



RECENT FEDERAL AND STATE POLICY CHANGES AFFECTING GRANITE STATERS WITH LIMITED RESOURCES

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BOARD OF DIRECTORS

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TWO SETS OF POLICY CHANGES DEVELOPED IN PARALLEL

STATE BUDGET

- Signed into law June 27, 2025
- House Bills 1 and 2
- Included both funding and policy changes
- Some policies have been altered with subsequent laws (Medicaid work requirements, for example)

FEDERAL POLICY

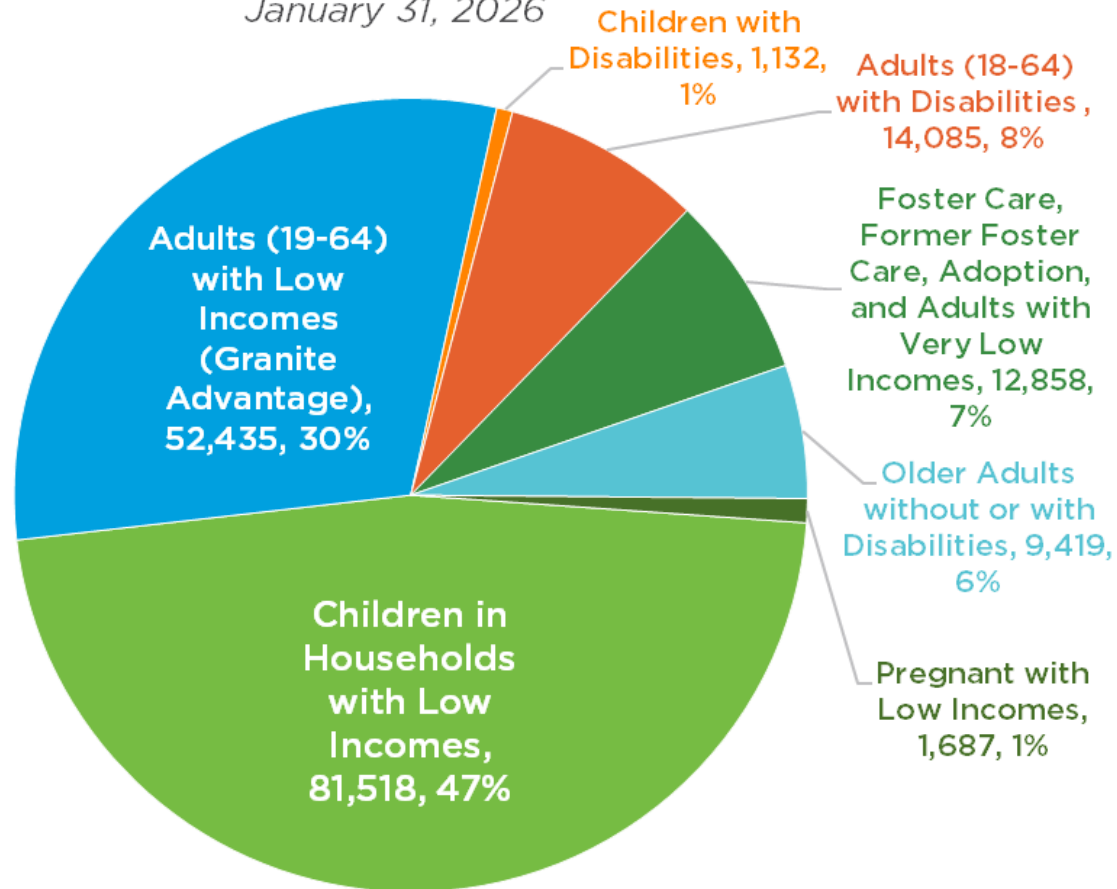
- Signed into law July 4, 2025
- One Big Beautiful Bill Act
- Sometimes called “H.R. 1 of 2025” or “OB3”
- Also known as the 2025 federal reconciliation law

FEDERAL AND STATE MEDICAID ELIGIBILITY AND FUNDING CHANGES

SIGNIFICANT FEDERAL AND STATE POLICY CHANGES TO MEDICAID

MEDICAID ENROLLMENT IN NEW HAMPSHIRE

January 31, 2026



- 173,134 Granite Staters had access to health care through Medicaid at the end of January 2026 (12.2% of Granite Staters)
- Approximately \$2.8 billion expenditure in SFY 2025 from all sources, with 58% of the total supported by federal funds
- Federal Medicaid revenue, counted together, is the largest single source of revenue for the State (\$1.6 billion in SFY 2025)
- Recent federal changes to Medicaid may reduce federal aid to NH by about \$2.3 billion over ten years (15%)

