

# WHAT CONGRESS' LATEST HEALTHCARE CUTS MEAN FOR PENNSYLVANIA

OCTOBER 7, 2025



# What we will cover

- Background
- HR1's Key **Medicaid** Provisions and Their Impact on Pennsylvania
- Federal Changes to **Pennie**, Pennsylvania's Health Insurance Marketplace
- **Immigrant Access** to MA, CHIP, and Pennie Under HR 1
- Questions





[H.R.1](#) passed Congress through a budget reconciliation process – only a simple majority was needed

Signed by the President on July 4, 2025

Cuts over \$1 trillion from health programs - the largest cuts to healthcare in history

# Medicaid Changes Ahead

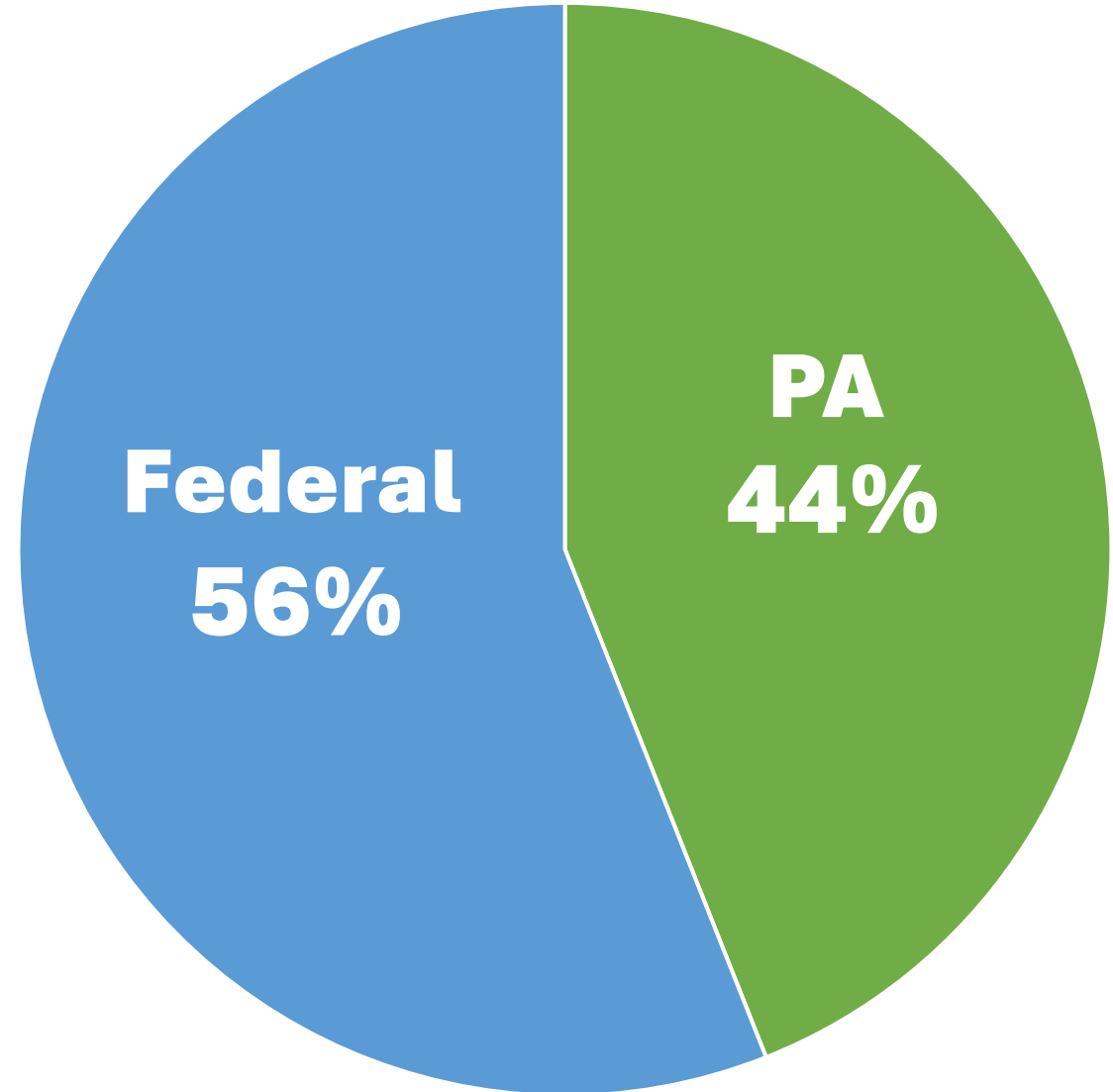
HR1's Key Medicaid Provisions and  
Their Impact on Pennsylvania



