

# MEDICAID AND SNAP CUTS UPDATE!

Congress passed a budget reconciliation package (H.R. 1) that changed public benefits, tax, education, and many other programs. This factsheet outlines what reduced federal spending means for healthcare and food assistance, and supports for refugees and asylees who are in the U.S. legally.

## WHAT'S ON THE TABLE?

The biggest Medicaid and SNAP cuts ever, stripping health care from 15 million people and cutting SNAP by \$25+ a month for 5.3 million families. H.R. 1 does not extend the enhanced premium tax credits that make coverage through the ACA affordable.

## KEY MEDICAID PROVISIONS

Impact on State Budget: \$1.1 Trillion subtracted from the federal government's Medicaid budget over 10 years means an estimated \$7 Billion (7%) decrease in federal funding to Tennessee over the same period.

### POLICY CHANGES

### EFFECTIVE DATE

Limits how states can structure **provider reimbursements** and lowers the reimbursement amounts providers can receive

Implemented

Limits a state's ability to issue **provider taxes** to fund the Medicaid program

Immediately. States have 3 years to transition

**Rural Health Funding** program to provide **\$50 billion** in grants to states between fiscal years 2026 and 2030, to be used for payments to rural health care providers and other purposes

Funding available FY 2026 - FY 2030

Prohibits implementing, administering, or enforcing the minimum staffing levels in nursing homes as required by the **Nursing Home Staffing Rule**

Immediately and until October 1, 2034

Stops implementation of the **Eligibility and Enrollment Final Rule** which was created to reduce barriers to Medicare Savings Program and streamline Medicaid enrollment

Immediately and until October 1, 2034

Changes which category of **immigrants** qualify for Medicaid or CHIP (refugees, asylees, trafficking victims no longer qualify)

October 1, 2026

Reduces **retroactive coverage** period from 3 months to 2 months

January 1, 2027

Allows states to establish **1915(c) HCBS waivers** for people who do not need an institutional level of care but prevents states from increasing wait times for those who need institutional levels of care

New waivers may not be approved until July 1, 2028

States will be penalized with reduced funding for **"improper payment" errors**

Beginning of FY 2030

## KEY SNAP PROVISIONS

Impact on State Budget: \$186 billion slashed from the federal government's SNAP budget means Tennessee will have to spend approximately \$162 million to administer SNAP benefits and approximately \$67.6 million to pay the administrative costs of the program.

### POLICY CHANGES

### EFFECTIVE DATE

Extends work requirements through age 64

**Implemented**

Extends work requirements to parents of children 14-18, veterans, unhoused people, and former foster care youth age 24 or younger

**Implemented**

Restricts asylees, refugees, victims of trafficking (all lawful immigrants) from qualifying for SNAP eligibility

**Implemented**

Freezes cost of Thrifty Food Plan outside of inflation adjustment and keeps SNAP benefits stagnant

**Implemented**

Receipt of a LIHEAP fuel assistance payment will no longer automatically qualify households for a Standard Utility Allowance (SUA) for households without an elderly or disabled member

**Implemented**

Prohibits states from counting internet costs in the Standard Utility Allowance (SUA)

**Implemented**

Eliminates SNAP Education Funding which provides nutrition education statewide

**Implemented**

Increases state's responsibility to pay SNAP administrative costs from 50% to 75%

**Oct. 1, 2026**

Shifts funding source for SNAP benefit from 100% federal to between 0 and 15% state based on Tennessee's payment error rates

**Oct. 1, 2027**

**As we gather more information, we will continue to update this document detailing the ways in which Tennesseans could feel the impacts of SNAP policy changes.**