

TIMELINE OF HR-1 MAJOR MEDICAID PROVISIONS



Current as of July 21, 2025

2025

Q3

July 1–
Sept 30



Abortion provider restrictions

Bars Medicaid participation by abortion providers.



Provider tax limitations

Generally bans new provider taxes; implements phased-down cap on provider taxes in Medi-Cal expansion states. CA Prop 35 (Managed Care Organization tax) is noncompliant with this provision.



Caps new SDPs at 100% of Medicare levels

Reduces hospital funding through a ~17% reduction in Medicaid payments by reducing state-directed payments (SDPs).

2026

Q4

Oct 1–
Dec 31



Reduction in Federal Medical Assistance Percentage (FMAP)

States will have to pay a larger share of costs for emergency medical care provided to noncitizens (FMAP drop from 90% to 50%)



Ends federal funding to some noncitizens

Ends the availability of federal Medicaid and CHIP funding for refugees, asylees, victims of human trafficking, and certain other noncitizens

2027

Q1

Jan 1–
Mar 30



Start Work Requirements

Ages 19–64 must work 80 hours a month to qualify; exception for people w/ disability



Start 6 month Medi-Cal eligibility redetermination

Review eligibility every 6 months instead of annually



Retroactive Coverage

Shorten Medicaid retroactive coverage and provide CHIP retroactive coverage

Q4



Ramp-down of provider tax cap

6% tax cap reduced by 0.5% until 3.5% is hit

2028

Q1

Jan 1–
Mar 30



Gradual reduction of existing SDPs

Deadline for SDPs above Medicare rates reduce payments by 10% per year until they reach 100% of Medicare or less

Q4



Impose copay on most services for expansion adults

Adults ages 19–64 with incomes above 100% of the federal poverty level pay copayments for most covered services

2029

Q4

Oct 1–
Dec 31



CMS prohibited from waiving federal penalties

Under HR-1, the federal definition of “improper payments” includes payments without sufficient information available to confirm eligibility for Medicaid.

Effects on California

States and federal government share Medicaid costs. If improper payments are made by CA, then federal funds may be taken away as a penalty, whether or not a corrective action plan has been generated. This increases financial risk to CA's general fund.