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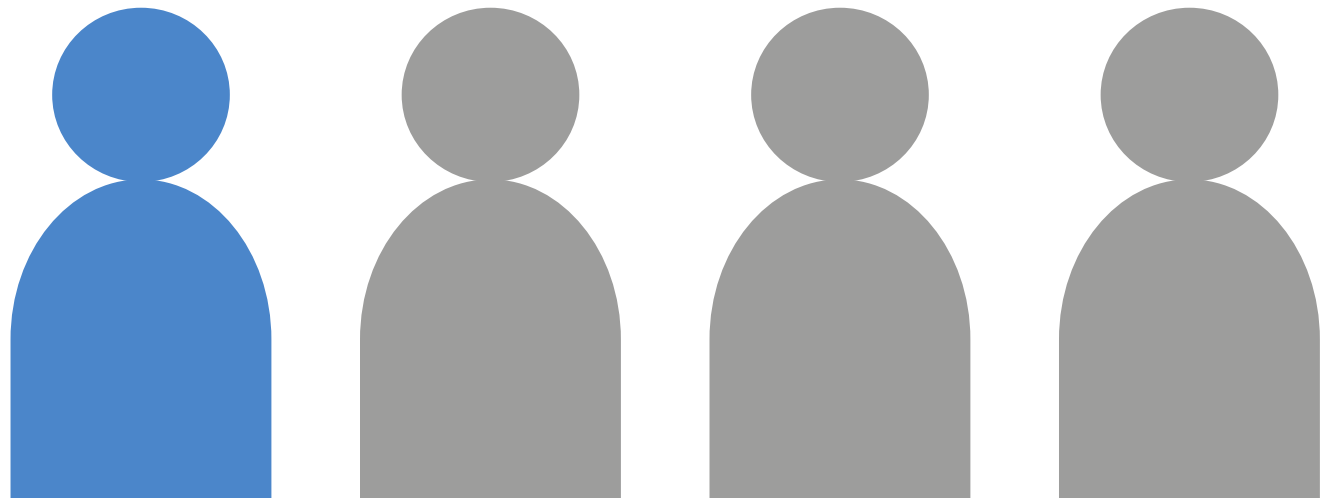
# Medicaid in Pennsylvania

- Public health insurance for people with limited incomes
- Federal-state partnership – paid for by both the federal government and Pennsylvania
- Also called Medical Assistance (MA)



**Normal Federal Match (FMAP) in PA**

# 3 Million Pennsylvanians are on Medicaid



Nearly 1 in 4  
Pennsylvanians is  
on Medicaid

39% of  
Pennsylvania's  
children are on  
Medicaid

192,000 rely on  
Medicaid to stay  
out of institutions

59% nursing facility  
residents are  
covered  
by Medicaid

19% of adults age  
19-64 rely on  
Medicaid

750,000 Medicaid  
recipients are in the  
Expansion  
Category

# Impact of HR1 on Medicaid

- Largest cut since Medicaid began 60 years ago
- At least 310,000 Pennsylvanians to lose Medicaid
- Increased burden on recipients and eligibility workers
- More medical debt

**\$990 Billion**  
**Federal Medicaid**  
**cuts over 10 years**

- Increased uncompensated care
- Lower provider reimbursement
- Hospital closures & increased insurance costs for all
- Decreased funding for PA Medicaid
- Potential cuts to eligibility and services



# Key HR 1 Medicaid Provisions Timeline

2026	10/1/2026	Immigrant Medicaid Access Restrictions
2027	1/1/2027	Work Requirements
	1/1/2027	Semi-Annual Renewals
	1/1/2027	Retroactive Coverage Period Limitation
	10/1/2027	Provider Tax Threshold Reductions Begin
2028	1/1/2028	Grandfathered State Directed Payment Reduction

