Medicaid Changes in 2027

Public information summary | October 22, 2026 | Effective dates and estimates may change

Major federal Medicaid changes affecting 2027 arise from the budget reconciliation law signed July 4, 2025. Their impact varies by state and eligibility group. Medicaid is not being eliminated.

1. Key implementation dates

Policy	Timing
Community-engagement requirements for certain expansion adults	January 1, 2027
Six-month renewals for certain expansion adults	January 1, 2027
Shorter retroactive eligibility coverage	January 1, 2027
Restrictions affecting some lawfully present immigrants	October 1, 2026
Changes to provider-tax financing	Phased in, beginning 2027
Certain expansion-adult cost-sharing requirements	October 1, 2028

2. Work and community-engagement requirements

Many Medicaid expansion adults ages 19-64 will need to demonstrate 80 hours per month of qualifying work, volunteering, work programs, or education, or meet an alternative earnings-based standard. Exemptions may apply to pregnant individuals, certain people with disabilities or serious medical needs, caregivers, and qualifying parents of young children. Noncompliance or inability to document compliance can put coverage at risk; notices and opportunities to show compliance or exemption are required.

3. Eligibility reviews every six months

For affected ACA Medicaid expansion adults, states must conduct eligibility renewals every six months rather than annually. Individuals should maintain current contact information, respond to notices, and keep proof of income or exemptions. Eligible people may otherwise lose coverage for administrative reasons.

4. Less retroactive coverage

For expansion adults, retroactive coverage is shortened from up to three months before application to up to one month. For most other Medicaid eligibility groups, it is shortened from up to three months to up to two months. People applying after emergency or other medical care may face more uncovered bills.

5. Immigration eligibility changes

Federal restrictions beginning October 1, 2026 affect eligibility for some lawfully present immigrants, including some humanitarian categories. Eligibility depends on specific immigration category and other federal and state rules; some lawful permanent residents and other qualifying groups remain eligible.

6. Copayments beginning in 2028

Starting October 1, 2028, certain Medicaid expansion adults with incomes from 100% to 138% of the federal poverty level may face cost-sharing up to $35 for some nonexempt services, subject to protections and limits.

Emergency and preventive services receive special protections. This is not a January 2027 copayment change.

7. Federal financing and hospitals

Restrictions on certain state provider taxes and payment arrangements will phase in. In expansion states, the provider-tax ceiling for many taxes begins stepping down from 6% toward 3.5% beginning October 1, 2027. This can increase state budget pressure and may affect provider reimbursement and access, depending on state decisions.

8. Maryland implications

Maryland participates in ACA Medicaid expansion. Affected adults should watch for state notices about work requirements, exemptions, and six-month renewals. Low-income working adults, people with variable employment, and people with chronic illnesses may particularly need help keeping documents current. Check Maryland Health Connection for implementation guidance.

9. Different perspectives

Supporters say the changes strengthen eligibility verification, encourage employment, and limit government spending. Critics warn that paperwork requirements and financing restrictions could lead to coverage losses among eligible residents and strain safety-net providers.

Bottom line

Medicaid remains available, but for many expansion adults in 2027 the process of qualifying for and keeping coverage becomes more demanding. Beneficiaries should promptly review renewal letters, verify whether they are exempt from community-engagement rules, and retain supporting records.

Official starting points: medicaid.gov; cms.gov; marylandhealthconnection.gov/whats-new/. Dates and implementation details should be checked against current federal and Maryland notices.