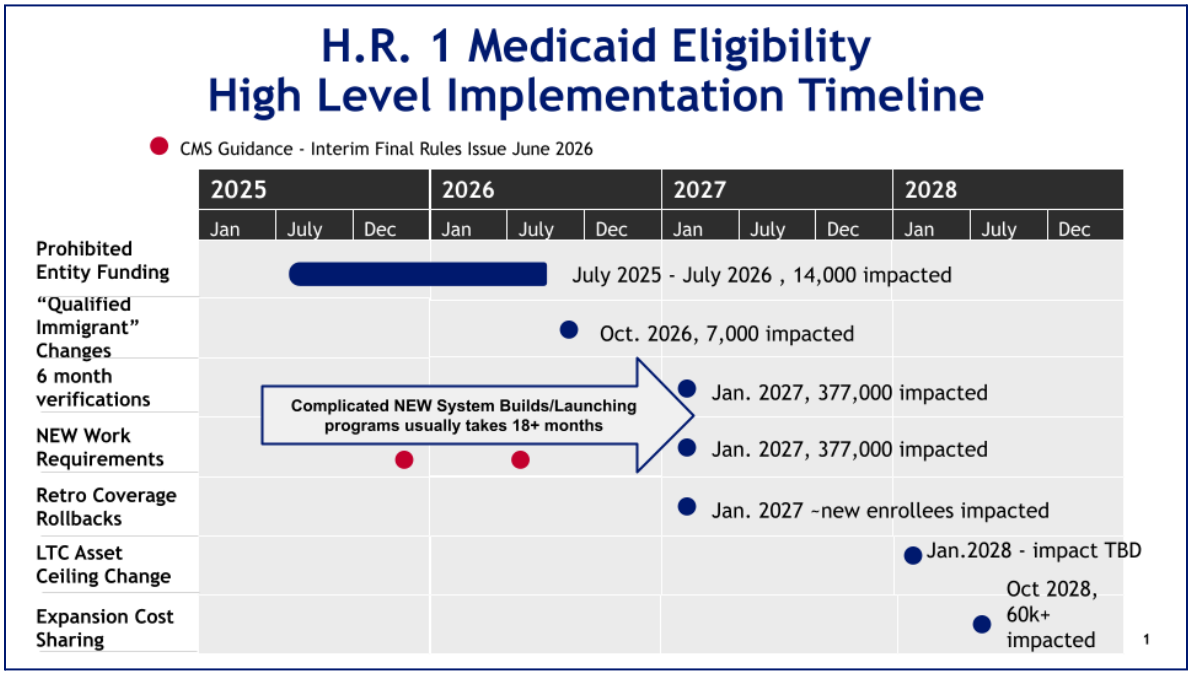
COLORADO
Department of Health Care Policy & Financing

H.R. 1 - Medicaid Eligibility Changes

Medicaid Commission, July 28, 2026

Overview

Most Health First Colorado members will not be affected by the federally mandated Medicaid eligibility changes created by the Working Families Tax Cut legislation, also known as H.R. 1. The changes in the law affect coverage for certain lawfully present immigrants, retroactive Medicaid coverage, community engagement requirements (also called “work requirements”), and eligibility verification frequency. In general, changes apply to Medicaid enrolled and newly applying adults ages 19–64 earning up to 133% of the federal poverty level, or just over $21,000 annual salary for a single individual, with many exceptions depending on the provision.



Key Dates & Impact

- **July 2025 - July 2026 — Prohibited Entity Funding**
    - Effective upon enactment (July 4, 2025); prohibits federal funds for certain entities for one year. This provision expired on July 4, 2026.
    - ~14,000 members impacted
- **October 1, 2026 — Changes for Certain Qualified Immigrants**
    - Medicaid coverage ends for some lawfully present immigrants, including refugees, asylees, humanitarian parolees, people granted withholding of removal, certain

survivors of domestic violence and trafficking, Canadian-born members of federally recognized tribes, and pre-1980 conditional entrants

- 6–7,000 members expected to lose coverage; over 400 of whom currently receive HCBS or institutional care

- **January 1, 2027 — Work Requirements**
  - Members aged 19-64 earning up to 133% FPL will be subject to new community engagement requirements including participation in work, work training programs, education, or a combination. There are many exceptions to work requirements, such as parenting or caregiving, some veterans, members of a federally recognized Indian or Alaska native tribe, or members who are “medically frail”.
  - CMS recently issued an interim final rule that addresses the medical frailty exclusion including defining five categories of qualifying conditions: blind or have a disability; substance use disorder; disabling mental health condition; physical, intellectual, or developmental disability that makes daily activities hard; serious or complex medical condition. The condition must "significantly impair" the individual's ability to meet the community engagement requirements.
  - ~377,000 members impacted, but more may be excepted due to exclusions. HCPF is still analyzing the impact of the new medical frailty guidance and will share estimates as they are available.
- **January 1, 2027 — 6 month Renewals**
  - Adults without dependent children that qualify for Medicaid based on their income will have to verify their Medicaid eligibility every six months, instead of annually.
  - The more frequent verification requirements apply to individuals that apply or renew for Medicaid coverage on or after January 1, 2027.
  - ~377,000 currently enrolled members impacted.
- **January 1, 2027 - Retroactive Coverage**
  - Adults without dependent children that qualify for Medicaid based on their income will only be eligible for up to one month of retroactive coverage, and applicants in all other Medicaid eligibility categories will be eligible for up to two months. Under current policy, all applicants may receive up to three months of retroactive coverage.
- **January 2028 and beyond**
  - H.R. 1 caps excludable home equity for Medicaid long-term services and supports at $1 million effective January 1, 2028, and freezes it against inflation. Colorado currently elects a higher limit and will need to lower its threshold.
  - Beginning in October 2028, adults without disabilities earning more than 100% of the federal poverty level will be subject to cost sharing. Colorado already has cost sharing for members who use the emergency room for non-urgent services and is technically compliant with this provision already.

For more information contact

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