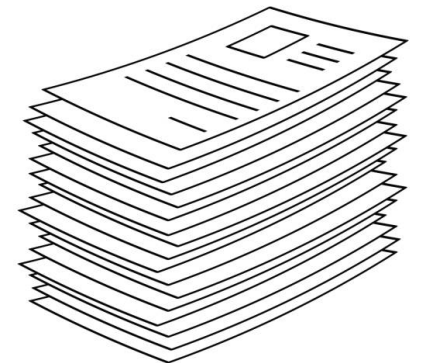
# Work Requirements



- Applies to adults ages 19-64 in the expansion category (MAGI Medicaid) who are not pregnant and not receiving/eligible for Medicare
- Work Requirement (“Community Engagement”)
  1. At least 80 hours / month work, community service, or work program; or
  2. Attend educational or career training program at least half-time; or
  3. Engage in a combination of the above for at least 80 hours / month; or
  4. Have monthly income equal to at least federal minimum wage x 80 hours (\$580); or
  5. Seasonal worker with average income over prior six months of federal minimum wage x 80 hours (\$580)

# Compliance with Work Requirement

- Must meet requirement
  - At application: In 1-3 months immediately prior to month of application (number of months is state option)
  - At renewal: In at least 1 month between last eligibility determination and renewal (number of months of compliance is up to state)
- Consequences of noncompliance
  - Loss of Medicaid eligibility
  - No access to Pennie (Marketplace) subsidies



# Exemptions from Work Requirements

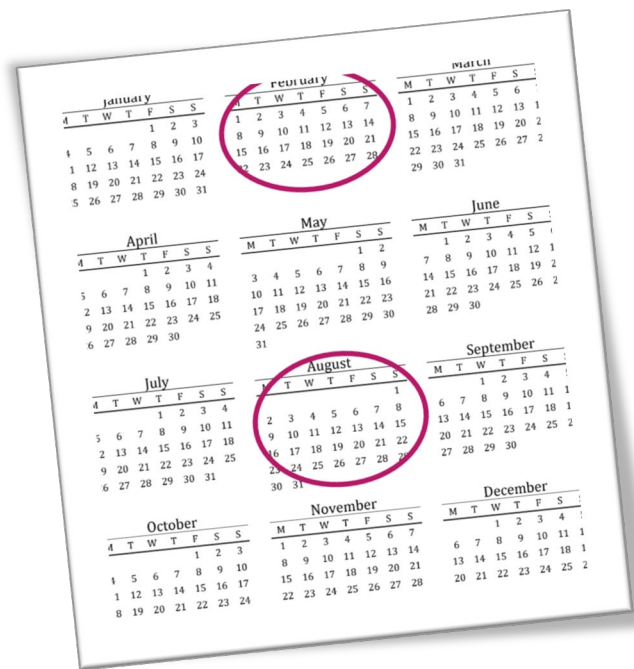
- Parent, guardian or caregiver of a child under 14 OR a person with a disability
- Pregnant or in one-year Medicaid postpartum coverage period
- “Medically frail” or special medical needs
- Participating in substance use treatment program
- Veterans rated with a total disability
- Compliant with TANF or SNAP\* work requirement
- Incarcerated currently or within prior 3 months
- Foster youth/former foster youth under age 26

# Work Requirements Will Mean Loss of Coverage

- 200,000 people to lose MA (27% of expansion population)
  - Many will still be eligible, but caught up in red tape
- Pennsylvania's Options to Mitigate Coverage Losses/Harm:
  1. Require only 1 month of compliance at application and renewal
  2. No compliance checks between renewals
  3. Exceptions for specified short-term hardship events, e.g., hospitalization, natural disaster, high county unemployment rate
  4. Improve / expand use of external data sources to determine compliance and exemptions automatically
  5. Align with SNAP requirements where possible/appropriate

# Semi-Annual Renewals

- Applies to **all adults in expansion Medicaid (MAGI)**
- Must undergo eligibility renewals every 6 months (currently every 12 months)



- 110,000 estimated to lose Medicaid
- Increased burden on eligibility caseworkers will impact all Medicaid recipients

# Limits on Retroactive Coverage

- Retroactive Medicaid coverage period reduced from 3 months (current law) to:
  - 1 month for adults in the Medicaid expansion category
  - 2 months for all other Medicaid beneficiaries
- Will particularly harm people facing sudden health crises



