



FAIRFAX COUNTY DEPARTMENT OF
FAMILY SERVICES

Medicaid Transformation Under H.R. 1

A Local Perspective: Fairfax County
Department of Family Services &
Health Department

**Metropolitan Washington
Council of Governments Human Services Policy Committee**

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H.R. 1 Medicaid Overview

- **Policy Shift:** H.R. 1 fundamentally changes the national Medicaid landscape and the federal-state-local partnership.
- **Fiscal Risk:** Projected increase in state and local costs to manage program delivery and uninsured populations.
- **Community Health Impact:** Anticipated "significant increase" in the number of uninsured residents.
- **Regulatory Burden:** New requirements for service delivery and heightened federal regulation of beneficiary services.

Key Programmatic Shifts

- Massive Verification Surge: Increased eligibility verification required for the Medicaid Expansion population.
- New Mandatory Requirements: Implementation of "community engagement" and work requirements for coverage.
- Immigration Status Changes: Narrower criteria for qualifying immigration statuses will restrict enrollment for certain residents

Mandatory Work/Community Engagement Rules

- Applies to ages 19–64, non-disabled.
 - Exemptions exist but require proof → administrative burden.
- Qualifying activities:
 - Employment of at least 80 hours per month
 - Work program participation for at least 80 hours per month
 - At least half-time enrollment in an education program
 - At least 80 hours per month of verifiable community service
 - Administrative burden – Proof must be collected

Stricter Rules & Retroactive Limits

- Only Legal Permanent Residents, refugees/asylees eligible.
- Retroactive coverage changed from 90 days to 30 days.
 - Hospitals face higher uncompensated care risk.
- Twice Annual Eligibility Determination for Expansion Population
 - Significant increase to workload for Medicaid eligibility staff

Retroactive Coverage Timeline Changes

- Before: 90 days shifting to 30 days (Jan 1, 2027)
- Implications:
 - Massive bad debt for hospitals
 - Aggressive up-front collections
 - Non-emergent cases diverted → strain on county health departments

Impact to the Health Safety Net

- Coverage Churn
 - Work requirements + 6-month renewals → coverage churn
 - Increase in appeals
- The previously eligible immigrant population will need medical homes/care

Implications:

- Revenue loss for FQHCs
- Limited capacity for FQHCs
- Overuse of Emergency Departments for Primary Care

Local Impact

- Hospitals may be less able to extend charity care to needy individuals
- Pressure on LDSS from Hospitals for faster eligibility processing
- Expect a surge in uncompensated care cases
- Increase in Emergency Department use for primary care related services
- Increased acuity when people get to the hospitals.

Fairfax's Next Steps

Developing a strategy that addresses

- 1. Convening our strategic partners and Health Safety Net Providers**
2. Data-driven Workload and Caseload Capacity
3. Work/Community Engagement Requirements
4. Evaluate the Fiscal Impact
5. Examine and Refine Business Processes To Prepare for New Work

Goal is to have a comprehensive plan that informs our work internally and with partners finalized by March and move to implementation quickly.