



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Benefits

JOSH STEIN • Governor
DEV DUTTA SANGVAI • Secretary
MELANIE BUSH • Deputy Secretary, NC Medicaid

June 18, 2026

RE: H.R. 1 Beneficiary Mailings

Dear County Directors of Social Services:

On July 4, 2025, House Reconciliation bill (H.R. 1) was signed into law. These federally mandated changes will have a significant impact to Medicaid in the coming months.

The purpose of this letter is to provide information on H.R. 1 and upcoming mailings to beneficiaries who may be affected by the coming changes to Medicaid.

The following are the major changes that will soon take place for people who have or are applying for health coverage through Medicaid.

- Many non-citizens will no longer be eligible for Medicaid coverage. This change is effective Oct. 1, 2026.
- Most adults ages 19 through 64 will be recertified for Medicaid every six months instead of once a year.
- Most adults ages 19 through 64 will have to show they participated in an approved activity, such as work, go to school or volunteer to be able to qualify or keep their Medicaid coverage. This is referred to as "Work and Community Engagement." These changes are effective Jan. 1, 2027.

We will develop training for staff and let you know once it is scheduled. We received the final rule from the Centers for Medicare & Medicaid Services (CMS) on June 1, and the Member team is reviewing the 387-page document.

To meet the deadlines required for beneficiary notices, the Department will mail two notices this month.

1. A notice to all beneficiaries ages 19 through 64 to explain the upcoming changes to this population will be sent from June 15-30, 2026. You can find a [sample notice](#) in the County Playbook on the NC Medicaid website.

NC MEDICAID

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH BENEFITS

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2. A notice to non-citizen beneficiaries who have a non-citizen status that will no longer qualify for Medicaid. This notice will be mailed June 24, 2026. A sample of this [notice](#) has also been added to the County Playbook.

We anticipate your agencies will receive calls once beneficiaries get these letters. To assist staff in answering questions, we have provided the attached call scripting. Please share the scripting with your staff as soon as possible. If staff receives questions that are not addressed in the scripting, contact your [Medicaid Operational Support Team](#) and we will adjust the scripting.

We appreciate your support as we implement H.R. 1.

Sincerely,

DocuSigned by:



Melanie Bush

Deputy Secretary, NC Medicaid

H.R. 1 Call Scripting

Overview

Last year, the federal government passed a new Medicaid law known as H.R. 1. This law changes who can qualify for Medicaid and how Medicaid works. Some beneficiaries will be impacted more than others.

Local Departments of Social Services (DSS) will continue to determine Medicaid eligibility. Beneficiaries with questions about eligibility, recertification (renewal) or retroactive coverage will be directed to their local DSS.

Many non-citizens will lose Medicaid coverage October 1, 2026. It is important for these members to report changes to their immigration status to their local DSS, so they don't lose coverage.

Additional changes are coming beginning January 1, 2027. These include changes to retroactive coverage and new federal requirements for most adults ages 19 through 64 (Medicaid expansion).

Notices will be mailed June 15, 2026, to beneficiaries impacted by the H.R. 1 Work and Community Engagement requirements and the change to six-month recertifications.

Notices will be mailed June 24, 2026, to non-citizen beneficiaries who will lose their coverage October 1, 2026.

The call scripting below is designed to assist with answers to questions we anticipate you will receive. As the Department implements changes from the CMS final rule, we will update the call scripting.

Q. What are the changes to retroactive coverage?

- A.** Beginning January 1, 2027, retroactive coverage will be shorter for people applying for Medicaid.
- Most adults ages 19 through 64 without disabilities (Medicaid expansion) can have medical bills covered for one month prior to their application. This used to be three months.
 - For example, if you apply in September and you are eligible, Medicaid can pay bills for covered services from August.
 - Children, adults age 65 and older and individuals with disabilities can have medical bills covered for two months prior to their application. This used to be three months.
 - For example, if you apply in September and you are eligible, Medicaid can pay bills for covered services from July and August.

Q. What are work and community engagement requirements? Or I got a letter in the mail saying I must work, volunteer or go to school to keep my Medicaid.

- A.** Beginning January 1, 2027, some adults who have or apply for health coverage through Medicaid will need to work or participate in approved activities. These rules apply to adults who are ages 19 through 64 who do not meet an exclusion or exemption. These include:

Excluded Individuals

- Medically frail individuals
- Participants in a drug addiction or alcohol treatment and rehabilitation program
- Parents, guardians, caretaker relatives or family caregivers of a dependent child under age 14, or of a disabled individual
- Veterans with a disability rated as total (100%) under 38 U.S.C. § 1155
- Members of a household receiving Supplemental Nutrition Assistance Program (SNAP) and not exempt from SNAP work requirements
- Individuals compliant with Temporary Assistance for Needy Families (TANF) work reporting requirements
- American Indians, Alaska Natives and other members eligible for Indian Health Services health care services, including federally recognized tribal members
- Former foster care youth under age 26 and those currently in foster care
- Inmates of a public institution
- Pregnant women or those entitled to postpartum Medicaid coverage

Mandatory Exceptions*

- Children up to age 19
- Entitled to or enrolled in Medicare Part A or Medicare Part B
- People who get Supplemental Security Income (SSI) or Social Security Disability Insurance or (SSDI)
- Incarcerated at some point in the three-month period prior to the relevant month

*Individual must request exception.

To have health coverage through Medicaid, adults ages 19 through 64 who are not exempt or excluded must:

- Work or a participate in a work training program
- Volunteer in the community
- Attend school at least half-time (usually 6 credit hours)
- Have a monthly income that is at least \$580
- Be a seasonal worker whose average monthly income for the last 6 months is at least \$580 (equal to the federal minimum wage)
- These activities can be combined. They must add up to 80 hours for the month.