# Limits on How States Finance Medicaid and Support Healthcare

- **Provider Tax Limits**

- No new or increased provider taxes (7/4/25)
- Cap on provider taxes reduced each year until reach 3.5% (10/1/27)

- **State Directed Payments Limits**

Limits how much \$\$ states can direct Medicaid managed care plans to pay hospitals and other critical providers



# Impact of Limits on How States Finance Medicaid and Support Healthcare

- Restricts a key Medicaid funding mechanism – Pennsylvania estimates loss of \$20 Billion over 10 years
- Less money to support Medicaid program and health care infrastructure (ex. Medicaid providers get paid less)
- Options – find a way to fill gap or cut back on optional Medicaid services & eligibility groups

✓ Medicaid is still available – nothing is changing today!

Nothing is changing about Medicaid right now! Any changes resulting from the federal budget bill passed on July 4th will happen over time. You can still apply for Medicaid, renew your coverage, and access healthcare as usual. Be sure to update your contact info with the County Assistance Office to ensure you get important updates and renewal paperwork.

HOW TO  
UPDATE  
YOUR  
ADDRESS



Get Legal Help  
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Helpline: 1-800-  
274-3258

[staff@phlp.org](mailto:staff@phlp.org)

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# Takeaways & Action Steps

 [Update contact info](#) with the County Assistance Office or on COMPASS

 Open and read ALL mail and/or COMPASS messages carefully

 Can request a representative get copies of all notices from the CAO

 Stay engaged – get info about Medicaid changes and developments by [signing up](#) for PHLP's newsletter and alerts

# Federal Changes to Pennie, Pennsylvania's Health Insurance Marketplace

October 7th, 2025  
Joanna Rosenhein  
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# Pennie Background

- Pennsylvania's Health Insurance Marketplace
- Individuals who don't have Medicare, Medicaid, or employer insurance can buy coverage through Pennie with tax credits to lower costs
- Nearly **500,000** Pennsylvanians are currently enrolled in Pennie

The logo for Pennie, featuring the word "pennie" in a blue, lowercase, sans-serif font with a registered trademark symbol (®) to the upper right.

# Pennie Background

- 9 out of 10 people enrolled in Pennie qualify for tax credits
- People with low incomes qualify for free plans (for now)
- Small business owners, preschool teachers, students, restaurant workers, gig workers, and early retirees rely on Pennie for affordable health coverage

The Pennie logo is written in a blue, lowercase, sans-serif font. The letter 'i' has a blue dot above it. A registered trademark symbol (®) is located at the top right of the 'e'.

# New Federal Changes

- A new law that was **passed by Congress** in July includes various changes to the Marketplace, Medicaid, and Medicare that will impact access to affordable healthcare
- **Enhanced tax credits** that help lower monthly costs through Pennie are set to expire at the end of this year
- **CMS**, the Centers for Medicare and Medicaid Services, also imposed **strict new rules** that will impact access to Pennie coverage

# Overview of Federal Changes

1. More barriers to the application process
2. Certain immigrants will lose access to affordable health coverage
3. Premiums will significantly increase if Congress doesn't take action to extend tax credits



# Changes Effective August 2025

- DACA recipients are no longer eligible for Pennie coverage
- The special rule that allowed low-income Pennsylvanians to enroll year-round has been eliminated
- There is less time to submit documents to confirm income

# Changes in the Future

- Increased paperwork requirements
- Auto-renewals will no longer be permitted
- Open Enrollment period will be shortened
- Certain immigrants who were previously eligible for tax credits will no longer be eligible
- People who do not meet Medicaid work requirements will not be eligible for Pennie tax credits
- There may be more tax penalties if income and household changes aren't reported

