



SUMMARY OF HR1 “ONE BIG BEAUTIFUL BILL ACT”

CONTENTS:

The United Council on Welfare (UCOWF) is releasing this summary of the 2025 HR1 reconciliation budget bill (as enrolled) with a focus on content relevant to members with a focus on eligibility and program integrity impacts.

APPENDIX:

Estimated / Forecasted Fiscal Impacts to State SNAP Agencies

July 21, 2025

The United Council on Welfare (UCOWF) is releasing this summary of the 2025 HR1 reconciliation budget bill (as enrolled) with a focus on content relevant to members:



CONTENTS

1. A Section-by-Section high-level summary of the key provisions impacting Social Service programs is provided to UCOWF members to enhance understanding of the impacts of the “OB BB,” with an emphasis on the changes and impacts to **program integrity**.
2. Estimated **fiscal impacts to States** from administrative and benefit cost sharing shifts.

NUTRITION (SNAP):

Section 10101 – Re-evaluation of Thrifty Food Plan

- **Key Changes (Detailed):**
 - Locks in the 2021 USDA Thrifty Food Plan (TFP) as the baseline.
 - Future re-evaluations (every 5 years) must be **cost-neutral** (cannot increase program costs).
 - Adjustments are limited to inflation indexing in the Consumer Price Index (CPI).
 - Establishes a cap on benefits for large households (no more than 200% of a 4-person allotment).
(NOTE: Current maximum monthly benefit for non-contiguous states is \$975 – current cap for large households would be \$1,950 per month.)
- **Program Integrity:**
 - Prevents USDA from using internal discretion to increase SNAP allotments outside of CPI adjustments and limits politically driven expansions of benefits without Congressional approval.

Section 10102 – Modifications to SNAP Work Requirements for Able-Bodied Adults

- **Key Changes (Detailed):**
 - ABAWD applies to everyone between **18-65** years of age, **including parents with children 14 years or older**. Exemptions still apply to those medically certified as physically or mentally unfit for unemployment, pregnant women, and native Indians/tribal members.
 - Individuals must work, train, or participate in qualified activity for at least 80 hours per month.
 - State waivers restricted to areas with unemployment $\geq 10\%$, subject to strict approval and reporting rules.
 - Waiver duration is limited to 12 months with only one extension allowed under stricter conditions.
 - Waivers expire Dec. 31, 2028, and cannot be renewed - the USDA Secretary may terminate exemptions granted prior to the exemption if the State has failed to comply or make good faith efforts toward compliance.
 - States must provide quarterly reports on implementation progress.
- **Program Integrity:**
 - Significantly restricts state ability to waive federal work requirements.
 - Promotes uniform national enforcement of ABAWD policy and prevents abuse of waiver provisions.

Section 10103 – Availability of Standard Utility Allowances (SUA) Based on Receipt of Energy Assistance

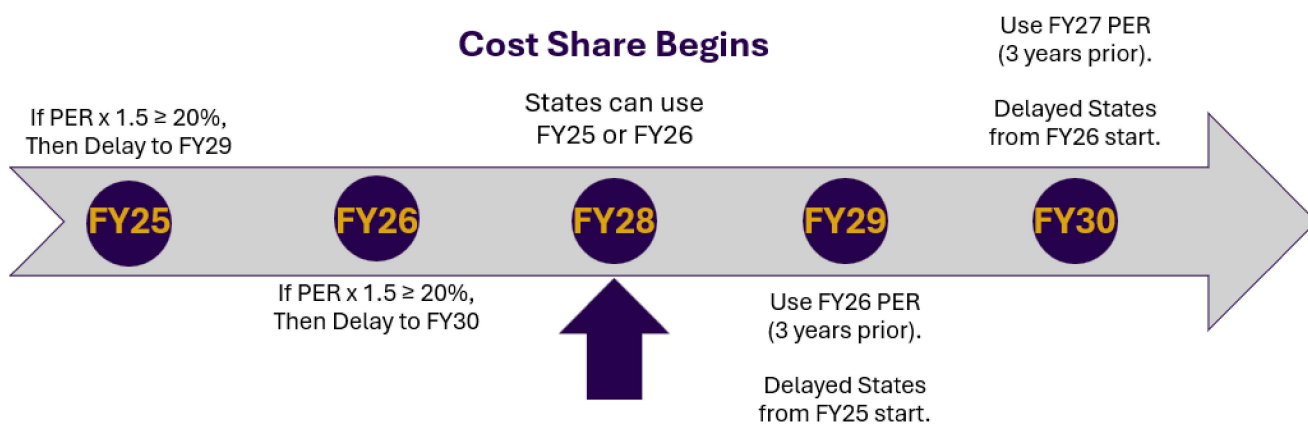
- **Key Changes (Detailed):**
 - Clarifies that only households with an elderly or disabled member can benefit from SUAs based on third-party energy assistance (like LIHEAP).
 - Households without elderly or disabled members are not allowed to use these SUAs for shelter deduction purposes.
- **Program Integrity:**
 - Ensures more accurate SNAP benefit determinations by preventing over-calculation of shelter costs. Targets SUA policy to households with genuine high-need individuals.

