

## Federal Policy Changes: Helping Affected Adults Maintain Coverage Provider Guidance and FAQ

September 2026

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## I. Background and implementation timing

**Starting in 2027**, federal rules enacted in the One Big Beautiful Bill Act (also known as HR1) will affect **adults who receive Medicaid coverage through the Affordable Care Act (ACA)**. The Illinois Department of Healthcare and Family Services (HFS) estimates that nearly 700,000 enrollees may be affected.

- **Work requirements:** Affected ACA adults must **work, go to school, engage in community service, or participate in job training** to get and maintain coverage **OR** qualify for an exemption based on an approved circumstance or condition.

**Common exemptions often include:**

- People with a health condition preventing them from meeting work requirements (i.e., “**medically frail**”), such as people who are blind or disabled under Social Security standards, those with serious or complex medical conditions, and individuals with a substance use disorder
  - Individuals meeting work requirements for Supplemental Nutrition Assistance Program (**SNAP**) or Temporary Assistance for Needy Families (**TANF**) eligibility
  - **Parents, guardians, caretaker relatives, or family caregivers** (paid or unpaid) of a dependent child under age 14 *or* a person with a disability
  - Enrollees who are **pregnant** or postpartum up to 12 months
- **6-Month redeterminations:** All enrollees in the ACA Adult eligibility category **will be required to renew coverage every 6 months**. ACA adults who are exempt from work requirements are NOT exempt from 6-month redeterminations.

Help patients prepare with the [HFS HR1 Phase 2 Toolkit \(PDF\)](#) and [HFS Federal Resource Center](#) content.

*Note for YouthCare providers:* **YouthCare members** aged 19-21 are not subject to new Medicaid requirements. Former youth in care up to age 26 who are enrolled in the Meridian Medicaid Plan as ACA adults are exempt from work requirements.



**Don't miss important updates.** [Sign up for provider communications.](#)

Meridian publishes updates from state and federal agencies as they happen.

## II. How to support ACA adults

### Providers are the most trusted messengers of health-related information

1. **Encourage Medicaid patients, especially ACA adults, to confirm their contact information is current with HFS.**

*Tips:*

- When patients inform staff of a change of address, guide them to update their contact information with HFS
- Patients can update their HFS contact information from your office
  - **Post the [HFS flyer](#) with a QR code to *Manage My Case*** (find flyers in 15 languages on [HFS' Federal Resource Center](#) web page)
  - Direct patients to call the Medicaid enrollment center at **877-805-5312**, Monday through Friday, 7:45 a.m. – 4:30 p.m.

2. **Emphasize the importance of responding promptly to HFS notices.**

Thousands of ACA adult members who have never had to take redetermination action (i.e., Form A) **may now need to submit paperwork** (i.e., Form B) when HFS cannot automatically verify their compliance with work requirements.

*Tips:*

- Prompt Medicaid patients to create an account in the [Illinois ABE Manage My Case](#) portal
- Use the eligibility inquiry tool in the [MEDI](#) system or Meridian's [secure provider portal](#) to help ACA adults know when to expect redetermination information

3. **Leverage your communications channels to create strong awareness about the upcoming Medicaid changes.**

*Tips:*

- Make education on Medicaid changes part of your patient communications strategy
  - Messaging toolkits, flyers, and social media posts in 15 different languages are available on [HFS' Federal Resource Center](#)
- Remember that **these changes will not affect most Medicaid enrollees**
- Emphasize how new rules affect non-disabled adults ages 19 to 64 without dependents

4. **Target outreach to your ACA adult patients via text, patient portals, calling campaigns, etc.**

Identify ACA adult members by downloading patient lists, filtering patients eligible through Medicaid expansion, and prioritizing patients with upcoming redetermination dates.  
**Find step-by-step instructions in our [Provider Portal Quick Guide \[PDF\]](#).**

*Tips:*

- If your office sends reminders to patients about their upcoming Medicaid renewal dates, consider adding messaging about new requirements affecting ACA adults
- Persuasive messaging matters: Convey that *keeping health insurance coverage is important* to encourage enrollees who may ignore messages from HFS or their health plan

5. **Support efforts to educate affected ACA adults about exemptions for which they might qualify.**

*Tips:*

- Encourage all staff to learn about the new requirements and common exemptions. Many ACA adults may qualify for an exemption and not realize it
  - Find educational resources in [HFS' Federal Resource Center](#)
  - Attend [upcoming provider webinars from Meridian](#) and HFS
- Flag ACA adult members in your registration systems and promote face-to-face conversations. Create a workflow to guide them through the process.

### III. FAQs

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#### Do the new federal rules only affect ACA adults?

In addition to the ACA adult eligibility changes, HR1 also restricted Medicaid eligibility for certain **non-citizen immigrants** effective October 1, 2026. The definition of “qualified immigrants” who can access Medicaid benefits was changed to exclude refugees, people seeking asylum (Temporary Protected Status), and victims of domestic violence and trafficking (Violence Against Women Act applicants and T visa holders). HFS sent notifications to approximately 8,400 affected enrollees in late July 2026.

Starting in 2027, HR1 also **reduces the maximum retroactive coverage period** from three months to two months for all new Medicaid enrollees.

