

H.R. 1 (2025) Impact on Maryland SNAP and Medicaid

As of January 13, 2026

Maryland Medicaid covers over **1.5 million participants, including over 320,000 adults** who qualified under the Affordable Care Act (ACA) expansion in 2025. H.R. 1 imposes substantial impacts on Maryland Medicaid eligibility and funding.

Maryland's Supplemental Nutrition Assistance Program (SNAP) feeds **over 680,000 Marylanders monthly, including nearly 270,000 children**, with an average monthly SNAP benefit of just \$180 per customer. We project issuing **over \$1.6 billion in benefits in SFY 2026**.

H.R. 1 (2025), as signed into law by President Trump, will hurt Marylanders trying to access medical help and put food on the table.

Key Impacts to Maryland Medicaid

- **Major Coverage Losses:** 130,000 Marylanders are projected to lose coverage.
- **Significant Funding Cuts:** Maryland will lose up to ~\$2.7 billion in federal funding annually when all bill provisions are implemented. The majority of funding losses will be incurred over two years, beginning in FY 27 and FY 28.
- **Substantial New Costs:** Tens of millions of dollars needed to implement and administer H.R. 1 requirements, particularly those pertaining to eligibility changes such as work requirements.

Key Impacts to Maryland SNAP

- **Eligibility Obstacles:** More paperwork and red tape will create barriers for Marylanders trying to feed their families, including subjecting up to 80,000 additional Marylanders to work requirements.
- **Reduced Benefit Value:** Some Maryland SNAP customers will see smaller benefit amounts, making it harder to buy food.
- **Increased Costs to Marylanders:** Maryland will be required to pay for 75% of SNAP administrative costs and up to 15% of benefit costs. This will place a burden of an estimated **\$412.5 million** on Maryland taxpayers, \$300 million more than what the state currently contributes.

Where to Find Help

Who can I talk to about my specific case?

For SNAP: Marylanders are invited to contact their local department of social services at dhs.maryland.gov/local-offices or call us 1-800-332-6347. For TTY, dial the Maryland Relay Service: 800-735-2258.

For Medicaid: For benefits or services information: Call your managed care organization. The number is on your card. You can also call the HealthChoice Helpline at 800-284-4510. For eligibility questions, call Maryland Health Connection at 855-642-8572. You can also visit your local Department of Human Services office or go to dhs.maryland.gov.

How can I access other benefits like healthcare or cash assistance?

Maryland is making it easier than ever to apply for all benefits. Marylanders are invited to check their eligibility and apply for benefits on their smart phone or a computer through MarylandBenefits.gov.

H.R. 1 (2025) Policy Timeline

JULY 2025

MDH/Medicaid

Planned Parenthood Funding Restriction

Potential loss of more than **\$2.7 million** in federal funds for Medicaid for PP, which the State will likely cover; **currently in litigation**.

Provider Tax Freeze

Provider taxes, a key source of revenue for our Medicaid program, are frozen or must be altered in structure under this provision. Medicaid is at risk of **losing \$1.17 billion annually in federal funds**; Maryland must work with CMS to understand if three current provider taxes will be grandfathered.

NOVEMBER 2025

DHS/SNAP

Expanded Work Requirements (11/1/25)

Up to **80,000** Maryland customers are impacted by new barriers including:

- (a) An expansion to the Able Bodied Adults Without Dependents (ABAWD) work requirement age range from 18-54 to 18-64;
- (b) Those under 65 responsible for a child are now only exempt from work requirements if the child is under the age of 14 (previously under 18);
- (c) Veterans, people experiencing homelessness, and former foster youth up to age 24 are also newly subject to the work requirement.

Eligibility Restrictions for New Americans (11/1/25)

Refugees and people granted asylum are no longer eligible for SNAP unless they are also Lawful Permanent Residents (green card holders).

Reduced Benefit Value (11/1/25)

Households without an elderly or disabled member no longer automatically receive the Standard Utility Allowance (SUA), worth \$557 and previously granted due to energy assistance enrollment. Some SNAP households can still qualify for the SUA but must provide additional verification.

OCTOBER 2026

MDH/Medicaid

Immigrant Eligibility Changes (10/1/26)

Certain immigrants are no longer eligible for Medicaid (Refugees, Asylees, Immigrants granted parole for at least one year, and Certain victims of abuse and trafficking) – at least **15,000 may lose benefits** in Maryland. States may continue to provide coverage for pregnant women and children who would otherwise be impacted by these provisions. Emergency Medicaid not impacted.

DHS/SNAP

Administrative Cost-Shift to States (10/1/26)

The state's share of SNAP administrative costs will rise from **50% to 75%** beginning in the 2nd quarter of SFY27. For **SFY27**, Maryland will spend an **additional \$43.1 million**, for a new state total of \$158.1 million in General Funds. In **SFY28** and beyond, Maryland will spend an **additional \$57.5 million** per year, for a new state total of \$172.5 million per year in General Funds.

JULY 2027

MDH/Medicaid

Work Requirements (1/1/27)

Work requirements for ACA Medicaid Expansion adults (ages 19-64), affecting over **320,000 adults**. Implementation will cost the state tens of millions of dollars and lead to significant coverage losses.

Limits on Retroactive Coverage (1/1/27)

H.R. 1 limits ACA expansion adults to one month of retroactive Medicaid coverage (down from three months), and all other enrollees to two months. This change will result in a **\$3.1 million annual loss** in federal funds and increased uncompensated care.

More Frequent Redeterminations for Expansion Adults (1/1/27)

ACA expansion adults (over 320,000) are now subject to Medicaid eligibility checks every six months, instead of annually. Implementing this will cost **tens of millions of dollars**.

Restrictions on State Directed Payments (1/1/27)

State Directed Payments, used by Maryland to enhance Medicaid payments for primary and preventive care, face a lower payment ceiling, putting **\$52 million in federal funds** at risk annually.

October 2027

DHS/SNAP

New Benefits Cost-Share Based on Payment Error Rate (10/1/2027)

Before H.R. 1, the federal government paid 100% of SNAP benefits. New provisions will require Maryland to pay a portion of benefit costs based on our Payment Error Rate (PER). On Oct. 1, 2027 Maryland could be **responsible for 15% of benefit costs, or \$240 million in SNAP benefits** based on $PER \geq 10\%$. Our current federally assessed FFY24 PER is 13.64%. The final cost share amount will be based on our FFY25 or FFY26 PER.

October 2028

MDH/Medicaid

Mandated Co-Pays for Expansion Population (10/1/28)

ACA Expansion Adults (over 320,000 enrollees) are subject to new cost-sharing requirements (co-pays). **Major administrative changes are needed** to ensure Medicaid enrollees' cost sharing does not exceed 5% of their annual income. **Changes could also lead to significant coverage losses** due to cost.

OCTOBER 2029

MDH/Medicaid

Expanded Federal Clawback Authority for Payment Errors (10/1/29)

Federal government will have greater ability to reclaim funding allocated to the state following certain audit findings. This has the potential to impose a **significant fiscal impact** on Maryland.