



H.R. 1

How the 'One Big Beautiful Bill' Will Impact Nebraska Mothers and Families Who Receive Medicaid and SNAP

POLICY BRIEF | OCTOBER 2025

Background

On July 4, President Trump signed Congress' reconciliation legislation, H.R. 1, which makes significant changes to Medicaid, the Supplemental Nutrition Assistance Program (SNAP) and other social service programs.

Specifically, in Medicaid, the law imposes mandatory work requirements, requires new copays and increases the frequency of redeterminations for eligibility for certain adults. These and many other Medicaid changes results in an overall decrease in federal Medicaid support. Changes to the SNAP program are predominantly reflected in a reduction of federal funding from 50% to 25% for administrative costs.

Implementation Timeline

December 31, 2025

The Rural Transformation Program is created, allocating funds to all states for health care access in rural areas. Initial applications for additional funding to states are due on this date .

October 1, 2026

States will receive a reduction in the federal share of SNAP administrative costs from 50% to 25%.

January 1, 2027

States will be required to redetermine eligibility for the Medicaid expansion population every six months.

January 1, 2027

Limits retroactive coverage for pregnant women and children to two months prior to application for benefits.

January 1, 2027

Imposes work requirements on individuals enrolled in the Medicaid expansion population.

October 1, 2029

HHS will reduce federal funding to states for payment errors in Medicaid.

What is Medicaid and who does it cover?

Medicaid is a joint federal and state program that helps cover medical expenses for people with limited income and resources. In Nebraska the program covers the aged, blind and disabled, as well as pregnant women, children and some low-income adults.

What is SNAP and who does it cover?

SNAP provides food benefits to low-income families to supplement their grocery budget so they can afford nutritious food that is essential to health and well-being.

Medicaid Prevents Maternity Care Deserts

Half of Nebraska counties are considered "maternity care deserts" by the March of Dimes¹, meaning they lack maternity care resources such as hospitals and birth centers with obstetric providers. Approximately three in five Nebraska mothers in rural Nebraska have no access to obstetric care within 30 minutes of where they live. Access to maternity care in Nebraska is most difficult in the Panhandle, where the nearest birthing hospital can be as far as 80 minutes away. By paying for a significant number of births in Nebraska, Medicaid is a major source of funding for providers, which helps prevent maternity care deserts.

SPECIFIC IMPACTS TO NEBRASKA

Work Requirements

H.R. 1 imposes new work requirements on the Medicaid expansion population, generally adults ages 19–64. States will need to verify that individuals who are not exempt from the new requirement complete 80 hours of qualifying activities for at least one month prior to their application for Medicaid, and again once they are enrolled for at least one month within every six-month period.

Certain individuals must be exempted from these work requirements including those experiencing “short-term hardships,” the medically frail, pregnant women and parents with children ages 13 and under. While exemptions seem simple, how exemptions are documented in practice may add another barrier to coverage if it requires additional paperwork. State implementation choices, as allowable by forthcoming federal rulemaking, can help to ensure exempt individuals have little to no additional paperwork in documenting their exempt status.

Medicaid covers

32%

of all Nebraska children²

Medicaid pays for

38%

of all births in Nebraska³

Medicaid covers
28%
of child care
workers nationally⁴



For the early childhood workforce, adding work requirements introduces a new level of “red tape” in a profession where it is already difficult to recruit and retain staff. Consequently, new mothers and young families will feel the impact.

Eligibility Redeterminations

For adults enrolled in the Medicaid expansion population, states will be required to redetermine their eligibility for the program every six months. This additional redetermination requirement creates additional administrative burden on state staff and eligibility systems to conduct more frequent reviews of eligibility. Combined with new work requirement reviews, Nebraska could see a slowdown in processing times for Medicaid eligibility without added agency capacity and support.

Rural Health Transformation Fund

The Rural Health Transformation⁵ program is created that provides \$50 billion from 2026 to 2030 (\$10 billion per year) to improve rural health care access and stability. Most states have sought public input on application development⁶. The Fund may support new health care innovations, workforce development, technological improvements or other health care services. Half of the funds are divided equally among states and the other half will be distributed at the discretion of the Center for Medicare and Medicaid Services (CMS) to states that apply.