The final rules were recently given to NC Medicaid (the Division of Health Benefits) and they are reviewing the changes. In the coming months we will have more information to share with beneficiaries. In the meantime, we want to let beneficiaries know about the coming changes, so they can be ready. More information on the coming changes is available at

[medicaid.ncdhhs.gov/hr1](https://www.ncdhhs.gov/hr1)

Q. Are there any changes to applying for Medicaid?

- A.** Yes. Beginning January 1, 2027, adults ages 19 through 64 that apply for Medicaid may have to show proof in their application that they worked, went to school or volunteered for 80 hours **each month of the three months** before they apply for Medicaid. This is known as the lookback period.

For example, Mary applies for Medicaid on April 1, 2027, and she does not have an exemption from work, school or volunteer activities. Mary must show she did her activities in January, February and March to meet this requirement. If Mary did not show activities for all 3 months, she may not get Medicaid.

Q. What is changing with Medicaid recertification? Or I got a letter saying my Medicaid will be renewed more often.

- A.** Starting January 1, 2027, adults ages 19 through 64 enrolled under Medicaid expansion must renew their Medicaid every six months instead of once a year.

With their renewal, they will need show they completed 80 hours of work, school or volunteer for three of the six months during their certification period, unless they have an exemption or exclusion.

For example, if Mary's certification period is from January to June, and she is not exempt or excluded, she must report her work, school or volunteer activities for three of those months to keep her Medicaid benefits for her next six-month certification period.

Q. What changes are coming to Medicaid for non-citizens (immigrants)?

- A.** Starting October 1, 2026, Medicaid eligibility will change for certain non-citizens. Because eligibility depends on your specific immigration status, only your local Department of Social Services can review that with you. Do you need to make an appointment?

What to do now. Check your mail carefully. Respond right away if your local Department of Social Services sends you a letter asking for information about your immigration status.

If you are currently a lawful permanent resident, let your local Department of Social Services know as soon as possible. You should also update your immigration status with your local Department of Social Services caseworker if it changes (for example, you become a lawful permanent resident). You can find their contact information at dhhs.nc.gov/localdss.

If you lose Medicaid coverage, you may qualify for Emergency Medicaid if the medical need is determined to meet the emergency criteria and the person meets all other factors of eligibility Medicaid.

Remember, if your immigration status changes, for example, you get a green card, let your local Department of Social Services know as soon as possible so you do not lose Medicaid coverage.

More information on the coming changes is available at medicaid.ncdhhs.gov/hr1.

Q. Which non-citizens will lose coverage with H.R. 1? Or I got a letter saying I will lose my Medicaid October 1, 2026.

A. Last year the federal government passed a new Medicaid law, known as H.R. 1. This law changes who can qualify for Medicaid. Many people who are not US citizens will not be able to have Medicaid health coverage starting October 1, 2026.

Medicaid coverage will end on September 30, 2026, for the following non-citizens:

- Refugees
- Asylees
- Victims of Trafficking (including certain family members)
- Parolees (including Ukrainian Humanitarian Parolees and Afghan Parolees)
- Non-citizens with Deportation Withheld
- Non-citizens Granted Conditional Entry
- Amerasian Non-citizens
- American Indians born in Canada or outside of the U.S. (including federally recognized tribal members that are not U.S. citizens)
- Battered Non-citizens (including spouse, parents and children)
- Lawfully Residing Veterans/Active-duty Service Members (including certain family members)
- Non-citizens with Iraqi or Afghan Special Immigrant Visas (including spouse and children)
- Hmong, Mien or Highland Laotian Non-citizens (including spouse and children)
- Applicants for Permanent Residence, Asylum or Temporary Protected Status
- Other Lawfully Residing Non-citizens

Only these non-citizens will be able to have health coverage through Medicaid.

- U.S. citizens and U.S. nationals
- Lawful permanent residents (green card holders)
- Cuban and Haitian entrants
- Compacts of Free Association (COFA) migrants which are citizens of the Federated States of Micronesia, the Marshall Islands and the Republic of Palau

You may qualify for Emergency Medicaid if the medical need is determined to meet the emergency criteria and the person meets all other factors of eligibility Medicaid.

Q. Would I be able to get coverage with the Federal Marketplace (ACA, Obama Care)?

A. For Marketplace coverage, beginning 2026, non-citizens with incomes below 100% of the federal poverty level (FPL) can no longer get premium tax credits to enroll in coverage.

Beginning January 1, 2027, premium tax credits for non-citizens with incomes at or above 100% federal poverty level will be limited to lawfully permanent residents (LPRs), Cuban Haitian entrants and COFA migrants.

Q. When do the changes start?

A. Non-citizen changes start October 1, 2026.

Q. What does this mean for my Medicaid?

- A.** Starting **October 1, 2026**, if your immigration status is not a “qualified” status, you will
- lose Medicaid coverage, including doctor visits, prescriptions, mental health, dental and other services
 - may qualify for Emergency Medicaid if the medical need is determined to meet the emergency criteria and the person meets all other factors of eligibility Medicaid

These changes **do not include** lawful permanent residents (green card holders). If you are a lawful permanent resident, these changes will not apply to you.

If you lose Medicaid coverage and have a medical need on or after **October 1, 2026**, you can reapply for Medicaid.

Remember, if your immigration status changes, for example, you get a green card and you have lived in the United States for five years, let us know as soon as possible so you do not lose Medicaid coverage.

Q. Where can I get help or more information on these changes?

A. Visit NC Medicaid’s webpage on these changes at [medicaid.ncdhhs.gov/HR1](https://www.ncdhhs.gov/HR1).