#### How can I identify Meridian ACA adult members?

ACA adult members can be identified in the Meridian [secure provider portal](#) and [Availability Essentials](#). Individuals who do not have portal access must contact their organization’s secure provider portal account manager to obtain access, per [Meridian policy](#).

For step-by-step instructions, **download our Provider Portal Quick Guide [PDF]** to identify ACA adult members in Meridian secure provider portals.

#### How will affected adults be notified?

HFS began mailing notices to ACA adults on **September 1, 2026**. Enrollees must have accurate contact information on file with HFS. ACA adults will be advised to create a **Manage My Case** account in the state’s [Application for Benefits Eligibility \(ABE\)](#) system. Future notices will be sent via mail.

#### When must affected ACA adult enrollees take action?

Applicable ACA adults must comply with the new requirements **upon their scheduled redetermination date in 2027** and every 6 months thereafter. HFS will verify work requirement compliance or exemptions at the time of redetermination.

#### *Examples:*

- A current ACA adult member with a redetermination date of April 1, 2027, must renew coverage again by October 1, 2027.
- A current ACA adult member with a redetermination date of October 1, 2027, must renew coverage again by April 1, 2028.

### How do enrollees know their redetermination date?

HFS mails redetermination paperwork to enrollees at least **30 days** prior to the completion due date. Enrollees can also find their redetermination date in the [Illinois ABE Manage My Case](#) portal.

Enrollees can receive text and email reminders from HFS when it's time for their renewal. When logged into *Manage My Case*, they can click on the "Account Management" tab and check the box to receive alerts under the "Manage your communications preferences" section.

### How can Medicaid providers know their patient's redetermination date?

**Illinois Medicaid providers can view their patients' redetermination dates in the HFS [MEDI](#) (Medical Electronic Data Interchange) system.** This information appears when conducting an eligibility inquiry.

*Note: MEDI does NOT specify if the enrollee is covered under the ACA Adult Program.*

Contracted Meridian providers can identify ACA adult members and redetermination dates in the Meridian [secure provider portal](#). Find step-by-step instructions in our Provider Portal Quick Guide [PDF].

### What are the work requirements?

Federal policy will require affected ACA adults to meet work requirements.

In Illinois, ACA adults who are enrolled by December 31, 2026, must comply with the following **during at least one of the 12 months preceding their scheduled 2027 redetermination date**:

- Monthly income of \$580 per month or more (different rules for seasonal workers); **or**
- At least 80 hours of work per month (work includes a full-time or part-time job, self-employment, seasonal work, and unpaid work like an internship); **or**
- At least 80 hours of community service (volunteering) per month; **or**
- Participation in a qualifying work program for at least 80 hours per month; **or**
- School enrollment (high school, GED, or college or trade school) at least half-time

*Note: Any of the activities can be combined to meet the required 80 hours.*

### Who is exempt from Medicaid ACA work requirements?

**Below are key exceptions and exclusions (not an exhaustive list).** Learn more: [HFS Federal Resource Center](#)

- Individuals with special medical needs ("**medically frail**") whose health condition prevents them from meeting work requirements, such as:
  - A **blind or disabled** person under Social Security standards
  - A **substance use disorder (drug or alcohol)**
  - A **serious mental health condition**
  - A **physical, intellectual, or developmental disability** that makes it difficult to perform activities of daily living
  - A **serious or complex medical condition** that requires regular treatment
- Individuals experiencing certain kinds of **short-term hardship**, such as being in-patient in a hospital, rehab facility, or intermediate care facility
- Individuals meeting work requirements for **Supplemental Nutrition Assistance Program (SNAP)** benefits (*approximately half of Medicaid enrollees are SNAP recipients*)
- Individuals meeting work requirements for **TANF** (Temporary Assistance for Needy Families)

- A **parent, guardian, caretaker relative, or family caregiver** (paid or unpaid) of a dependent child under age 14 *or* a person with a disability
- Enrollees who are **pregnant or postpartum** up to 12 months
- **Veterans** with a Veterans' Administration disability rating of 100%
- **Former youth in foster care** under age 26
- People recently released from **public institutions**, like jails or prisons

### How does an ACA adult member know if they qualify for an exemption?

When possible, HFS will use information on file to verify if an individual qualifies for an exemption. HFS will create a screening tool in *Manage My Case* to help enrollees understand if work requirements apply to them, how to meet requirements, and how to request an exemption. Further guidance from HFS is anticipated later in 2026.

### What actions must affected ACA adults take, and how will compliance with work requirements be verified?

**HFS will publish additional information** about how and when enrollees must verify compliance with the work requirements.

In 2027, enrollees may declare work requirement compliance and exemptions (such as being medically frail or a family caregiver) through **self-attestation**, with falsification of information carrying severe legal penalties. In 2028 and beyond, individuals will be required to provide documentation for compliance.

### What happens if an ACA adult misses their redetermination or is not meeting the new requirements?

Enrollees who do not meet their redetermination deadline will lose Medicaid coverage and receive a termination letter from HFS. **These individuals must reapply for Medicaid.**

Individuals who complete their renewal on time—**but whose compliance with work requirements or qualifying exemption cannot be verified**—will receive a request from HFS to provide information **within 30 days**. Process details are expected from HFS.