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"One Big Beautiful Bill Act": Changes to SNAP and Medicaid and Implications for People Experiencing Homelessness

Background

On July 4th, President Trump signed into law the "One Big Beautiful Bill Act," also known as H.R.1. The bill contains the largest cuts to the social safety net in America's history. An estimated 10 million people are expected to lose health care, and 3 million people are expected to lose SNAP. The majority of these cuts will occur through the introduction of procedural requirements – like work requirements and increased renewal checks – that cause eligible individuals to lose access to benefits.

While the only housing-specific change in H.R.1 is the permanent expansion of the Low-Income Housing Tax Credit, the bill will still have a significant impact on homelessness. Cuts to America's social safety net will leave people without access to health care and groceries, and they will have fewer dollars to cover basic needs – including housing. This will lead to more housing instability and make it harder to regain stability once homeless.

This fact sheet provides an overview of the changes to Medicaid and SNAP and their expected impact on people experiencing homelessness, and opportunities for homeless systems of care and providers to mitigate those impacts.

The Impact of Procedural Requirements on People Experiencing Homelessness

People experiencing homelessness – who rely on Medicaid and SNAP for access to health care, groceries, and in some states, housing-related benefits – are acutely vulnerable to these new requirements. Procedural requirements are particularly challenging for individuals who do not have a mailing address, lack access to the technology needed to conduct frequent reporting checks, or are managing a family and all their belongings with no place to call home. People experiencing homelessness may struggle with mental and physical health challenges that make it challenging to complete complex bureaucratic processes. As a result, Medicaid renewals and work requirements pose a grave threat to unhoused individuals' ability to access and maintain these vital benefits.

Public Benefits and Work Requirements

H.R.1 adds a first-ever national work requirement to Medicaid and expands SNAP work requirements, which condition receipt of public benefits on work and work-related activities. Documenting and reporting on those activities on a regular basis can be incredibly challenging, causing many eligible individuals to lose benefits.

Research shows that work requirements do not increase employment, lead to loss of benefits, and cost a significant amount of money for states to administer. 92% of Medicaid recipients under 65 are already working or managing life conditions that exempt them from work requirements (caregiving, in school, or managing an illness or disability.) Significantly, *64% of Medicaid recipients under 65 are already working full- or part-time.*

How Does H.R.1 Change Medicaid?

The Medicaid changes most likely to impact people experiencing homelessness include: increased enrollee requirements, increased expenses, changes to immigrant eligibility, and changes to state Medicaid funding. Many of these changes target the Affordable Care Act (ACA) Medicaid expansion group, adults with incomes up to 138% of the federal poverty level.

Enrollee Requirements

"Community Engagement" Requirements (aka Work Requirements)

- Requires individuals in the Medicaid expansion population to prove 80 hours per month of work, work-programs, school (at least half time), and/or community service OR a monthly earned income of at least 80 times the federal hourly minimum wage.[1]
- Individuals must meet these requirements to **apply for and maintain** Medicaid.
- Individuals must report on those activities every 6 months, or more often at the state's discretion.
- Exemptions to the Community Engagement requirements include:
    - Parents/guardians/caretakers of a dependent child age 13 and under, or disabled individual
    - Pregnant/receiving Medicaid postpartum coverage
    - Foster youth/former foster youth under age 26
    - American Indians or Alaska Natives
    - Disabled veterans
    - Incarcerated or recently released (within 90 days)
    - Entitled to Medicare Part A or enrolled in Part B
    - Meeting TANF/SNAP work requirements
    - Participating in drug/alcohol treatment programs
    - Medically frail (blind/disabled, substance use disorder, serious medical/mental health conditions, developmental disability)
    - Exemptions for short-term hardship may apply
- If individuals don't meet the Community Engagement requirements, they will be **denied ACA Marketplace subsidies**.
- **Timeline:** By January 1, 2027, unless the state requests and is granted a waiver through December 31, 2028

More Frequent Renewals

- Requires individuals in the Medicaid expansion population to renew their eligibility at least every 6 months or more often at the state's discretion.
- **Timeline:** By December 31, 2026

Increased Expenses

Adds co-pays of up to $35 for the Medicaid expansion population

- Exempts primary care, mental health, substance use, as well as services provided by FQHCs, behavioral health clinics, rural health clinics
- **Timeline:** Effective October 1, 2028

Reduces retroactive coverage

[1] This is significant in states with a higher minimum wage, since there may be a chance to reduce the number of work requirement hours.