Source: New Hampshire Department of Health and Human Services, February 11, 2026

Sources: New Hampshire Department of Health and Human Services; KFF

STATE-LEVEL MEDICAID PREMIUMS

- Enrollees with certain incomes in the New Hampshire Granite Advantage Health Care Program, part of Medicaid often known as “Medicaid Expansion” for adults age 19 to 64 with low incomes, and for certain families with children, would pay State premiums
- Monthly premiums for Granite Advantage adults with incomes between the poverty guideline and 138% of the poverty guideline, dependent on household size
 - \$60 per month, or \$720 per year, for a single adult with income between \$15,960 to \$22,025 in 2026
 - \$90 per month, or \$1,080 per year, for a family of three with incomes between \$27,320 and \$37,702
- Monthly premiums for families with children enrolled in the Children’s Health Insurance Program component of Medicaid and incomes 255% to 323% of poverty
 - \$190 per month, or \$2,280 per year, for a two-person household with incomes \$55,182 to \$69,897
 - \$230 per month, or \$2,760 per year, for a family of four, incomes of \$69,666 and \$88,244
- State’s premiums for Granite Advantage enrollees likely will not be legal under OB3, but the State Department of Health and Human Services appears to be waiting for official federal guidance, federal \$35 copayments for expansion enrollees coming
- CHIP enrollee premiums, not yet implemented, do not appear to be impacted by OB3

MEDICAID WORK REQUIREMENTS

- Different sets of federal and State Medicaid work requirements were signed into law
- State government has, as of March 2026, harmonized its work requirements with new federal requirements, which all states must implement by the end of this year
- Enrollees in Granite Advantage (52,435 in January 2026) who do not have exemptions would have to participate in eligible employment or qualifying community service or educational activities for at least 80 hours per month
 - Federal law requires these conditions are satisfied for at least one month before enrolling and one month in every six, when redeterminations are required for expansion enrollees
 - State governments have flexibility to make work requirement checks more stringent, and New Hampshire will require quarterly verifications and not self-attestation
 - Exemptions include parents or caretakers of children under 14 years old, adults experiencing a disability or caring for someone with a disability, pregnant individuals or those receiving postpartum care, former foster youth and certain Veterans, enrollees compliant with work requirements for the Supplemental Nutrition Assistance Program (SNAP), individuals receiving substance use disorder treatment, and the medically frail
 - State policymakers recently defined medically frail in State law, and forbid self-attestation as sufficient for compliance with work requirements

REDUCED FEDERAL MEDICAID ELIGIBILITY

Certain previously-eligible legal immigrants will no longer be eligible for Medicaid after October 2026, including:

- Refugees
- Asylees
- Victims of human trafficking and domestic violence
- “Parolees” lawfully admitted for humanitarian reasons
- Special immigrant visa holders from Iraq and Afghanistan

Eligibility would continue for “green card holders” after five years of residence, immigrants from Cuba, Haiti, the Marshall Islands, Federated States of Micronesia, and the Republic of Palau, and certain children and pregnant women.