24,300

Medicaid expansion adults

3,000

Nebraska children



at risk of losing health care coverage due to Medicaid cuts⁷

SUPPORTING NEBRASKA FAMILIES DURING IMPLEMENTATION: POLICY OPTIONS

As the changes at the federal level as outlined by H.R. 1 are implemented on a state level, there will be opportunities for Nebraska lawmakers to support expecting mothers and young families. These may include:

- Consider creating a separate cash fund for the base amount of monies coming to Nebraska from the Rural Health Transformation Fund to ensure legislative involvement in distribution and use, as well as an annual report on the use of funds during the life cycle of federal funding.
- Apply for Rural Health Transformation Fund grants to invest in maternal and infant health, especially in rural areas. This may include support for hospital OB units or other birthing providers, pediatric primary care or home visiting investments to support postpartum moms along with their newborns.
- Encourage the Nebraska Department of Health and Human Services to apply for a waiver from the Center for Medicare and Medicaid Services (CMS) to delay the start of full implementation of Medicaid changes until January 1, 2029, to ensure Nebraska is fully prepared, especially to ensure seamless transitions for pregnant and postpartum mothers, their children and families.
- Ensure the state definitions of activities that meet work requirements in Medicaid, especially those of educational programs and community service, encompass a wide range of opportunities to ensure that families can meet new work requirements (these could include GED programs, health education programs, volunteering at a school or place of worship, etc).
- Allow certain expansion adults, such as pregnant/postpartum women or families with children below age 13, to bypass verification requirements to prove their exemption from work requirements or otherwise have a “passive” exemption based on information already included in their Medicaid record.
- Provide clarity in statute between individuals who will have long-term exceptions from work requirements (such as disabled individuals or young children), versus short-term exceptions (such as women nearing the end of their postpartum period, or individuals in substance use disorder treatment) and ensure that those with long-term exceptions only need to demonstrate their eligibility for an exception once.
- Streamline work hours reporting for specific groups with electronic or wage data wherever possible (e.g., child care providers, state employees, etc.).
- Work closely with industry leaders and the state Medicaid Beneficiary Advisory Committee to identify work reporting scenarios and opportunities to place the least burden on Medicaid enrollees and their families to minimize loss of coverage due to paperwork errors.

CITATIONS

- 1 Fontenot, J, Lucas, R, Stoneburner, A, Brigance, C, Hubbard, K, Jones, E, Mishkin, K. (2023). *Where You Live Matters: Maternity Care Deserts and the Crisis of Access and Equity in Nebraska*. March of Dimes. <https://www.marchofdimes.org/peristats/reports/nebraska/maternity-care-deserts>
- 2 KFF. (2025). *Health insurance coverage of children 0–18 | KFF State Health Facts*. <https://www.kff.org/state-health-policy-data/state-indicator/children-0-18/?currentTimeframe=0&sortModel=%7B%22collId%22:%22Location%22,%22sort%22:%22asc%22%7D>
- 3 Nebraska Department of Health and Human Services. (2024). *Nebraska Vital Statistics Birth Dashboard*. <https://app.powerbigov.usview?r=eyJrIjoieYjA2Njc1ZGEtMTJkZi00YmFmLWlzM2EtYzk2MDI5MDk4ODQyIiwidCI6IjA0MzlwN2RmLWU2ODktNGJmNi05MDIwLTAxMDM4ZjExZjBiMSJ9>
- 4 Johnson, K. (2025). *Medicaid is a Critical Support for the Early Childhood Education Workforce*. Center for Children and Families. <https://ccf.georgetown.edu/2025/04/21/medicaid-is-a-critical-support-for-the-early-childhood-education-workforce/>
- 5 Centers For Medicare & Medicaid Services. (n.d.) *Rural Health Transformation (RHT) Program | CMS*. <https://www.cms.gov/priorities/rural-health-transformation-rht-program/overview>
- 6 Howard, H., Lopez, R., & McLean, J. (2025). *Tracking state preparation for the rural Health Transformation program*. State Health and Value Strategies. <https://shvs.org/tracking-state-preparation-for-the-rural-health-transformation-program/>
- 7 Manatt Health, Medicaid Financing Model (June 2025)