\*[Click here](#) to find a more detailed timeline of upcoming changes

# What are Enhanced Tax Credits?

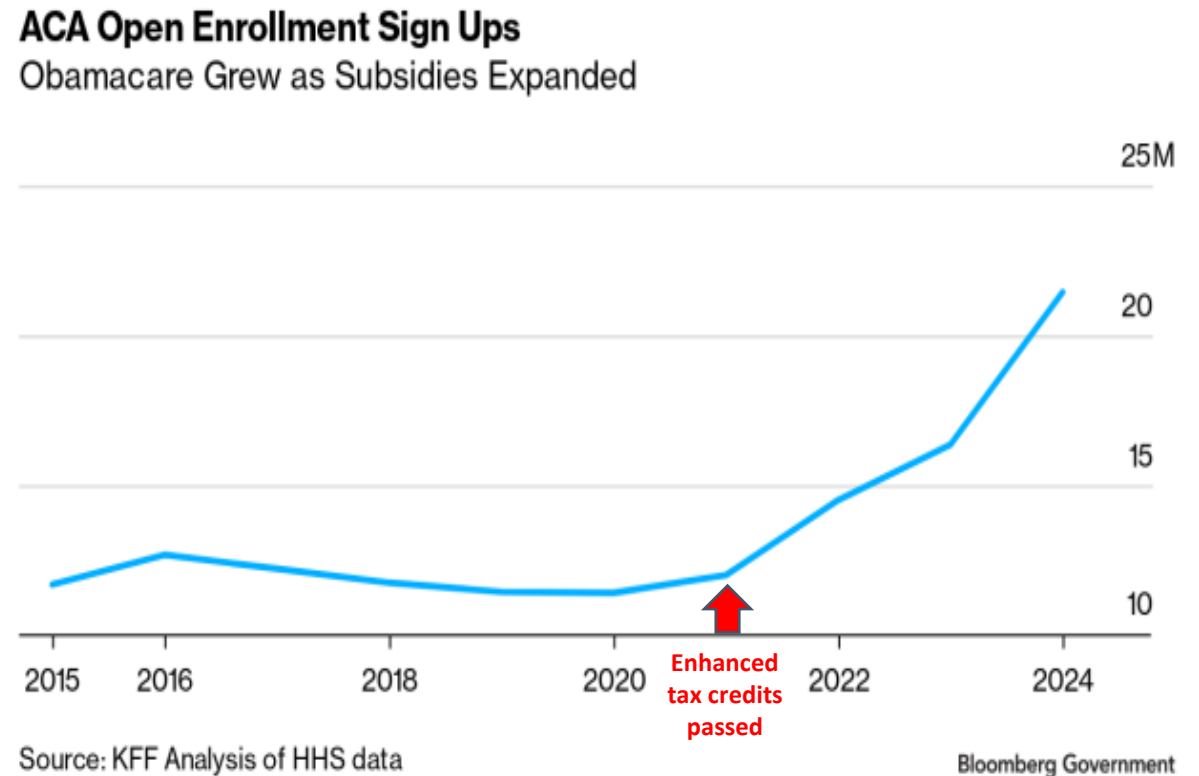
- Pennie enrollees receive tax credits to help lower costs
- Enhanced tax credits were implemented in 2021, making health coverage through Pennie more affordable than ever
- The enhanced tax credits are set to expire at the end of the year unless Congress takes action to extend them
- Congress is actively debating extending enhanced tax credits

# Tax Credits & Monthly Premiums

- Without enhanced tax credits, *premiums for Pennie plans are expected to double or more*
- People with low incomes will no longer be eligible for \$0 monthly premiums
- People with incomes above \$62,000/year for a single person will no longer be eligible for financial help

# Impact of Enhanced Tax Credits

- Tax credits roughly doubled and monthly premiums have been cut in half.
- More people eligible for tax credits than ever before.
- Enrollment has soared.



# Enhanced Premium Tax Credits expire at the end of 2025. If they do, people will pay a lot more for coverage.



## Scenario 1:

Family of four, Philadelphia County,  
\$78,000 annual income

### With enhanced premium tax credits:

Monthly premium - \$260 (\$3,120/year)  
Percent of income - 4%

### Without enhanced premium tax credits:

Monthly premium - \$541 (\$6,492/year)  
Percent of income - 8%

**Expiration of the tax credits results in a 108% increase on this family's net premium.**



## Scenario 2:

Married couple (60 years old), York County,  
\$82,000 annual income

### With enhanced premium tax credits:

Monthly premium - \$586 (\$7,032/year)  
Percent of income - 8.5%

### Without enhanced premium tax credits:

Monthly premium - \$2,976 (\$35,712/year)  
Percent of income - 44%

**Expiration of the tax credits results in a 412% increase on this couple's net premium.**

# PA Impacts of Federal Changes

- About half of Pennie enrollees are expected to lose health coverage
- Uninsured rates will strain hospitals, particularly rural hospitals, by increasing uncompensated care
- People will be at risk of medical debt
- Small businesses will suffer