Section 10104 – Restrictions on Internet Expenses

- **Key Changes (Detailed):**
 - Explicitly excludes internet service fees from being used in the excess shelter cost deduction formula.
- **Program Integrity:**
 - Prevents artificial inflation of household expenses through the inclusion of non-essential costs.
 - Keeps shelter-related deductions focused on core needs (e.g., rent, utilities).
 - Addresses the free/discounted internet service plans given to SNAP recipient households.

Section 10105 – Matching Funds Requirements

- **Key Changes (Detailed):**
 - Starting FY 2028, states’ share of SNAP benefit costs will depend on their payment error rates:
 - <6% error = 0% state cost
 - 6–8% = 5% state cost
 - 8–10% = 10% state cost
 - ≥10% = 15% state cost
 - States may elect to use FY 2025 or 2026 error rate in **FY 2028** (See Timeline Below)
 - Delays allowed if a state’s FY 2025 or 2026 error rate $\times 1.5$ is $\geq 20\%$ ($>13.33\%$)
- **Program Integrity:**
 - Creates strong financial incentives for states to reduce error rates.
 - Aligns federal funding with state-level eligibility performance.
 - Heavily tied to SNAP Quality Control data systems and eligibility determination tools.



Section 10106 – Administrative Cost Sharing

- **Key Changes (Detailed):**
 - Reduces federal match for administrative costs from 50% to **25% starting in FY 2027** (October 1, 2026).
- **Program Integrity:**
 - Pressures states to improve administrative efficiency and reduce overhead.
 - May encourage investment in automation, identity verification, and fraud analytics to reduce manual costs.
 - ***More legislation needed to address antiquated rules and regulations***

**SEE APPENDIX
FOR POTENTIAL
ESTIMATED
FISCAL IMPACTS
TO STATES**

Section 10107 – National Education and Obesity Prevention Grant Program

- **Key Changes (Detailed):**
 - **Terminates SNAP-Ed** (obesity prevention and nutrition education grants) after FY 2025 (October 1, 2025)
- **Program Integrity:**
 - Shifts focus and funding from education programs to core program administration and oversight.

Section 10108 – Alien SNAP Eligibility

- **Key Changes (Detailed):**
 - Requires individual to be a **U.S. resident**. Limits SNAP eligibility to:
 - **U.S. citizens or nationals**
 - **Lawful permanent residents**
 - **Cuban/Haitian entrants**
 - **COFA migrants (Compact of Free Association)**
 - Ineligible aliens' income/resources must be counted (at state option) when assessing household eligibility.
 - See USDA FNS updated website: <https://www.fns.usda.gov/snap/recipient/eligibility/non-citizen>
- **Program Integrity:**
 - Tightens SNAP access by limiting eligibility to legally present non-citizens.
 - Reduces opportunities for undocumented or non-qualified immigrants to access benefits indirectly.
 - Implies stricter use of **immigration status databases** and **identity checks** at the point of eligibility.

