



December 18, 2025

To: State Medicaid Directors and State Legislative Leaders:

As states prepare to comply with the Medicaid-related requirements of H.R. 1 (The One Big Beautiful Bill Act), **we write to express concern about the [impact of the law on people experiencing homelessness](#)** and to suggest policy actions that can reduce coverage losses. More frequent eligibility redeterminations, the requirement to verify addresses, and the community engagement/work requirement are all likely to cause high disenrollment rates among a population that has [significant health care needs](#) as well as unique barriers to proving compliance with administrative conditions. States who have expanded access to care through Medicaid 1115 waivers for either [supportive housing](#) or [medical respite care](#) may be reconsidering support for these services, but it is critical to maintain these added services to reduce the burden on hospitals and increase housing stability and access to ongoing care.

Many people experiencing homelessness were ineligible for Medicaid until the ACA's expansion extended them coverage for the first time. Since 2014, the uninsured rate for this population has [declined by 60%](#) in states that opted to expand coverage. During that time, we've seen improved access to comprehensive care, improvements in health outcomes, and lower use of emergency services. Now, H.R. 1's changes in eligibility put that progress at risk, but there are options states can implement moving forward.

To reduce Medicaid churn and coverage losses for people experiencing homelessness, we encourage states to adopt the following actions within the new eligibility and compliance systems:

Eligibility Redeterminations:

- **Conduct re-determinations no more than every six months:** The law allows redeterminations twice a year to ensure ongoing eligibility. More frequent redeterminations only increase the inefficient churning of otherwise eligible people on the rolls and add to the administrative burdens for both state systems and individuals.

- **Address Verification:**
 - **Include homeless services provider addresses in verification activities:** Starting January 1, 2027, all states must regularly obtain address information for Medicaid enrollees from reliable data sources to prevent multi-state enrollment. People experiencing homelessness are much less likely to have a stable address and instead use a service provider's address (health center, shelter, drop-in center, etc.). Ensure the state has an accurate list of all the service providers' addresses to prevent erroneous disenrollments simply due to unfamiliar or non-traditional addresses.

➤ **Community Engagement/Work Requirements:**

- **Require only one month of compliance prior to application or at renewal:** Medicaid applicants are required to demonstrate compliance with work requirements at least one month immediately preceding the application or at renewal time (but states have the option to require up to three months). Requiring only one month of compliance will simplify the process for both state systems and individuals and make it more likely that people can access needed care in a timely manner.
- **Broadly define “medically frail” as an exemption category:** The law allows someone who is “medically frail or otherwise has special medical needs” to be exempted from the work/community engagement requirement. This includes people with “a substance use disorder,” “a disabling mental disorder,” and “serious and complex medical conditions” to be exempt. People experiencing homelessness often have significant, chronic health care issues even if they are not actively engaged in treatment (which may not be available to them even if they have attempted to access it).

States could create a list of ICD-10 codes that indicate medical frailty and use claims data from recent years and/or attestations from health care providers to substantiate automatic exemptions (note: health care providers already document health status/conditions for federal disability benefits).

- **Include all substance use treatment providers:** The law allows those participating in “a drug addiction or alcoholic treatment and rehabilitation program” to be exempt from the work/community engagement requirement. Ensure outpatient visits to community health centers/federally qualified health centers and other types of primary care providers, addiction counselors, and/or licensed social workers who also offer behavioral health care are counted as valid exemptions [to include visits for medications for opioid use disorder (MOUD)].
- **Add medical respite care to “short-term hardship event” definition:** The law gives states the option to allow a one-month exemption for “short-term hardships” that include “outpatient care relating to a stay in an inpatient hospital, nursing facility, or other acute care setting.” States that have medical respite care services should include this type of care in its definition of short-term hardship event. [Background: medical respite care is acute and post-acute medical care for people experiencing homelessness who are too ill or frail to recover from a physical illness or injury on the streets but who are not ill enough to be in a hospital. More information [here](#).]
- **Exempt people experiencing homelessness via data-matching:** We encourage states to consider where and how people experiencing homelessness can be included in existing exemptions. Searching Medicaid claims data and/or health care systems for Z59 codes (the ICD-10 code for homelessness) is one possible approach. A second approach includes matching data with local HUD-funded [Homeless Management Information Systems \(HMIS\)](#) to identify people who are homeless. A third approach allows self-attestations of homelessness from individuals or a recognized service provider.

Fact sheet: [Rationale for Exempting People Experiencing Homelessness from the Work Requirement](#)

While a state plan amendment may be preferable for states to add a categorical exemption for homelessness, five states have submitted 1115 waivers to CMS that include a request to exempt this population (as examples):

1. **Arizona:** Requesting that “individuals who are homeless or who were recently homeless up to six months post-housing” be exempt from the community engagement/work requirement.

2. **Georgia:** Requesting that beneficiaries who are “temporarily homeless” be granted a “good cause exemption” to the state’s work requirement.
3. **Iowa:** Requesting individuals “experiencing homelessness” be exempted from work requirements.
4. **Kentucky:** Requesting “individuals who are homeless or who were recently homeless for up to six months post-housing” be exempt from the work requirement and not be automatically referred to the Department of Workforce Development.
5. **Montana:** Requesting that individuals “experiencing homelessness” be included in short-term hardship/good cause exemption.

➤ **Medicaid 1115 Waivers:**

- **Continue 1115 waivers for supportive housing and medical respite care:** Both types of services reduce hospital/ED utilization, improve health outcomes for vulnerable people, and increase efficiencies across the health care system. States that have these waivers should continue to provide these services to ensure the state retains its key tools to address homelessness.

People experiencing homelessness have unique challenges to accessing health insurance and needed health care services. H.R. 1 will likely reverse the substantial progress made in many states to extend coverage, improve health outcomes, and reduce the costs of uncompensated care for this population of people. As states also look to address the issue of homelessness more broadly, there are policy options that can be adopted to ensure Medicaid remains a key “tool in the toolbox” for reducing homelessness itself while also improving overall care.

Resources:

- **Policy Brief:** [One Big Beautiful Bill Act: State-Level Advocacy Actions for the HCH Community](#)
- **Policy Brief:** [Rationale for Work Requirement Exemption for People Experiencing Homelessness](#)
- **Fact Sheet:** [Homelessness and Health: What’s the Connection?](#)
- **Fact Sheet:** [Homelessness and Medicaid: What’s the Connection?](#)
- **Fact Sheet:** [Health Insurance and Revenue at HCH Programs, 2024](#) (with state-by-state insurance information)
- **Fact Sheet:** [Impact of Medicaid Work Requirements for Unhoused People](#)

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