# Action Steps for Pennie Enrollees

1. **Plan ahead:** keep detailed records of income information (tax records, bookkeeping records, pay stubs)
2. **Resubmit every year:** you may lose coverage in future years if you don't submit your application
3. **Update income regularly:** to avoid tax penalties, it will be important to update your income with Pennie if it changes during the year
4. **Shop for plans:** review your plan options during Open Enrollment starting November 1st
5. **Ask for help:** call PHAN's helpline at [877-570-3642](tel:877-570-3642)
6. **Share your story:** [Let us know why Pennie coverage is important to you](#)



# Action Steps for Stakeholders

- Join our coalition (email [bill@pahealthaccess.org](mailto:bill@pahealthaccess.org))
- [Help collect stories](#)
- Encourage people to [reach out to their Members of Congress](#)

# Immigrant Access to MA, CHIP, and Pennie Under HR 1

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Community Legal Services

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# Review of Common Statuses

- **Refugees** leave their country because they fear for their own life or safety or that of their family or when their government will not or cannot protect them from serious human rights abuses. They enter the U.S. with refugee status. They become eligible for Lawful Permanent Residency after one year as a refugee in the U.S.
- **Asylees** are people who submitted claims for refugee status after entering the U.S. They become asylees if their claims are accepted. They also become eligible for Lawful Permanent Residency after one year as an asylee.

# Review of Common Statuses

- **Cuban/Haitian entrant**. A national of Cuba or Haiti who either 1) was granted parole to enter the U.S., even if the parole is now expired or they now have another immigration status, or 2) has a pending asylum application or 3) is in removal proceedings but does not have a final, enforceable order of removal.
- **VAWA self-petitioner**. Battered spouses, children, and parents of US citizens or LPRs who are granted permission under the Violence Against Women Act (VAWA) to apply for LPR status separately from their abusive family member.

# Review of Common Statuses

- **Withholding of removal.** Test for this status is very similar to the refugee/asylee test, but this status comes with fewer protections than asylum status.
- **Parolee.** Some people are permitted to enter--or “paroled” into-- the U.S. for a specific period of time and for a specific purpose. For example, people who present themselves at a U.S. border and request asylum may be “paroled” into the U.S. for a few months to submit an asylum application.
- **Temporary Protected Status (TPS).** The Department of Homeland Security may give a TPS designation to a country if the country is experiencing problems that make it difficult or unsafe for their nationals to be deported there. People in the U.S. from a country with a TPS designation may apply for TPS immigration status.
- **U-Visa.** Visa available to victims of certain crimes in the U.S. Eligible for Lawful Permanent Residency after 3 years.

# Review of Common Statuses

- **Lawful Permanent Resident (LPR)** non-citizen who has been granted authorization to live and work in the United States on a permanent basis. People can be eligible for LPR status through a family or employment relationships, or after obtaining a specific immigration status that makes people eligible for lawful permanent residency.

Here are some examples of statuses that make people eligible for lawful permanent residency: refugee, asylee, T-Visa (human trafficking victims), Special Immigrant from Iraq or Afghanistan, U-Visa.

Here are some examples of statuses that do NOT make people eligible for lawful permanent residency: withholding of removal, parolee, TPS.

As proof of LPR status, a person is granted a permanent resident card, commonly called a "green card."

# HR1 Changes to Immigrant Access to Health Care Programs

Medical Assistance/MA/Medicaid. In October 2026, MA for non-pregnant adults will be restricted to just 3 groups of immigrants.

CHIP: Health insurance program available to kids through age 19 who are over MA income limits. HR1 does not change immigrant access to CHIP.

Pennie. Immigrant access will be restricted under HR1 in two ways. In January 2026, immigrants under 100% FPL will lose access to PTC. In January 2027, PTCs will be restricted to just 3 groups of immigrants.

