

## **Supporting Client Wellbeing Through Medicaid Eligibility Changes**

*Resource Last Updated: June 2026*

Health coverage is a foundation for wellbeing. For refugees, asylees, and other qualified immigrants, Medicaid has often been the primary source of health care in their first years in the United States. That coverage is changing.

On July 4, 2025, H.R. 1 was signed into law. Starting October 1, 2026, many refugees, asylees, and other qualified immigrants will no longer be eligible for federal Medicaid or CHIP. H.R. 1 also contains broader Medicaid changes affecting all Americans, including U.S. citizens, starting January 2027.

For providers serving forcibly displaced individuals and families, this article explains who will be affected, what options may remain, and what providers and community organization staff can do to support clients now.

### **Who Will Lose Medicaid and CHIP Coverage**

Beginning October 1, 2026, the federal government will only reimburse states for Medicaid and CHIP coverage for non-citizens who are lawful permanent residents (green card holders), certain Cuban and Haitian entrants, or COFA migrants. The following groups will lose this coverage:

- Refugees who do not yet have a green card
- Asylees who do not yet have a green card
- Parolees
- Individuals with Temporary Protected Status (TPS)
- Survivors of human trafficking (T visa holders)
- Individuals granted withholding of deportation or removal
- Certain abused spouses and children under VAWA

### **New Work Requirements**

Even for those who remain eligible for Medicaid, starting January 2027, adults enrolled through the ACA expansion pathway must work, study part-time, or participate in qualifying activities such as community service for at least 80 hours per month. Renewals will also be required every six months. Exemptions exist for people who are medically frail or qualify for a hardship exemption, though federal guidance is still being finalized.

### **What Losing Coverage Means for Health and Mental Health**

Many refugee children and families have already experienced significant trauma – this includes displacement, persecution, family separation, and significant loss. For these clients, losing health

coverage may feel like another loss of safety and stability, reactivate prior trauma responses, or prompt feelings of being unsupported or unwanted. Loss of coverage can also mean interrupted psychiatric medications, loss of access to ongoing mental health services, or loss of treatment for chronic or serious medical conditions.

When there are more barriers to healthcare – including loss of coverage – symptoms can worsen, crises can emerge, and conditions that were previously managed can become acute. For clients already carrying the weight of trauma and displacement, these disruptions do not happen in isolation. They compound. Providers should treat coverage loss as a clinical concern, not just an administrative one.

## What Providers Can Do

The framework of **Psychological First Aid** offers a practical structure for supporting clients who may be distressed by coverage loss:

- **Prepare**
  - ***Understand changes in your state.*** What is available will vary. Georgetown Center for Children and Families (CCF) tracks implementation of H.R. 1's Medicaid changes across all 50 states, including state-level policy decisions, enrollment impacts, and work reporting requirements, updated continuously. Find it at [ccf.georgetown.edu](http://ccf.georgetown.edu).
  - ***Know what additional support exists in your community.*** Even for people who lose Medicaid, safety-net options remain:
    - FQHCs provide primary medical, dental, and mental health care on a sliding-fee scale, regardless of insurance or immigration status, at over 14,000 sites nationwide. Find one at [findahealthcenter.hrsa.gov](http://findahealthcenter.hrsa.gov).
    - Emergency Medicaid covers acute emergencies regardless of immigration status.
    - CHIPRA 214 allows states to cover lawfully residing children (up to age 21) and pregnant women – check whether your state has adopted this option.
    - CHIP Health Services Initiatives (HSIs) lets states extend coverage for certain health needs of low-income children.
    - ACA Marketplace plans remain an option for those above the poverty level, though enhanced premium tax credits are set to expire later in 2026.
    - Ryan White HIV/AIDS Program provides medical care, medications, and wraparound services for people living with HIV. Contact your local health department or AIDS service organization for current availability.
  - ***Share information early and in clients' languages.*** Make reliable, current information available in accessible formats and clients' preferred languages before changes take effect. Prepare the client before the conversation so it does not feel abrupt. Don't wait until coverage has already ended.
- **Engage**

When coverage concerns arise, respond directly and without minimizing. Validate all emotions shared. Acknowledge that losing – or fearing the loss of – health coverage is

genuinely stressful, and that worry is a reasonable response. For clients who have become avoidant of care out of fear of cost, help them understand what care may still be available to them.

- **Listen**

Before moving to problem-solving, listen to what matters most to the client. Is it a particular health concern? Continuity with a specific provider? Cost? Language access? Proximity? Repeat or share back what you are hearing to confirm understanding. A response plan that doesn't reflect the client's actual priorities is less likely to take hold. For clients managing trauma histories, make space for the emotional weight of this – it may be more than a logistical problem.

- **Link**

For clients in active mental health treatment whose coverage ending will necessitate case closure, do not wait. Abrupt termination of mental health services can be harmful, particularly for people with trauma histories. Begin transition planning well before October 2026 with three priorities:

- Planned clinical closure when transfer is not possible. A structured final session that reviews progress, reinforces coping strategies, and names the ending directly is significantly better than letting services simply stop. Acknowledge the loss. Give the client space to process it.
- Warm handoff to continued care. Where ongoing services can be arranged, make the transition active. Introduce the client to the new provider directly when possible. A referral slip is not a warm handoff.
- Stabilization planning. Help clients build coping skills, identify support networks, and develop a safety plan they can use independently – especially important when ongoing care may not be available.

The changes ahead are significant. But providers who are informed, prepared, engaged and present can make a meaningful difference for clients navigating this moment.