may continue to receive federally-funded full-scope Medicaid/CHIP coverage:

- LPRs (subject to the five-year waiting period)
- Cuban/Haitian entrants
- COFA migrants

**As a result, many lawfully-residing immigrants who are currently eligible for Medicaid or CHIP will no longer be covered as of October 1, 2026.** This applies to refugees, asylees, victims of trafficking, humanitarian parolees, and other immigrants eligible for Medicaid/CHIP today who are not LPRs, Cuban/Haitian entrants, or COFA migrants.

**H.R.1 does not impact the CHIPRA 214 state option, FCEP state option, or CHIP HSIs,** allowing states to use these pathways to cover a broader group of immigrants (see slide 21).

H.R.1 also makes certain changes to federal funding for emergency Medicaid.

- Beginning October 1, 2026, states may only receive their regular federal match for emergency services and will no longer receive an enhanced federal match for non-citizens who would otherwise be eligible for Medicaid expansion.



# **H.R.1's Changes to Marketplace Coverage for Non-Citizens**

# Background: Marketplace Coverage for Non-Citizens

Lawfully present immigrants may be eligible for subsidized coverage through the Marketplace if they meet other Marketplace eligibility requirements.

- **The Marketplaces have been an important source of coverage for lawfully present non-citizens.** Marketplace subsidies – PTCs and cost-sharing reductions – have made that coverage more affordable.
- **Prior to H.R.1, the Marketplaces:**
  - Helped fill the eligibility gap for a **broader group of non-citizens** (not just QNCs) compared to Medicaid/CHIP, including for **people with incomes below 100% of the federal poverty level (FPL)**; and
  - Covered eligible non-citizens during Medicaid's **five-year waiting period**.

## Examples of lawfully present individuals eligible for Marketplace coverage:

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• LPR</li><li>• Asylee</li><li>• Refugee</li><li>• Paroled into the U.S.</li><li>• Granted an employment authorization document (work permit or I-766)</li><li>• Individual with Non-immigrant Status including workers visas (such as H1, H-2A, H-2B), student visas, U-visa, T-visa, and other visas</li><li>• Granted deferred action [not including Deferred Action for Childhood Arrivals (DACA) – recipients]</li><li>• Cuban/Haitian entrant</li><li>• Conditional entrant granted before 1980</li></ul> | <ul style="list-style-type: none"><li>• Battered spouse, child, or parent</li><li>• Victim of trafficking and their spouse, child, sibling, or parent</li><li>• Special Immigrant Visa holders from Iraq or Afghanistan</li><li>• Granted Withholding of Deportation or Withholding of Removal, under the immigration laws or under the Convention against Torture</li><li>• Violence Against Women Act Self-Petitioners</li><li>• COFA migrants</li><li>• Lawful Temporary Resident</li><li>• Temporary Protected Status</li><li>• Deferred Enforced Departure</li><li>• Special Immigrant Juvenile Classification</li><li>• Family Unity beneficiary</li></ul> |
|---|--|