# Immigrant eligibility for MA– Current Rules

## **The following immigrants can currently get federally-funded non-emergency MA:**

1. Humanitarian immigrants. This includes:
  - Refugees
  - Asylees
  - Cuban and Haitian Entrants
  - Human trafficking victims, T-Visa holders
  - Withholding of removal
  - Special Immigrants from Iraq or Afghanistan
  - Afghans paroled July 31, 2021-Sept 30, 2023 and Ukrainians paroled Feb 24, 2022-Sept 30, 2024, until parole expiration.



## Immigrant eligibility for MA– Current Rules, Cont'd

2. Qualified immigrants who meet a. or b. below. Qualified immigrants include LPRs, VAWA petitioners, and parolees 1+ year.

- a. Has had a qualified status 5+ years.
- b. Is exempt from the 5-year bar:
  - Is a child under 21 or is pregnant (through 12 months post-partum).
  - LPRs who became eligible for LPR because of their “humanitarian” status (see #2 in the previous slide).
  - Been continuously residing in the U.S. since August 22, 1996.

## Immigrant eligibility for MA– Current Rules, Cont'd

3. Kids (under 21) and pregnant adults (through 12 months postpartum) who do not meet #1 or #2 on the previous slides, but who are lawfully present. Lawfully present is a broad term that includes nearly everyone who is in the U.S. with permission. Here are some examples:

- Temporary Protected Status
- U-Visa holders
- Work authorized asylum applicants.
- Children with asylum applications pending at least 180 days.
- Special Immigrant Juveniles.

# Immigrant eligibility for CHIP– Current Rules

Humanitarian, qualified, and lawfully present kids can get CHIP. Here are some examples:

- LPRs
- Refugees
- Asylees
- Cuban and Haitian Entrants
- Human trafficking victims, T-Visa holders
- Withholding of removal
- Temporary Protected Status
- U-Visa holders
- Work authorized asylum applicants.
- Children under 14 with asylum applications pending at least 180 days.
- Special Immigrant Juveniles.

# No MA or CHIP changes for kids and no MA changes for pregnant adults (through 12 months post-partum)

## Eligible Immigration Statuses Under Current Law and Under HR1

1. Green card holders (no five year bar!)
2. Refugees
3. Asylees
4. Cuban and Haitian Entrants
5. Human trafficking victims, T-Visa holders
6. Withholding of removal
7. Special Immigrants from Iraq or Afghanistan
8. VAWA Petitioners
9. Parolees
10. COFA migrants
11. Temporary Protected Status
12. U-Visa holders
13. Work authorized asylum applicants.
14. Children under 14 with asylum applications pending at least 180 days.
15. Special Immigrant Juveniles.
16. All other “lawfully present” people who are not otherwise listed in this chart.

# MA immigrant eligibility changes for non-pregnant adults (October 2026) under HR1

## Eligible Immigration Statuses Under Current Law

1. Refugees
2. Asylees
3. Cuban and Haitian Entrants
4. Human trafficking victims/T-Visa holders
5. Withholding of removal
6. Special Immigrants from Iraq or Afghanistan
7. Afghans paroled after July 31, 2021 and Ukrainians paroled after Feb 24, 2022, until parole expiration
8. VAWA Petitioners 5+ years or less than 5 years if exempt from 5 year bar
9. Green card holders 5+years or less than 5 years if exempt from 5 year bar
10. Parolees 5+ years or between 1 and 5 years if exempt from the 5 year bar
11. COFA migrants

## Eligible Immigration Statuses Under HR1

1. Green card holders who have had their green card 5+ years or less than 5 years and exempt from the 5 year bar.
2. Cuban Haitian entrants.
3. COFA migrants

# Pennie immigrant eligibility changes under HR 1

1. Starting January 2026: Premium tax credits currently available to all lawfully present immigrants **under 100% FPL** will end on January 2026.

## Statuses with access to Premium Tax Credits now if under 100% FPL

1. Green card holders
2. Refugees
3. Asylees
4. Cuban and Haitian Entrants
5. Human trafficking victims, T-Visa holders
6. Withholding of removal
7. Special Immigrants from Iraq or Afghanistan
8. VAWA Petitioners
9. Parolees
10. COFA migrants
11. Temporary Protected Status
12. U-Visa holders
13. Work authorized asylum applicants.
14. Special Immigrant Juveniles.
15. All other “lawfully present” people who are not otherwise listed in this chart.