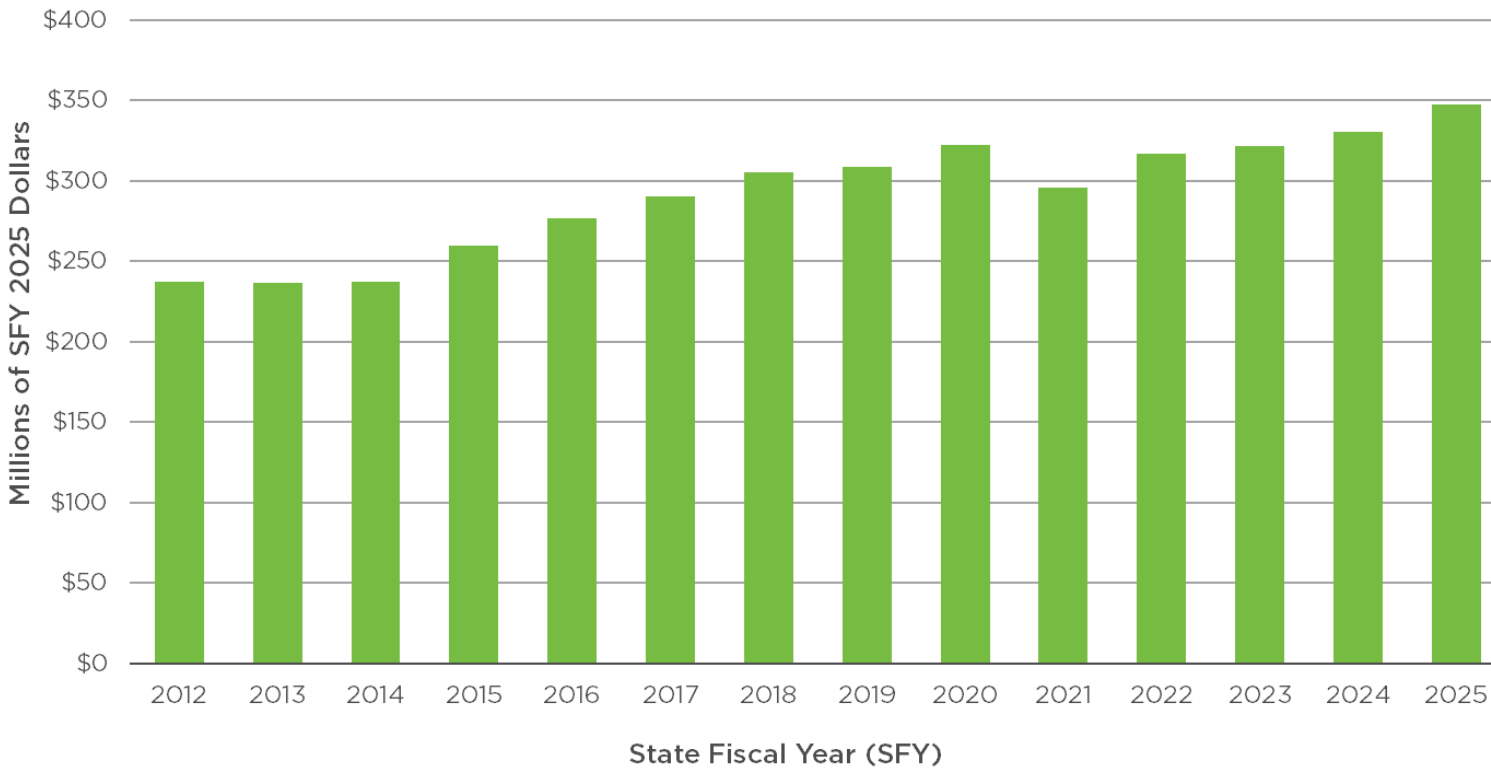
- Similar set of groups also will lose eligibility for the Supplemental Nutrition Assistance Program, Medicare, and marketplace premium assistance
- States and hospitals in Medicaid Expansion states would lose federal reimbursement for providing emergency care to people who would otherwise be Medicaid-eligible if not for immigration status

OTHER FEDERAL POLICY CHANGES

- Medicaid redeterminations required every six months for Expansion enrollees
- Federal copayments, administered by states, must be applied to Medicaid Expansion enrollees with incomes above the federal poverty line to provide a copayment of up to \$35 for every non-exempt service received; prescription drug copayments required
- Curtailing retroactive Medicaid eligibility by limiting previous 90-day limit to 30 days for Medicaid Expansion adults and 60 days for all other enrollees, likely to impact people entering nursing facility care after sudden change in health status
- Halting the implementation of components of two new sets of federal rules that would have made application processes for Medicaid more efficient, particularly for Medicare enrollees and required more staffing at nursing facilities
- Exempts certain drugs from previously-required Medicare price negotiations, which may impact out-of-pocket costs for older adults
- Limits on state-directed payments that boost reimbursements to providers or managed care organizations in certain instances, higher limit for non-Medicaid Expansion states (110 percent of Medicare rates) than Medicaid Expansion states (cannot exceed Medicare rates), with phase downs over time

KEY CONTEXT: THE MEDICAID ENHANCEMENT TAX

NEW HAMPSHIRE MEDICAID ENHANCEMENT TAX INFLATION-ADJUSTED REVENUE



Note: All revenues are unaudited cash basis revenues.

