

HR1 Impacts for State/Counties

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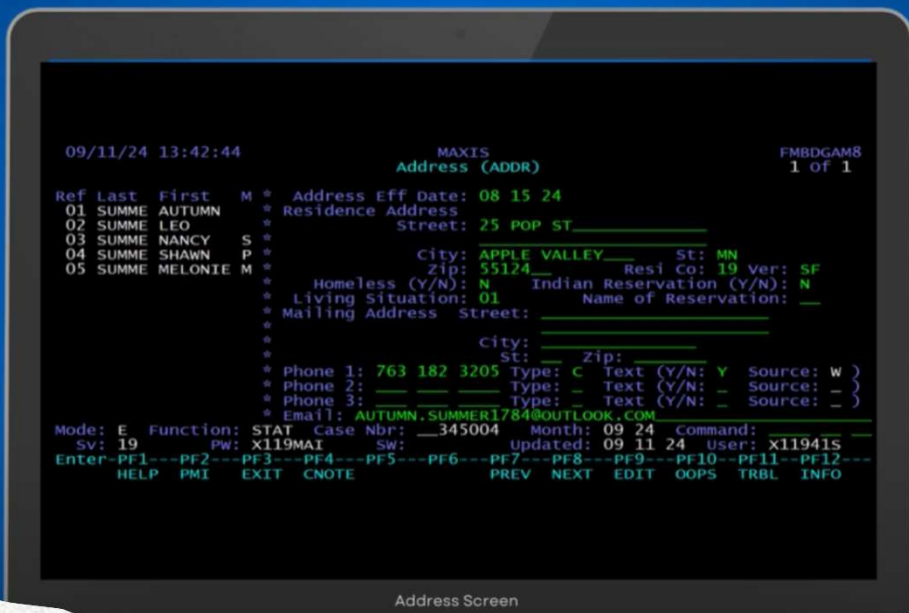
Angela Youngerberg, ALY Strategies, LLC



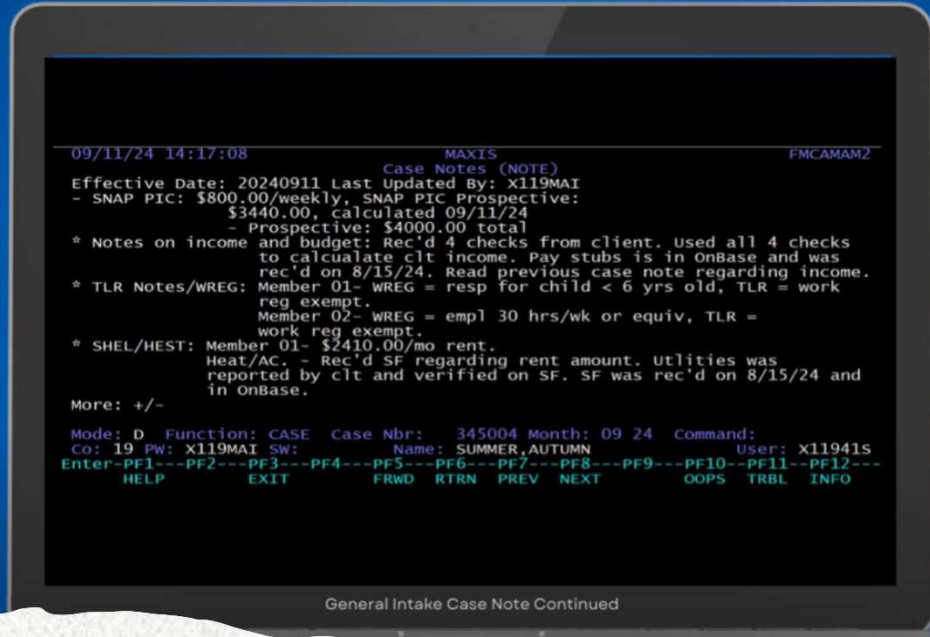
HR1 Medicaid Impacts to Counties

Workload and county
cost increases

Threats to continuity of
care for our most
vulnerable residents



Address Screen



General Intake Case Note Continued

Burcum: Tears, workarounds and 1990s screens push county staff to the limit

Policymakers know that the operating systems used for Minnesota public assistance programs are antiquated. But I was still startled to see them up close.



