Medicaid 101

Medicaid is the single largest payer of behavioral health services in the United States,[1] and the changes to Medicaid under H.R.1 will significantly impact behavioral health services throughout the country. Implementation will vary widely across states, given the nature of the program's state-federal relationship.

This fact sheet explains the differences between traditional Medicaid and Medicaid expansion and how H.R.1 provisions impact the Medicaid expansion population.

What Is Medicaid?

Medicaid is a joint federal and state program that provides free or low-cost health coverage to millions of eligible low-income adults, children, pregnant individuals, older adults and people with disabilities. While the federal government sets baseline rules, each state administers its own Medicaid program. As a result, eligibility requirements and covered services vary by state.

Difference Between Traditional Medicaid and Medicaid Expansion

Traditional Medicaid: Traditional Medicaid covers groups of historically eligible individuals based on categorical criteria. A list of mandatory eligibility groups is available from Medicaid.gov.

Medicaid Expansion: In contrast, under the Affordable Care Act, Medicaid expansion covers low-income adults who may not have been eligible for Medicaid under traditional state rules. Generally, this means that the Medicaid expansion population is non-pregnant individuals ages 19-64, not eligible or enrolled in Medicare Part A, not enrolled in Medicare Part B, with income up to 138% of the Federal Poverty Level ($21,597 for an individual in 2025).

A table of states' income eligibility limits is available from Kaiser Family Foundation (KFF).

- A Supreme Court ruling in 2012 made Medicaid expansion optional for states. As of April 2025, all but 10 states have adopted the expansion. See the status of states' Medicaid expansion decisions on the KFF website.

H.R.1 also eliminates a temporary, two-year increase in the enhanced federal match provided to states, which limits incentives for states to expand Medicaid if they have not done so already.

H.R.1 and Medicaid Expansion Populations

Many of the changes to Medicaid under H.R.1 apply specifically to the expansion population. The bill imposes cost sharing, mandatory work requirements and six-month eligibility redeterminations on this population exclusively. Georgia and Wisconsin have not extended Medicaid through traditional means but have similar state waivers in place, and these changes would apply to people enrolled through these waivers.

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[1] Medicaid and CHIP Payment and Access Commission. (n.d.). *Behavioral health.* https://www.macpac.gov/topic/behavioral-health/

Additionally, other provisions under H.R.1, such as caps on state directed payments and limits on provider taxes, are treated differently in expansion versus non-expansion states.

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