HEALTH (Medicaid/ Medicare):

Section 71101 – Moratorium on Medicare Savings Program Rule

- **Key Changes (Detailed):**
 - Blocks implementation of the CMS rule (Sept. 21, 2023) that streamlined and expanded eligibility and enrollment in Medicare Savings Programs.
 - See 88 Federal Register 65230: <https://www.federalregister.gov/documents/2023/09/21/2023-20382/streamlining-medicaid-medicare-savings-program-eligibility-determination-and-enrollment>
 - **Program Integrity:**
 - Retains existing, stricter verification processes for MSP eligibility, preventing unintended auto-enrollment that could increase improper payments.
 - Rule required States accept applicant self-attestation and verification of assets as well.
 - Rule also mandated that States automatically enroll certain SSI recipients into programs.
-

Section 71102 – Moratorium on Medicaid/CHIP/Basic Health Program Eligibility Rule

- **Key Changes (Detailed):**
 - Suspends implementation of the CMS rule (April 2, 2024) on Medicaid, CHIP, and Basic Health Program application and renewal streamlining until Sept. 30, 2034.
 - See 89 Federal Register 22780: <https://www.federalregister.gov/documents/2024/04/02/2024-06566/medicaid-program-streamlining-the-medicaid-childrens-health-insurance-program-and-basic-health>
 - **Program Integrity:**
 - Prevents relaxation of eligibility verification steps and self-attestation expansions that could increase enrollment errors.
-

Section 71103 – Reducing Duplicate Enrollment

- **Key Changes (Detailed):**
 - **By Jan 1, 2027:** States must regularly obtain address updates for Medicaid enrollees from reliable sources (e.g., USPS NCOA, managed care data, third-party data sources).
 - **By Oct 1, 2029:** CMS must create a federal cross-state enrollment system to prevent duplicate enrollment across states. **(PARIS re-design)**
 - Monthly State Submissions: States must send SSNs and other key identifiers monthly for cross-checking.
 - **Program Integrity:**
 - Addresses duplicate enrollment and deficiencies from PARIS while strengthening beneficiary contact information.
-

Section 71104 – Ensuring Deceased Individuals are Not Enrolled

- **Key Changes (Detailed):**
 - By **Jan 1, 2027**, states must conduct quarterly checks against the SSA Death Master File (DMF) to identify deceased Medicaid enrollees. Can use third-party reliable data sources.
 - Must disenroll confirmed deceased individuals and stop payments.
 - **Program Integrity:**
 - Reduces improper capitation payments and fraud/waste involving deceased beneficiaries.
-

Section 71105 – Ensuring Deceased Providers are Not Enrolled

- **Key Changes (Detailed):**
 - Effective FY2030, strengthens penalties for states with excessive payment errors (>3% threshold).
 - Includes payments where eligibility cannot be verified as part of the error calculation.
 - **Program Integrity:**
 - Addresses fraudulent claims and improper billing.
-

Section 71106 – Payment Reduction for Erroneous Payments

- **Key Changes (Detailed):**
 - By **Jan 1, 2028**, states must check the SSA DMF for Medicaid providers quarterly to ensure no payments are made to deceased providers.
 - **Program Integrity:**
 - Adds fiscal accountability and incentivizes states to improve eligibility verification.
-

Section 71107 – Eligibility Redeterminations

- **Key Changes (Detailed):**
 - Starting **Q1 2027**, MAGI-based Medicaid enrollees (expansion adults) must undergo eligibility redetermination **every 6 months (instead of annually)**.
 - Does not apply to non-MAGI Aged, Blind, or Disabled beneficiaries.
 - Exemptions apply for Medicaid enrollees who are American Indians, Alaska Natives, or California Indians as defined in federal law – all are exempt from the new 6-month redetermination requirement.
 - **Program Integrity:**
 - Reduces risk of beneficiaries retaining coverage when income or status changes.
-

Section 71108 – Revising Home Equity Limit

- **Key Changes (Detailed):**
 - Effective **Jan 1, 2028**, States may increase home equity limit to \$1M for non-agricultural homes.
 - Clarifies that home equity limits must apply for Long Term Care Medicaid eligibility.
- **Program Integrity:**
 - Ensures asset/resource testing integrity for long-term care.

Section 71109 – Alien Medicaid Eligibility

- **Key Changes (Detailed):**
 - Beginning **Oct 1, 2026**, federal Medicaid payments prohibited for non-qualified aliens except for emergency care.
 - **Program Integrity:**
 - Tightens citizenship and lawful status checks.
-

Section 71110 – FMAP for Emergency Medicaid

- **Key Changes (Detailed):**
 - Beginning **Oct 1, 2026**, federal Medicaid payments prohibited for non-qualified aliens except for emergency care.
 - **Program Integrity:**
 - Limits enhanced federal payments for emergency-only Medicaid cases.
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Section 71112 – Reducing State Medicaid Costs (Retroactive Eligibility)

