

# Protecting Access: Recommendations for Pennsylvania's Medicaid Implementation Under HR1

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## Overview and Executive Summary

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### Background

Pennsylvania is preparing to implement major changes to its Medicaid program (also called Medical Assistance) under the federal reconciliation legislation known as HR1. These changes will significantly alter eligibility rules, introduce new work requirements, and require substantial operational and systems transformations across the Commonwealth's human services infrastructure.

This Toolkit was prepared by a coalition of advocates with decades of experience working within Pennsylvania's Medicaid and human service systems. It offers ten priority areas of recommendation to help the Pennsylvania Department of Human Services (DHS) implement eligibility and enrollment changes in ways that protect access to health coverage, reduce unnecessary coverage losses, and preserve administrative integrity.

### The Stakes

Almost 3 million Pennsylvanians rely on Medicaid to access health care, including almost 40% of the Commonwealth's children and roughly 1 in 4 adults. HR1's Medicaid provisions represent the most significant restructuring of the program in decades, putting health care at risk for many of our neighbors and community members. New work requirements, eligibility redetermination timelines, immigrant eligibility criteria, and documentation demands will increase workload at County Assistance Offices, stress existing eligibility systems, and place new burdens on participants.

Procedural terminations have long been a major problem in Pennsylvania,<sup>1</sup> historically causing significant coverage loss at renewal. Governmental spending to keep people enrolled in Medicaid is always worth it because keeping people enrolled in Medicaid is a boon to the state's economy, keeps workers healthy, and permits hospitals, clinics and pharmacies to keep their doors open and continue to hire staff so they can serve communities. Every \$1 in Medicaid spending results in \$1.80 benefit to the Pennsylvania economy.<sup>2</sup> The disenrollment of a single expansion population Pennsylvanian results not only in the direct loss of \$7,307 in federal Medicaid funds per year for that

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<sup>1</sup> Centers for Medicare and Medicaid Services, Historic Trends in Medicaid and CHIP Coverage Continuity, Loss, and Churn in 2018, July 2023, slides 6, 8, 10, *available at* <https://www.medicaid.gov/sites/default/files/2023-07/historic-loss-and-churn-07052023.pdf>.

<sup>2</sup> The loss of every \$1 billion in federal Medicaid funds creates an additional \$1.8 billion loss in economic activity. The Hospital and Healthsystem Association of Pennsylvania, Report: Medicaid Cuts Will Result in Economic, Job Losses, June 11, 2025, *available at* <https://www.haponline.org/News/HAP-News-Articles/Latest-News/report-medicaid-cuts-will-result-in-economic-job-losses>.

individual,<sup>3</sup> but also another \$13,152.60 in losses to the Pennsylvania economy at large. Pennsylvania has the resources and the know-how to keep these individuals enrolled in Medicaid. We should use every available resource to keep people enrolled and stop the economic crisis that would otherwise ensue.

Without careful planning, stakeholder engagement, and a participant-centered implementation approach, the Commonwealth risks significant and unnecessary coverage losses, increased administrative costs, and a surge in appeals.

## Recommendations

We recommend ten priority areas for action below. Each corresponds to a numbered companion document in this Toolkit, where the recommendation is explored in detail.

- 1. Simplify Work Requirements to Protect Coverage.** We urge DHS to build automated systems that can verify compliance and process exemptions without requiring participants to navigate complex manual processes. Exemptions must be clearly defined and easy to claim. DHS must consider robust data sources to verify both compliance and exemptions, and any automation should reduce the administrative burden on both staff and participants.
- 2. Streamline County Assistance Office Operations.** As workload for County Assistance Office staff increases, DHS should increase staff to ensure timely service and continued access to in-person service. DHS should prepare for increased workload by automating manual processes where possible and providing recipients more time to respond to verification requests before coverage is terminated.
- 3. Create Clear Correspondence to Drive Action.** We recommend contracting with consultants who specialize in plain language and behavior-informed communication design to ensure that notices drive participant action rather than confusion or inaction.
- 4. Revise Application and Renewal Forms.** The application should be revised to remove unnecessary questions and redesigned so that screening for exemptions occurs before imposing new requirements. This sequencing is both more efficient and more humane.
- 5. Prioritize System Readiness.** DHS should create opportunities for meaningful stakeholder engagement, input, and transparency throughout the planning process. Rigorous user testing of all new system changes should be required before rollout.

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<sup>3</sup> The average annual per capita Medicaid expenditure for Pennsylvania's expansion population is \$8,119, or \$4,059.50 over 6 months. CMS, Medicaid and CHIP 2025 Scorecard, Medicaid Per Capita Expenditures, Adults: ACA Medicaid Expansion (Pennsylvania), available at [Medicaid and CHIP Scorecard - Medicaid Per Capita Expenditures](#). The federal government pays 90% of this cost, or \$3,653.55 over 6 months. Pennsylvania contributes 10% of this cost, or \$406 over 6 months.

- 6. Maximize Outreach through Clear and Targeted Communications.** Maximizing participant engagement will require proactive, multi-channel outreach. DHS should plan outreach campaigns that meet people where they are, using mail, phone, text, community partners, and trusted messengers.
- 7. Evaluate the Impact.** The Commonwealth should plan now to evaluate the impact of these changes by identifying and capturing key data points from the start of implementation. Evaluation cannot be an afterthought.
- 8. Preserve Immigrant Access to Health Coverage.** We urge DHS to take all available steps to preserve coverage access for eligible immigrants, including clear guidance to staff and training on how to identify immigration status accurately when appropriate.
- 9. Improve Pennie/Medicaid Integration.** Wherever possible, DHS should integrate Pennie, the Commonwealth's insurance marketplace, with Medicaid eligibility systems to enable seamless transitions between coverage types and reduce gaps.
- 10. Improve Fair Hearing and Appeal Processing.** The Bureau of Hearings and Appeals must be adequately resourced and prepared for a significant increase in appeals volume that will accompany these changes. Staffing, training, and timelines should be assessed and addressed in advance.

## How to Use This Toolkit

This Toolkit is organized into an Executive Summary and ten companion documents, each aligned with one of the recommendations outlined above. The Executive Summary provides a high-level overview of all ten areas, while each companion document explores the recommendations in greater depth. For ease of use, each companion document is numbered to correspond to its related recommendation in this overview.

## Conclusion

The recommendations in this Toolkit are grounded in the experiences of the communities most affected by these changes, as well as in lessons from decades of experience as advocates working within these systems. We urge DHS to treat this moment not only as a compliance challenge but as an opportunity to build a more efficient, equitable, and participant-centered system. We stand ready to partner with DHS in that work.