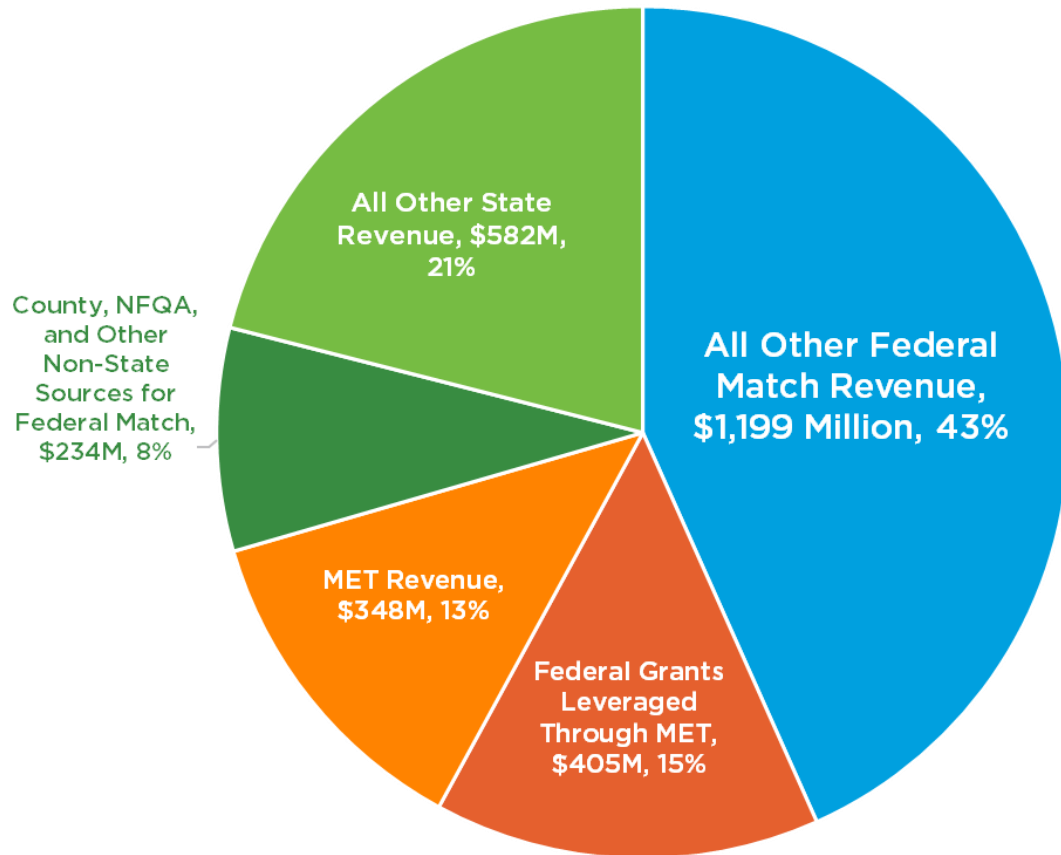
Sources: New Hampshire Department of Revenue Administration; New Hampshire State Treasury; U.S. Bureau of Labor Statistics, CPI-U, Northeast

- New Hampshire State tax on hospitals of 5.4 percent of charges levied for services
- Revenues to Uncompensated Care and Medicaid Fund, matched with federal funds
- Supports Disproportionate Share Payments to hospitals based on care provided to Medicaid and uninsured patients
- Remaining funds contribute State share of match for federal Medicaid dollars
- Fourth-largest State tax by collected amount in SFY 2025