- **Key Changes (Detailed):**
 - For expansion adults: Retroactive eligibility reduced to 1 month (from 3 months).
 - For others: Retroactive eligibility limited to 2 months.
 - **Program Integrity:**
 - Prevents coverage of past medical bills for non-eligible periods, lowering improper claims.
-

Section 71114 – Sunsetting FMAP Incentive

- **Key Changes (Detailed):**
 - Ends enhanced FMAP incentive for expansion states unless expenditures start by Jan 1, 2026.
 - **Program Integrity:**
 - Limits long-term federal cost exposure.
-

Section 71118 – Budget Neutrality for Section 1115 Waivers

- **Key Changes (Detailed):**
 - From Jan 1, 2027, CMS must certify that new or renewed Section 1115 waivers are budget neutral.
 - **Program Integrity:**
 - Stops waivers that could increase federal spending beyond traditional Medicaid.
-

Section 71119 – Medicaid Community Engagement (Work Requirements)

- **Key Changes (Detailed):**
 - Beginning Jan 1, 2027, expansion adults (**ages 19–64**) must engage in work/community activities (80 hrs/month) to maintain coverage, unless exempt (such as ABD, in patient care, long term care).
 - Provides optional exception for short-term hardship events (such as disasters, unemployment rates above 8%).
 - Requires notice of non-compliance to individuals with 30 days to demonstrate compliance or exemption and due process prior to disenrollment.
 - Mandatory ex parte verification using payroll or encounter data.
 - Provides **\$200M in FY 2026 for implementation grants**. (Note: CMS Guidance forthcoming.)
 - **Program Integrity:**
 - Closely aligns with SNAP ABAWD requirements.
 - Encourages employment and reduces inappropriate dependency.
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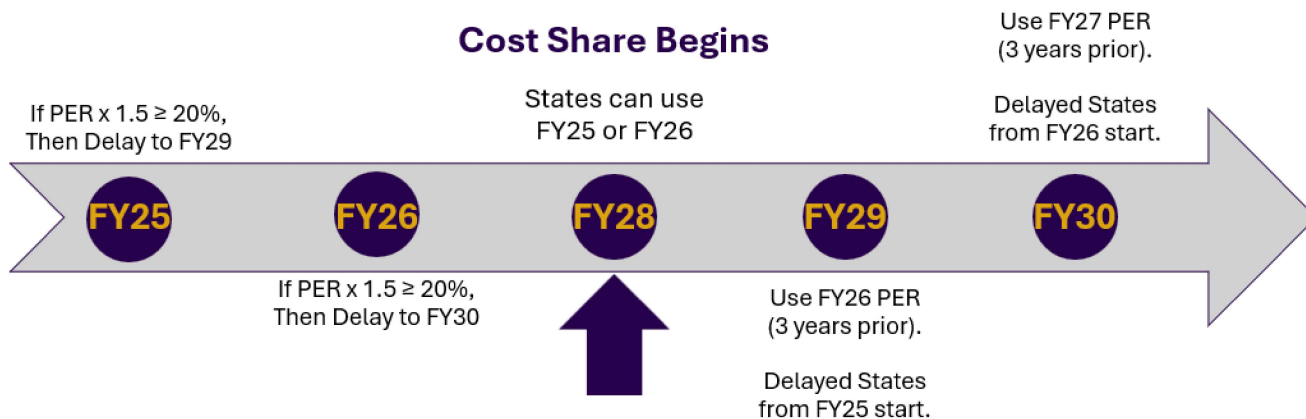
Section 71201 – Limiting Medicare Coverage of Certain Individuals

- **Key Changes (Detailed):**
 - Restricts Medicare eligibility to U.S. citizens, LPRs, COFA migrants, and certain humanitarian entrants.
 - 18-month phase-out for non-qualified aliens currently enrolled.
- **Program Integrity:**
 - Ensures federal Medicare funds go to legally eligible individuals.