By Jill Burcum

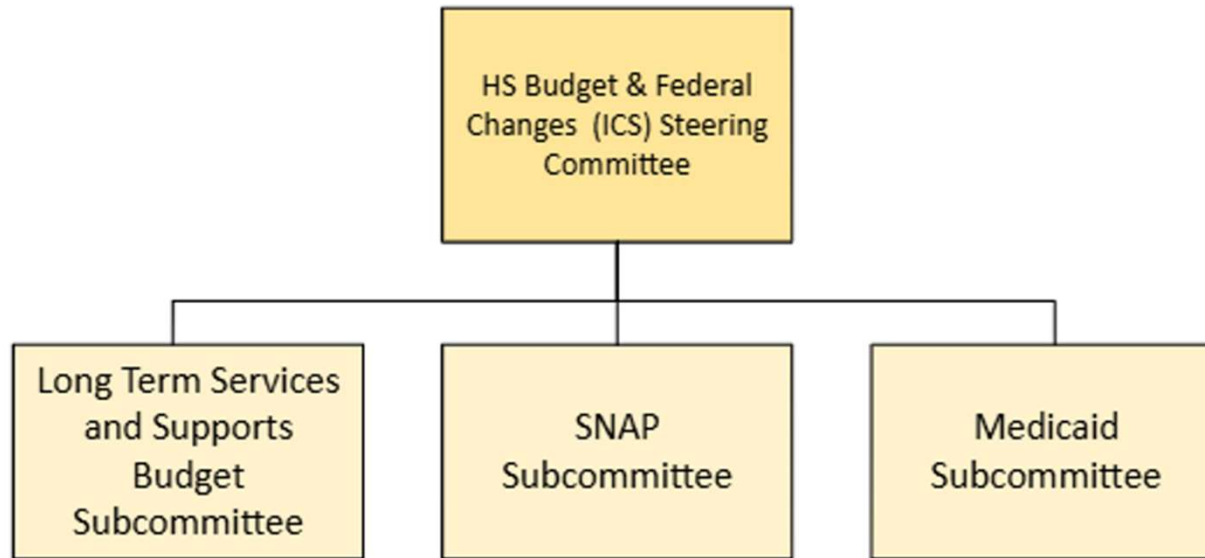
The Minnesota Star Tribune

HR1 Impact Mitigation

Immediate and long-term
commitment to technology
modernization.

Requires continuation of
strong state/county
partnership and collaboration.

Human Services Budget & Federal Changes – County/State ICS Structure



HR1 County/State Collaboration

HR1 Medicaid Changes Impacting Counties

What's changing?	How?	When?
Non-Citizen Eligibility Changes	Limits Medicaid eligibility to U.S. citizens or lawful permanent residents after a 5-year waiting period, removing eligibility for certain humanitarian statuses	October 1, 2026
More Frequent Medicaid Eligibility Determinations	Eligibility for the Medicaid expansion population must be determined every 6 months instead of the current practice of every 12 months.	December 31, 2026
Medicaid Work Requirements	80/hours a month work, education, or "community engagement" requirement for individuals aged 19 to 64. Exclusions for certain populations apply.	December 31, 2026 (HHS Secretary guidance to states by June 1, 2026,
Limiting Retroactive Medicaid Enrollment	Limit retroactive Medicaid coverage from three months before the application date for Medicaid expansion enrollees, and to two months for traditional Medicaid.	Dec 31, 2026
Benefit Cost Penalty for Payment	Federal funding cost shares based on Medicaid payment errors exceeding the 3% threshold.	October 1, 2029

Slide 6

PV1

Will be handout

Verrette, Paul, 2026-02-23T16:00:21.384

Implementation Themes



Minimize negative impacts to recipients, and uncompensated care costs to partners



Timely systems updates for new policies - Medicaid and SNAP



Need to increase automation and decrease manual “workarounds”



Support for third-party vendor to do verifications for Work Requirements



Time allowances for training



Maintain low Payment Error Rate Measurement (currently 2.1%)

System and Workload Challenges



HR1 changes require updates to METS (Medicaid Eligibility Technology System).



METS is cumbersome (e.g., adding a newborn, change of address)



Manual workarounds increase strain.



Cost increases to counties

Mitigation Strategies



System
Modernization

State Work
Bridging
Long-Term



Program Simplification



Workforce Support