



HR 1/OBBB Potential Maximum Impacts on Individuals with I/DD and their Service Providers

<b><i>Benefit at Risk</i></b>	<b><i>Effective Date/Description</i></b>	<b><i>Immediate Impact</i></b>	<b><i>Secondary Impact</i></b>
<p>SNAP UTILITY ALLOWANCE</p>	<p><b>Effective October 1, 2025</b>                      Only people over 60 or with disabilities can qualify for SNAP Utility Allowance credit using the streamlined crossmatches with LIHEAP</p> <p>The cost of internet service can no longer be used to determine utility costs.</p>	<p>This will reduce food assistance for those unable to document utility expenses in addition to a potential loss of utility assistance to low-income families.</p>	
<p>PRIVATE HEALTH CARE INSURANCE UNDER <b>GetCoveredNJ</b> a.k.a. THE MARKETPLACE</p>	<p><b>Effective immediately.</b></p> <p>For NJ citizens earning between 138-400% federal poverty level and enrolled in GetCoveredNJ for their health insurance federal subsidies for premium assistance are eliminated for the plan year beginning in CY 2026</p>	<p>ACA Marketplace insurance premiums are projected to increase by a median rate of 18% and if the subsidies are allowed to expire, the average premiums could increase by 75% in 2026 according to KFF.</p> <p>Many employees in the care economy are enrolled in the Marketplace and will likely forgo insurance, get less coverage, or pay higher premiums.</p>	<p>For employer health plans the total health benefit cost per employee is expected to rise 6.5% on average in 2026 - the highest increase since 2010, according to Mercer.</p>

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<b>HMO PROVIDER TAX</b>	<b>Effective FY'27 and ramp up through FY'31</b>	\$80 million in lost revenue the first year.	5-year ramp up period begins with \$80 million to nearly \$400 m lost revenue the final year and each year thereafter *
<b>PUBLIC HEALTH CARE INSURANCE (NJFAMILYCARE/NJ MEDICAID) NJ MEDICAID EXPANSION</b> (For people earning up to 138% FPL)	<b>Effective December 31, 2026.</b>  Eligibility redetermination for all NJ Medicaid expansion adults is required every six months (up from once a year).	The establishment of increased number of redeterminations every six months will likely impact 50,000 people enrolled in the NJ Medicaid Expansion program at risk of losing their health care coverage. <sup>1</sup>	According to the recent calculations by NJDMAHS, this will result in \$400 million lost federal investments in NJ each year, starting in CY'27. *
<b>NJ MEDICAID EXPANSION</b> (Continued)	Work reporting requirements imposed for able bodied adults ages 19-64. Those exempt from this requirement include pregnant or postpartum members, former foster youth under age 26, veterans with rated disabilities, parents of children under 13, medically frail <sup>2</sup> , those who have complied with work requirements under SNAP or TANF, members of a tribe, those receiving care in certain substance abuse treatment programs, those incarcerated or recently incarcerated, or those experiencing temporary hardships such as natural disaster.	The establishment of work reporting requirements will impact up to 300,000 of the 550,000 people enrolled in the NJ Medicaid expansion program at risk of losing their health care coverage. <sup>3</sup>  There are an estimated 800 individuals with IDD in NJ Medicaid Expansion who are also enrolled in HCBS	According to the recent calculations by NJDMAHS, this will result in \$2.5 billion lost federal investment in NJ's healthcare system each year starting in CY'27. *  As is their custom, DDD will work with DMAHS to identify and ensure that that these approximately 800 individuals are not disenrolled from Medicaid.

<sup>1</sup> DMAHS has stated that they will consider it a failure if they are unable to significantly decrease the number of individuals projected to lose coverage.

<sup>2</sup> "Medically frail" includes individuals with I/DD. Current interpretation (which is subject to change) is for this definition to remain broad and flexible.

<sup>3</sup> DMAHS has stated that they will consider it a failure if they are unable to significantly decrease the number of individuals projected to lose coverage.

