

What Medicaid patients must know about new coverage rules

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Millions of Americans who rely on Medicaid and other federal health coverage programs face significant changes to eligibility and coverage rules under a federal law enacted in 2025. Some changes are already in effect, while others are scheduled to take effect in 2027.

The One Big Beautiful Bill Act of 2025—sometimes called OBBBA, or H.R. 1 for short—includes significant [funding cuts and policy changes](#) that threaten to make it harder for patients to obtain and maintain health coverage and access needed care. Among the changes are:

- New work and community engagement requirements for certain Medicaid beneficiaries and
- Restrictions on eligibility for Medicaid and the Children’s Health Insurance Program (CHIP), Medicare and Affordable Care Act (ACA) Marketplace financial assistance for certain non-U.S. citizens.

Although these changes affect different groups of patients, both could result in people losing health coverage. Understanding new rules and taking steps to prepare may help patients avoid disruptions in coverage and care.

To help patients navigate and prepare for the coming changes, the AMA has created patient guides, one covering [new Medicaid work and community engagement rules coming in 2027](#) (PDF) and another that covers [changes to Medicaid, Medicare and Marketplace coverage for certain non-U.S. citizens](#) (PDF). The AMA is also [urging CMS to change](#) its approach to implementing Medicaid work requirements to reduce the risk of eligible

patients losing coverage.

“When Congress was debating this bill, the AMA [raised concerns](#) that it would make it harder for patients to access care and could lead to worse health outcomes,” said AMA President [Willie Underwood III, MD, MSc, MPH](#), who is a urologist in Buffalo, New York.

“Now that these policies are taking effect, our focus is on helping patients understand what is changing and what they can do to maintain coverage,” Dr. Underwood said. “We hope these resources help patients and physicians navigate the transition, and we are ready to work with Congress and the administration to protect patients’ access to care.”

Medicaid work-rule changes

Starting Jan. 1, 2027, certain people between 19 and 64 years old who receive Medicaid through Medicaid expansion programs will be required to meet new work or community-engagement requirements when applying for Medicaid or to maintain their coverage. Some states are implementing the requirements earlier.

If these new rules apply to you, then you may need to show that you are participating in certain qualifying activities for at least 80 hours each month or meet an exemption. Among the qualifying activities:

- Working full time or part time.
- Volunteering or doing community service.
- Attending school full or part time.
- Participating in qualifying work for job training programs.
- Earning at least \$580 income each month.

Not all Medicaid beneficiaries will be subject to the new rules. The law provides exclusions and exemptions for certain beneficiaries, including those who are:

- Under 19 or older than 64.
- Considered medically frail, including those who are blind, disabled, or with a substance-use disorder; a disabling mental illness, a physical, intellectual or developmental disability, or a serious or complex medical condition.

- Pregnant or were recently pregnant.
- A parent, guardian or caregiver for a child 13 or younger.
- A caregiver for someone with a disability.
- Participating in a drug or alcohol treatment program.
- Someone who was in jail or prison within the past three months.
- Veterans with a total disability rating.
- American Indians or Alaska Natives.
- Meeting certain work requirements through other public assistance programs.

States may also provide additional temporary hardship exemptions from the work and community-engagement requirements if they:

- Recently received intensive medical services, such as inpatient care.
- Travel outside their community for a long period of time to get medical care for themselves or a dependent.
- Live in an area where an emergency or disaster declaration is in effect.
- Live in an area where unemployment is especially high.

Twenty-five states and the District of Columbia have filed a federal lawsuit challenging how medical frailty is defined for exemption from the work and community engagement requirement. The AMA and other physician organizations filed an [amicus brief](#) (PDF) in the case supporting the states' motion for summary judgment.

Take action now

Although changes don't begin until Jan. 1, here's what beneficiaries can do now to help ensure they keep their Medicaid coverage:

- Update contact information, such as your mailing address, phone number and email with the state Medicaid agency and your health plan, and respond promptly to requests for information.
- Make sure to open and read all mail, emails and online notices from Medicaid and the health plan. Many states will publish more information closer to the Jan. 1

deadline.

- Ask about exemptions. If you have a serious or complex medical condition that may qualify you for an exemption, find out how your state will determine your eligibility and whether additional information is needed.
- Stay connected to care. Schedule medical appointments and refill prescriptions before the end of 2026 in case you lose Medicaid coverage Jan. 1.
- Ask questions if there is uncertainty about whether the work requirements apply to you, or find out whether you qualify for an exemption. Contact your state's Medicaid agency or call the member services number on your health insurance card.

The AMA's patient guide to Medicaid work and community-engagement requirements provides more information about who is affected, available exemptions, and steps that beneficiaries can take to prepare.

Changes for non-U.S. citizens

Separate from the work requirements, H.R. 1 also changed eligibility for certain noncitizens. Some restrictions are already in effect, while others start in 2027. The impact depends on a person's immigration status and type of coverage. Affected patient groups include:

- Refugees and asylees.
- Temporary Protected Status (TPS) recipients.
- Humanitarian parolees.
- Survivors of trafficking (T visa).
- Certain survivors of domestic violence (U visa, VAWA)
- People granted withholding of removal.

Under the H.R. 1, patient groups that generally remain eligible for federally funded coverage include:

- Lawful permanent residents (green card holders).
- Certain Cuban or Haitian entrants.

- Citizens of Compact of Free Association countries.
- Certain lawfully residing children and pregnant individuals in states that have elected to cover them.

Earlier this year, certain lawfully present immigrants with income below the federal poverty line lost the help they previously received in paying for ACA Marketplace plans. As of Oct. 1, many refugees, asylees, TPS recipient holders, humanitarian parolees and other lawfully present immigrants were no longer eligible for Medicaid and CHIP. But Emergency Medicaid may still cover emergency medical assistance for individuals who otherwise meet Medicaid eligibility rules.

And more changes are coming.

As of Jan. 1, eligibility for ACA Marketplace subsidies will be further restricted to U.S. citizens, lawful permanent residents, certain Cuban or Haitian entrants, and citizens of Compact of Free Association countries. Other lawfully present non-citizens may still be allowed to purchase unsubsidized coverage, but won't qualify for help in paying for the Marketplace plans.

Also starting in January, Medicare eligibility will be restricted to U.S. citizens, lawful permanent residents, certain Cuban or Haitian entrants and citizens of Compact of Free Association. Certain noncitizens who are currently enrolled in Medicare but no longer meet the eligibility requirements will be disenrolled.

State Medicaid agencies, the Social Security Administration or the ACA Marketplace may contact beneficiaries to ask for updated immigration documentation. The AMA encourages everyone to read and respond to notices promptly and to keep addresses and phone numbers current with each agency.

If you get notice that coverage is ending and you believe the decision is a mistake, act quickly. You have the right to challenge certain coverage decisions, and you generally do not need a lawyer to file an appeal. Free legal aid organizations may also be able to help.

Here are some steps to take if you are at risk of losing coverage due to these changes:

- Check to see if your state offers coverage for non-U.S. citizens.
- See if you can buy ACA Marketplace coverage.
- Find care at a federally qualified health center.
- In an emergency, go to the hospital. These changes don't affect your right to emergency medical care.

The AMA's patient guide to coverage changes for noncitizens offers additional information.