APPENDIX

FISCAL IMPACT TO STATES

- **HOW WE CAME UP WITH FISCAL IMPACTS:** The following Appendix pages provide an ***estimated*** fiscal impact to State SNAP agencies from Section’s 10105 (Matching Fund Requirements) and 10106 (Administrative Cost Sharing). For the state estimates, we use most recent data on administrative costs, state Payment Error Rates (PER), and benefit issuance. The estimates reflect the potential impact using current numbers. **For best estimates, States should internally confer with their SNAP Quality Control units and SNAP Administrators.**
- **SOURCES:** These estimates use the most current publicly posted data as provided by USDA FNS
 - FY24 PER Source:
<https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-fy24QC-PER.pdf>
 - FY23 State Admin Costs:
<https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-sar-fy23.pdf>
- Administrative cost increases go into effect **Oct 1, 2026 (FY27)**
- Benefit Matching cost shift goes into effect Oct. 1, 2027 (FY28) for States below 13.34% PER.
- Actual fiscal impact ***will vary*** and is heavily dependent/ impacted by the state SNAP Payment Error Rates.
 - For **FY28**, States can use either FY25 or FY26 error rates.
 - If the FY 25 PER x1.5 $\geq$ 20% (13.34%), implementation shall be **FY29**.
 - If the FY26 PER x1.5 $\geq$ 20% (13.34%), implementation shall be **FY30**.



SNAP STATE	ADDITIONAL ADMIN COSTS (Using FY23 Data)	ESTIMATED NEW BENEFIT COST (Using FY24 PER)	TOTAL ESTIMATED FISCAL IMPACT TO STATE AGENCIES
ALABAMA	\$32,524,968	\$204,854,065	\$237,379,033
ALASKA	\$5,765,650	\$36,966,594	\$42,732,244
ARIZONA	\$35,052,351	\$188,226,485	\$223,278,836
ARKANSAS	\$21,518,284	\$54,257,442	\$75,775,726
CALIFORNIA	\$661,795,704	\$2,153,848,121	\$2,815,643,825
COLORADO	\$46,412,663	\$144,752,102	\$191,164,765
CONNECTICUT	\$39,699,820	\$156,428,954	\$196,128,774
DELAWARE	\$10,847,653	\$44,431,120	\$55,278,773
WASHINGTON, DC	\$18,746,121	\$56,905,850	\$75,651,971
FLORIDA	\$44,717,093	\$967,393,063	\$1,012,110,156
GEORGIA	\$55,046,418	\$484,369,290	\$539,415,708
GUAM	\$1,222,543	\$14,299,418	\$15,521,961
HAWAII	\$15,577,887	\$41,899,256	\$57,477,143
IDAHO	\$4,898,577	\$ -	\$4,898,577
ILLINOIS	\$83,371,359	\$815,451,185	\$898,822,544
INDIANA	\$45,638,703	\$195,321,404	\$240,960,107
IOWA	\$13,068,392	\$76,362,305	\$89,430,697
KANSAS	\$14,616,689	\$74,845,547	\$89,462,236
KENTUCKY	\$52,815,344	\$167,145,520	\$219,960,864
LOUISIANA	\$41,665,874	\$351,916,984	\$393,582,858
MAINE	\$6,738,096	\$63,265,098	\$70,003,194
MARYLAND	\$52,324,914	\$252,487,306	\$304,812,220
MASSACHUSETTS	\$42,923,751	\$463,497,732	\$506,421,483
MICHIGAN	\$95,905,937	\$360,655,241	\$456,561,178
MINNESOTA	\$43,569,820	\$150,781,990	\$194,351,810
MISSISSIPPI	\$14,719,124	\$126,035,417	\$140,754,541
MISSOURI	\$28,187,924	\$151,269,366	\$179,457,290
MONTANA	\$6,955,065	\$16,752,941	\$23,708,006

Note: See forecast methodology and disclaimers on page 9.