- Reduces coverage of health expenses incurred prior to Medicaid application from 3 months to 1 month for the Medicaid expansion population and 2 months for other enrollees.
- **Timeline**: Effective December 31, 2026

Eligibility Changes

Limits eligibility after a 5-year waiting period to green card holders and certain other immigrants[2]

- Ends long-standing eligibility for Medicaid coverage for some lawfully residing noncitizens (like refugees, asylees, victims of trafficking).
- **Timeline**: Effective October 1, 2026

Changes to Medicaid Funding

- H.R.1 will change how states fund Medicaid, which will squeeze state budgets. Experts expect that states will have to reduce Medicaid coverage, services, and/or reimbursement rates. Changes include:
    - Elimination of the federal financing and incentive to expand Medicaid (only impacts 10 states that did not expand Medicaid)
    - Freezes and reduces provider taxes and state directed payments that fund Medicaid
    - Reduces federal emergency payments for immigrants

How Does H.R.1 Change SNAP?

The SNAP changes most likely to impact people experiencing homelessness include: additional work requirements, reduced SNAP allotments, changes to immigrant eligibility, and changes to state SNAP funding.

Enrollee Requirements

Additional Work Requirements

- Currently, adult SNAP recipients without dependents must prove that they work 20+ hours a week, or they can only receive SNAP for 3 months in 3 years.
- H.R.1 expands upon these work requirements: it raises the age of people subject to work requirements from 54 to 64; narrows the definition of a dependent child to under 14; limits caregiving exemptions; and removes current protections for individuals experiencing homelessness, veterans, and youth aging out of foster care.
- **Timeline**: Effective immediately; timeline will depend on USDA guidance and rulemaking.

Reduced SNAP Allotments

Shrinking the SNAP allotment for individuals and households

- Limiting the increases to SNAP benefit amounts
- Changing calculations around internet and utility expenses
- **Timeline**: Effective immediately; timeline will depend on USDA guidance and rulemaking.

[2] Additional populations include: Certain Cuban and Haitian immigrants, citizens of the Freely Associated States (Micronesia, Marshall Islands, and Palau), and lawfully residing children and pregnant adults in states that choose to cover them.

Eligibility Changes

Limits eligibility after a 5-year waiting period to citizens or lawful permanent resident, with some exceptions[3]

- Ends long-standing eligibility SNAP for some lawfully residing noncitizens (refugees, asylees, parolees, and those with suspended deportations.)
- **Timeline**: Effective immediately; timeline will depend on USDA guidance and rulemaking.

Changes to SNAP Funding

- H.R.1 alters the federal contribution to SNAP. If states can't compensate for the federal cuts, they may have to cut SNAP or opt out of program altogether.
    - Shifts some cost of the benefit to states (for the first time ever)
    - Requires states to pay more for administration
- **Timeline**: Federal FY 27 and FY 28

Opportunities to Mitigate the Impact on People Experiencing Homelessness

While many of these changes won't happen for months or years, **there are steps that Continuums of Care, homeless services providers, and others can take today** to mitigate H.R.1's harm to people experiencing homelessness.

- Explore how the data you collect on clients' disability status, medical frailty, participation in drug and alcohol treatment programs and more can be used to meet exemptions.
- Explore how the information you collect on clients' income, workforce training, community service or educational activities could be used to meet work requirements.
- Explore ways that participation in your programs could help clients meet work requirements.
- Build partnerships with workforce agencies and training programs to support employment.
- Explore data sharing with your local county or state Medicaid agencies to streamline reporting requirements for clients.
- Get engaged in local or state advocacy efforts to help shape the implementation of these programs.
- Get informed so you can help clients meet the new work and renewal requirements when they begin.

Want to talk about challenges and opportunities in mitigating these new changes? Reach out to us!
healthcare@homebaseccc.org

[3] Exceptions include: Cubans, Haitians, and citizens of the Freely Associated States (Micronesia, Marshall Islands, and Palau)