



H.R.1 Implementation Webinar Series: Questions and Answers (Q&A)

State Budget Advocacy

H.R.1 is a funding bill signed into law in July 2025, which will significantly impact the supportive housing field. The bill will reduce Medicaid spending by almost \$1 trillion over the next decade. In response, CSH is supporting the field through a regular webinar series about the impact of H.R.1 and how states can prepare.

Disclaimer: This document outlines questions asked by webinar attendees of the H.R.1 webinar: “State Budget Advocacy.” For many of these critical questions, the answers will vary from state to state. At the time of publication, some answers may not be available as they are dependent on guidance from the Centers for Medicaid and Medicare Services (CMS) or policies and processes being developed by the state. As states develop their Medicaid systems in response to H.R.1 and communicate these changes, more guidance will be issued. This document is meant to be informational and does not represent a policy stance on behalf of CSH.

1. Will the National Association of State Budget Officers (NASBO) provide a budget analysis when budgets are released and passed?

Yes, NASBO has a variety of materials to review including the [2025 State Expenditure Report](#).

2. Is the \$82 billion impact in Medicaid spending and \$15 billion impact in SNAP cost sharing each year or over 10 years?

- a. Medicaid spending is expected to be reduced by almost a trillion dollars over 10 years.
- b. The SNAP funding number above also appears to be an estimated 10-year number of losses.



3. How is H.R.1 addressing the shortage of rural healthcare providers?

H.R.1 includes the [Rural Health Transformation \(RHT\) Program administered by Centers for Medicare & Medicaid Services \(CMS\)](#), which administers grants to states to work on a variety of rural health topics including workforce development and expanding telehealth.

4. Please explain state fiscal years.

46 states and Puerto Rico begin their Fiscal Year on July 1 every year. Some states use a different day as the beginning of their fiscal year. For example, some states (AL, DC, MI) use October 1 as the beginning of their Fiscal Year. New York uses April 1, and Texas uses September 1.

5. Can you recommend a place to find budget information specific to California?

You can find California-specific budget information here: [Public Policy Research, Budget and State Tax Analysis - California Budget & Policy Center](#)

6. What impact will these budget cuts have on policy and Medicaid consulting? Will states develop new programs? Will they leverage a third party to assist in designing, implementing, and evaluating policy programs related to Certified Community Behavioral Health Clinics (CCBHCs), managed care contracts, program evaluations and designs related to Medicaid?

At present, it is difficult to determine the impact. States will need to make difficult choices with significantly less funding. States will need to make specific, cost-saving arguments to preserve critical programs.

7. More hospitals may close due to the reductions in federal funding. Will this make it more difficult for people who use public transportation to get to hospitals further away from where they live? What can be done to alleviate this transportation barrier? Will transportation assistance costs covered by Medicaid also be cut or reduced?



Hospital closures will mean people will have to travel further for care, and lives can be lost. Non-Emergency Transportation is an Essential Health Benefit under Medicaid, so cuts will have to be limited. However, sometimes providers will not sign up to provide this service if their payments are too low. Local or state transportation departments may be able to offer assistance.