## Statuses with PTC access if under 100% FPL Under HR1

# Pennie immigrant eligibility changes under HR 1

2. Starting Jan 2027: only green card holders, Cuban/Haitian entrants, and COFA migrants will have PTC access.

## Statutes with access to Premium Tax Credits now

1. Green card holders
2. Refugees
3. Asylees
4. Cuban and Haitian Entrants
5. Human trafficking victims, T-Visa holders
6. Withholding of removal
7. Special Immigrants from Iraq or Afghanistan
8. VAWA Petitioners
9. Parolees
10. COFA migrants
11. Temporary Protected Status
12. U-Visa holders
13. Work authorized asylum applicants.
14. Special Immigrant Juveniles.
15. All other “lawfully present” people who are not otherwise listed in this chart.

## Statutes with PTC access Under HR1

1. Green card holders
2. Cuban Haitian entrants.
3. COFA migrants

# Examples of people who lose healthcare access under HR 1 because of immigration status

Non-pregnant adults losing access to MA <b>IF NOT Lawful Permanent Resident (LPR)</b> Oct 2026	Losing access to Pennie PTCs if under 100% FPL Jan 2026	Losing access to Pennie PTCs <b>IF NOT LPR</b> - over 100% FPL Jan 2027
Refugees	LPRs in MA five-year bar	Refugees
Asylees	VAWA petitioners in MA five-year bar	Asylee
T-Visa holders	U-Visa	T-Visa holders
Special Immigrant from Iraq/Afghanistan	TPS*	Special Immigrant from Iraq/Afghanistan
VAWA petitioner (5+ years)	Work authorized asylum applicant*	VAWA petitioner
Withholding of removal*		U-Visa
Parolees*		Withholding of removal*
		Parolee*
		TPS*
		Work authorized asylum applicant*

\*This status does not make people eligible for LPR status.



# Options for adults losing healthcare access under HR1: **General Assistance MA**

Full package of MA benefits available to certain **categories** of **very low** income/asset **lawfully present** adults.

**LAWFULLY PRESENT.** Just about every non-USC in the US with permission. Includes:

- Refugees
- Asylees, and work authorized asylum applicants
- T-Visa holders
- Parolees
- Special Immigrants from Iraq/Afghanistan
- Lawful permanent resident (no five-year bar)
- VAWA petitioners
- U-Visas
- Temporary Protected Status
- And some others

## **CATEGORY:**

- Age 59+
- Parents of kids under 21
- Disability
- Caring for unrelated child or disabled household member
- Drug/alcohol rehab (9 mos max)
- Domestic violence victim (9 mos max)

**VERY LOW** income and asset limits:

- Income limit varies slightly by category, but is never more than about 40% FPL
- No asset limit for people with kids. For everyone else, asset limits vary by category but are never more than \$3200.

# Options for adults losing healthcare access under HR1: **EMA**

Emergency Medical Assistance (EMA).  
If ineligible for state-funded MA,  
consider EMA.

Available to people who meet all MA eligibility criteria except MA immigration status criteria and who have an emergency medical condition. MA benefits are available for treatment of the emergency medical condition.

HR1 does not change EMA eligibility, but it does reduce the federal funding Pennsylvania will receive to provide EMA to some people.

# Speak Up and Stay Informed

- Help collect stories about the importance of Pennie coverage ([share here](#)) and Medicaid ([share here](#))
- Encourage people to [reach out to their Members of Congress](#) about the importance of enhanced tax credits for Pennie coverage
- Join the Medicaid/Marketplace coalition (email [bill@pahealthaccess.org](mailto:bill@pahealthaccess.org))
- [Sign up](#) for PHLP's newsletter and updates

# To Learn More

- Implementation Dates for 2025 Budget Reconciliation Law, KFF ([here](#))
- Medicaid Cuts and Other Health Provisions in the Budget Reconciliation Law Explained, Georgetown CCF ([here](#))
- At Least 310,000 Pennsylvanians Set to Lose Medicaid Under Massive New Federal Cuts, PHLP ([here](#))
- HR1 changes to immigrant eligibility for public benefit programs, PIF ([here](#))
- Handout for immigrant families on privacy concerns in public benefit programs, PIF ([here](#))
- Handouts for immigrant families on public charge, PIF ([here](#))
- HR1 changes to SNAP and how to take action to protect your SNAP benefits, CLS ([here](#))

# Questions