# H.R.1 Adds New Restrictions on Marketplace Subsidy Eligibility, Beginning Plan Years 2026 and 2027

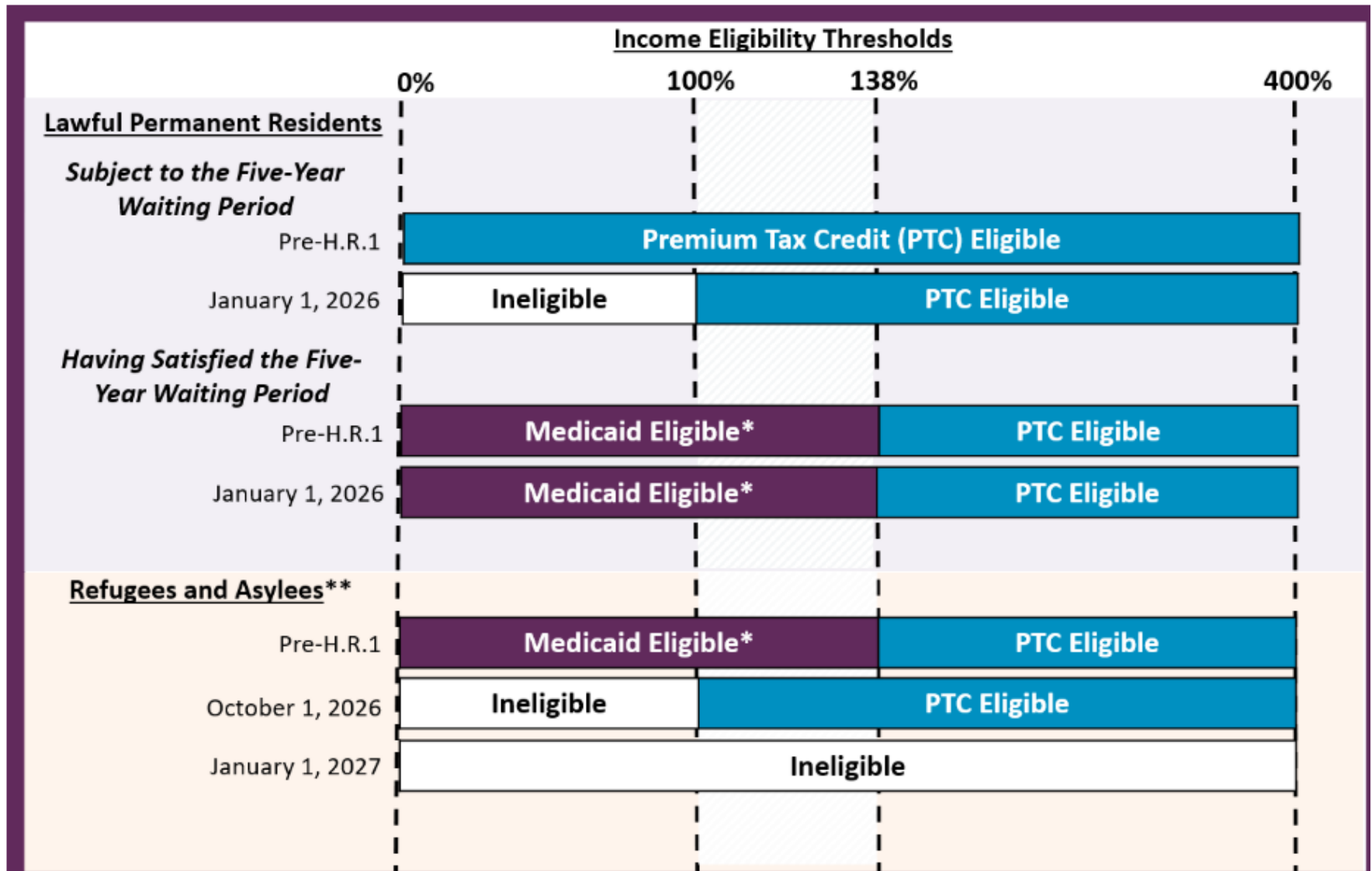
H.R.1 limits the availability of Marketplace subsidies for most groups of lawfully present non-citizens. Lawfully present individuals can still enroll in unsubsidized Marketplace coverage.

- **Effective Plan Year (PY) 2026 (Jan 1, 2026), H.R.1 ended eligibility for individuals with incomes under 100% of the FPL who are ineligible for Medicaid due to their immigration status.**
  - This change creates a coverage gap for the lowest-income LPRs and other lawfully present immigrants subject to Medicaid's five-year bar (unless states take up additional coverage options, such as the CHIPRA 214 option).
  
- **Effective PY 2027, H.R.1 ends eligibility for most lawfully present individuals**, mirroring restrictions in Medicaid/CHIP. Only the following non-citizens with incomes between 100% and 400% of the FPL may receive subsidized Marketplace coverage beginning PY 2027:
  - LPRs
  - Cuban/Haitian entrants
  - COFA migrants

## H.R.1's new Marketplace changes will compound other impacts from:

- Expired enhanced Marketplace subsidies as of January 1, 2026.
- The administration's reversal of the availability of Marketplace coverage for DACA recipients.