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<p><b>NJ MEDICAID EXPANSION</b> (Continued)</p>	<p><b>Effective January 1, 2027</b></p> <p>Retroactive coverage is limited to one month, down from three months, prior to application.</p> <p><b>Effective October 1, 2028</b></p> <p>Cost sharing requirements totaling no more than \$35 for certain services, care, or items furnished to NJ Medicaid Expansion enrollees, excluding primary care, mental health, SUD, or services provided by an FQHC, CCBHS or rural health clinics. Charges may not exceed 5 percent of families income</p>	<p>If someone applies for Medicaid and is approved the coverage will not go as far back as it used to.</p> <p>Cost sharing can significantly impact low-income individuals by reducing access to healthcare, increasing financial burdens, and potentially leading to worse health outcomes.</p>	<p>This could potentially leave beneficiaries with unpaid medical bills from the time before application.</p>
<p><b>FOR ALL NJMEDICAID, EXCLUDING NJ MEDICAID EXPANSION</b> (NJ FamilyCare is the program name for NJ Medicaid.)</p>	<p><b>Effective January 1,2027</b></p> <p>Retroactive coverage is limited to two months, down from three months, prior to the month of application.</p>	<p>If someone applies for Medicaid and is approved the coverage will not go as far back as it used to.</p>	<p>This could potentially leave beneficiaries with unpaid medical bills from the time before application.</p>

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<b>FOR ALL NJ MEDICAID</b> (NJ FamilyCare is the program name for NJ Medicaid.)	<b>Effective October 1, 2026</b>  A moratorium on Medicaid Eligibility and Enrollment which streamlined the eligibility and enrollment process so that individuals in an emergency could more easily become enrolled with Medicaid.  The benefit is now only limited to citizens, legal permanent residents, Cuban Haitian emigree, people present in the US in accordance with COFA, and lawfully residing children and pregnant adults in NJ that covers them under the LCHI Act of 2007	The federal match for this program is reduced from 90% to 50%.	The reduced federal match will represent a loss of approximately \$45 million in annual federal funding starting in FFY 2027. *

Though many of the specific provisions in HR1 do not directly impact I/DD, it is reasonable to expect the reductions in funds of this magnitude will put a broad strain on the Medicaid budget.

\*These maximum possible loss calculations aka “worst case scenarios” based on change in policy noted in the table above have been combined and reorganized by DHS into two categories: “\$3.3 billion annual cut in funding to hospitals and public health” and “\$360 million annual cut to the state budget due to reductions in federal funding and provider assessments.”<sup>4</sup> \$3.660 billion represents approximately 15.25% of New Jersey’s Medicaid budget. (continued next page)

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<sup>4</sup> July 3<sup>rd</sup> Statement Human Services Commissioner Sarah Adelman on impact of Medicaid and SNAP cuts in New Jersey.

*What follows are research and calculations made by ABCD that have not yet been verified.*

We believe that the first category represents 95% of Medicaid expenditures within the annual budget of DMAHS. Embedded in this category are the capitated payments to the managed care organizations which cover the cost of healthcare, nursing homes and managed long term services and supports. An annual \$3.3 billion cut in funds would approximately represent a maximum reduction of 16.5% in this category.

The second category represents Medicaid expenditures outside of DMAHS which includes home and community-based services in the Division of Developmental Disabilities. An annual \$360 million cut in funds would approximately represent a maximum reduction of 9% in this category.

Moving forward it is important to note that currently “the answer to many reasonable questions is still, ‘I don’t know.’”<sup>5</sup> It is also important to remember that DMAHS has stated that they will consider it a failure if they are unable to significantly decrease the number of individuals projected to lose coverage. Over the next year and a half, we are confident that they will do everything in their power to minimize the number of NJ citizens in danger of losing Medicaid coverage which, in turn, will reduce the impact on the overall Medicaid budget and on I/DD healthcare and waiver services and supports.

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<sup>5</sup> DMAHS AC Woods, August 7, 2025, presentation before the quarterly meeting of the NJCDD.