SNAP STATE	ADDITIONAL ADMIN COSTS (Using FY23 Data)	ESTIMATED NEW BENEFIT COST (Using FY24 PER)	TOTAL ESTIMATED FISCAL IMPACT TO STATE AGENCIES
NEBRASKA	\$12,140,769	\$ -	\$12,140,769
NEVADA	\$21,266,092	\$ -	\$21,266,092
NEW HAMPSHIRE	\$5,752,381	\$9,360,709	\$15,113,090
NEW JERSEY	\$94,976,000	\$296,324,435	\$391,300,435
NEW MEXICO	\$15,095,104	\$194,227,795	\$209,322,899
NEW YORK	\$245,968,829	\$1,241,688,404	\$1,487,657,233
NORTH CAROLINA	\$68,059,495	\$605,783,218	\$673,842,713
NORTH DAKOTA	\$6,356,502	\$4,913,251	\$11,269,753
OHIO	\$70,499,062	\$357,124,740	\$427,623,802
OKLAHOMA	\$27,515,157	\$258,131,705	\$285,646,862
OREGON	\$80,046,554	\$291,104,584	\$371,151,138
PENNSYLVANIA	\$106,873,748	\$705,730,291	\$812,604,039
RHODE ISLAND	\$12,415,906	\$59,266,196	\$71,682,102
SOUTH CAROLINA	\$16,470,352	\$154,878,614	\$171,348,966
SOUTH DAKOTA	\$4,409,249	\$ -	\$4,409,249
TENNESSEE	\$62,361,371	\$179,956,949	\$242,318,320
TEXAS	\$85,037,498	\$877,746,891	\$962,784,389
UTAH	\$12,783,421	\$ -	\$12,783,421
VERMONT	\$6,164,610	\$ -	\$6,164,610
VIRGINIA	\$87,132,327	\$326,466,956	\$413,599,283
US VIRGIN ISLANDS	\$2,339,772	\$ -	\$2,339,772
WASHINGTON	\$63,207,482	\$114,138,304	\$177,345,786
WEST VIRGINIA	\$9,137,802	\$75,385,383	\$84,523,185
WISCONSIN	\$39,654,521	\$ -	\$39,654,521
WYOMING	\$4,310,007	\$ -	\$4,310,007

**FORECASTED/
ESTIMATED TOTALS****\$2,696,300,735****\$13,566,648,221****\$16,262,948,956***Note: See forecast methodology and disclaimers on page 9.*

SNAP/Medicaid/Medicare SIDE BY SIDE ON ALIEN ELIGIBILITY

Feature	Section 10108 (SNAP)	Section 71109 (Medicaid/CHIP)	Section 71201 (Medicare)
Program	SNAP (Food Assistance)	Medicaid & CHIP	Medicare (Parts A & B)
Eligible Non-Citizens	U.S. citizens, nationals, LPRs (5 years+), refugees/asylees, parolees, Afghan/Iraqi SIVs, COFA migrants	U.S. citizens, nationals, LPRs, Cuban/Haitian entrants, COFA migrants	U.S. citizens, nationals, LPRs, Cuban/Haitian entrants, COFA migrants
Ineligible Groups	Undocumented immigrants, temporary visa holders, certain nonqualified aliens	Same exclusions as SNAP; non-qualified aliens cannot receive Medicaid (except for emergency care)	Same exclusions as SNAP; non-qualified aliens cannot enroll
Implementation Date	Upon enactment (no phase-in described)	Oct. 1, 2026 for payment restrictions	18 months after enactment (phase-out for current enrollees)
State Role	States may count ineligible household members’ income and resources for eligibility calculation	States cannot claim federal Medicaid funds for ineligible aliens except for emergency treatment	SSA Commissioner reviews and identifies current enrollees who are not qualified
Verification System	No new verification system added, but aligns with SAVE checks already in place	Requires stricter verification of alien status under §1903(v)	SSA Commissioner conducts review; notices sent to ineligible individuals
Program Integrity Focus	Prevents households from receiving higher benefits by excluding ineligible aliens’ income	Ensures federal Medicaid payments are limited to eligible individuals	Purges ineligible Medicare enrollees after review
Funding for Implementation	No direct funding specified	\$15M (FY 2026) for CMS implementation	No new funding specified; SSA tasked with review
Key Difference	Focus on SNAP eligibility calculations and household income rules	Focus on payment prohibition and federal match for nonqualified aliens	Focus on terminating Medicare benefits for ineligible individuals currently enrolled

Key Similarities

1. All three sections restrict benefits to U.S. citizens, nationals, lawful permanent residents, and certain humanitarian immigrants (e.g., refugees, asylees, Cuban/Haitian entrants, COFA migrants).
 2. All exclude undocumented immigrants and nonqualified aliens.
 3. Each section aligns federal benefit eligibility with lawful presence in the U.S.
 4. All reinforce program integrity by ensuring taxpayer-funded benefits are only for legally eligible populations.
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Key Differences

- **10108 (SNAP)** applies to food assistance programs and influences benefit calculations by counting excluded household members' income.
 - **71109 (Medicaid/CHIP)** focuses on prohibiting federal payment for services to ineligible aliens, except emergency care.
 - **71201 (Medicare)** actively removes currently enrolled ineligible individuals after a review, with an 18-month grace period.
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