# Comparison of Income Eligibility Thresholds



\* Eligible for coverage at higher income levels if they meet the state's general program requirements. In a non-expansion state, LPRs with incomes below 100% of the FPL may be ineligible for Medicaid both before and after the implementation of H.R.1.

\*\* Refugees and asylees are examples of lawfully present immigrants covered today who would no longer be covered through Medicaid/CHIP (other than through CHIPRA 214 in states that have taken up the option) or subsidized Marketplace coverage under H.R.1. These are not the only categories of immigrants who would lose coverage.



# **Implications and Considerations for States**

# Implications for States



## Statutory changes will create new coverage gaps for many non-citizens.

- Overlapping Medicaid and Marketplace changes mean many non-citizens will lose all federally-funded coverage options, including some individuals under 100% of the FPL as soon as this year.
- As a result, more non-citizens will only be eligible for emergency Medicaid or state programs.
  - Emergency Medicaid will only be matched at states' regular rate under H.R.1.
  - This dynamic could compound the impact of CMS' recent guidance on Medicaid managed care and emergency Medicaid.
- State Medicaid programs and Marketplaces will need to consider how to ensure they have individuals' most recent immigration information to protect coverage for eligible individuals (e.g., to ensure a refugee with Medicaid who becomes an LPR shortly before October 2026 maintains coverage).



## Coordination within the state will be needed on health system impacts and operations.

- Medicaid and Marketplaces should coordinate with each other and with stakeholders inside and outside state government (e.g., the legislature, hospital associations).
- Health systems are likely to absorb higher uncompensated care costs and will directly engage immigrants navigating these complex changes.

# Implications for States



**States will need to communicate clearly with affected individuals and stakeholders to enroll eligible people and provide resources to people no longer eligible for federally-subsidized coverage.**

- Messaging from Medicaid and Marketplace programs should be as clear and consistent as possible.
- Call center staff, Navigators, assistors, agents and brokers, and trusted community groups will need to be trained to help affected individuals and families understand and respond to these changes.



**States are implementing these significant changes alongside other major policies in H.R.1 and other federal actions on immigration and healthcare.**

- States will be implementing these overlapping and complex eligibility and systems changes on top of other major eligibility restrictions enacted under H.R.1, such as Medicaid work reporting requirements.
- Other federal actions restricting immigrants' use of health services and programs will amplify the impacts for immigrant communities and states, reinforcing the importance of clear and accessible communication and outreach.

# State Considerations for Mitigating Coverage Loss

States can consider establishing or continuing Medicaid/CHIP coverage by leveraging existing state options:

- **CHIPRA 214 state option**, providing Medicaid/CHIP to lawfully residing children and pregnant individuals.
  - States can continue to cover qualifying (1) QNCs no longer eligible under H.R.1 for federally-funded full-scope coverage (such as refugees and asylees), (2) QNCs during the 5-year waiting period, and (3) other lawfully-residing individuals.
  - **States with approved State Plan Amendments (SPAs) can likely leverage existing approvals to provide Medicaid/CHIP coverage and do not need to resubmit a SPA.**
- **FCEP option**, allowing states to provide CHIP for prenatal and pregnancy-related coverage from conception to end of pregnancy, regardless of the pregnant individual's immigration status.
- **CHIP HSIs**, allowing states to use limited CHIP dollars to improve children's health (notably, H.R.1 expressly protects HSIs from its new funding restrictions).

**States can also establish or expand state-funded programs or initiatives to ensure that non-citizens have access to healthcare.**



# Looking Ahead

## Looking Ahead

**CMS will be issuing guidance** on these provisions in the forthcoming months.

In the meantime, **states will be navigating these implications** as they implement changes across programs.

As noted, considering how to mitigate these impacts and **engage with immigrant communities about these changes** will be essential to help people maintain access to health coverage.

# Discussion

The slides and a recording of the webinar will be available at [www.shvs.org](http://www.shvs.org) after the webinar



# Thank You

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