LIMITATIONS ON HOSPITAL PROVIDER TAXES

REVENUE FOR MEDICAID IN NEW HAMPSHIRE BY SOURCE

State Fiscal Year 2025

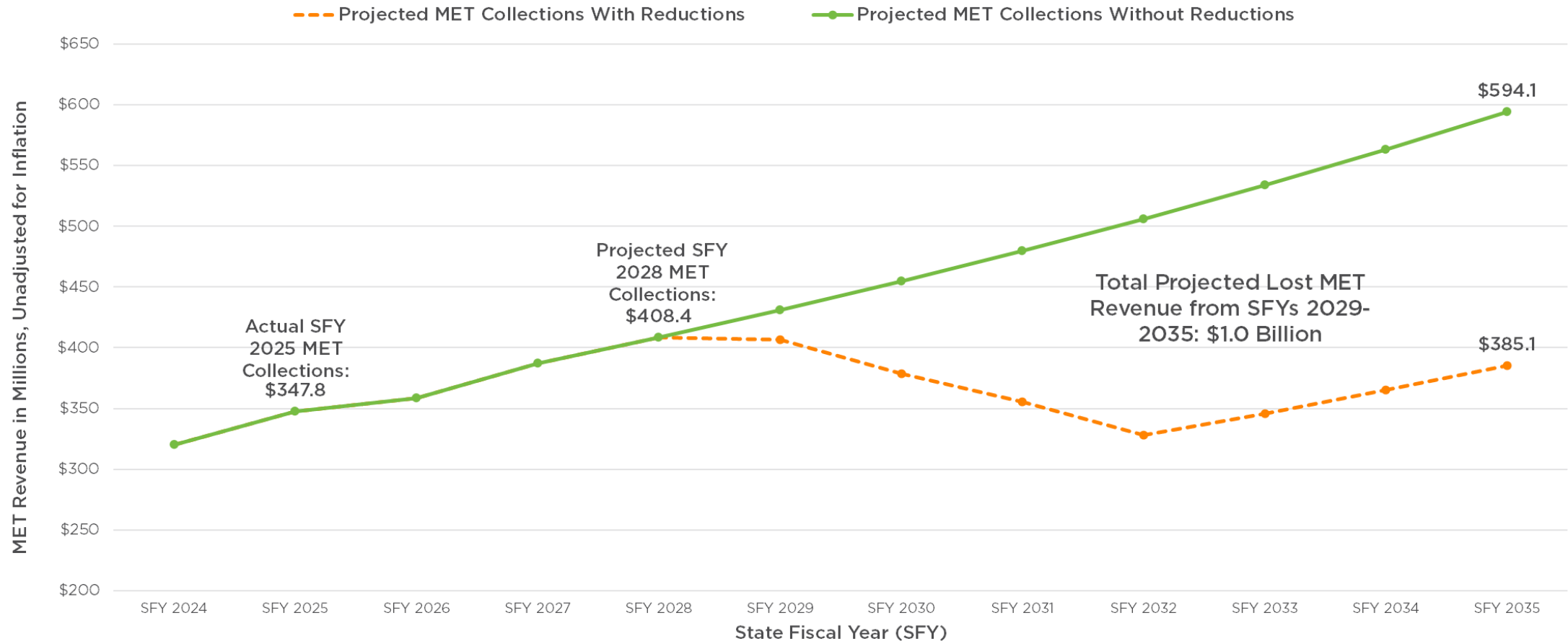


- Hospital provider taxes limited, will be reduced incrementally from maximum of 6.0 percent currently to a maximum of 3.5 percent by October 2031
- That limit would have lowered NH Medicaid Enhancement Tax revenues for Medicaid by \$119.1 million in State Fiscal Year 2025, forgone \$148.5 million in federal matching funds
- Does not apply to Nursing Facility Quality Assessment
- Unclear how this loss of revenue may impact other Medicaid financing

ABOUT \$1 BILLION IN FORGONE MET REVENUE OVER TEN YEARS, NOT INCLUDING FED. MATCH

PROJECTED MEDICAID ENHANCEMENT TAX COLLECTIONS IN NEW HAMPSHIRE

Projections With Applied Tax Rate Reductions Included in the New Federal Reconciliation Law



Note: Projections include a 5.5% annual increase in the tax base, which was the average for SFYs 2013-2025 and the projected amount for SFY 2026. Annual growth may vary overtime. MET revenue reductions do not include associated federal Medicaid matching funds. SFY 2029's reduction was only applied to three quarters of the year, since changes will occur in October. For a detailed explanation on methodology, see NHPFI's February 2026 Report, Hospital Provider Taxes and Support for Uncompensated Care in New Hampshire.

Sources: NH Departments of Revenue Administration and Health and Human Services for SFYs 2024-2026 data only

**OTHER STATE BUDGET AND
OBBBA CHANGES IMPACTING
GRANITE STATERS WITH LOW INCOMES
AND FUNDING FOR SERVICES**

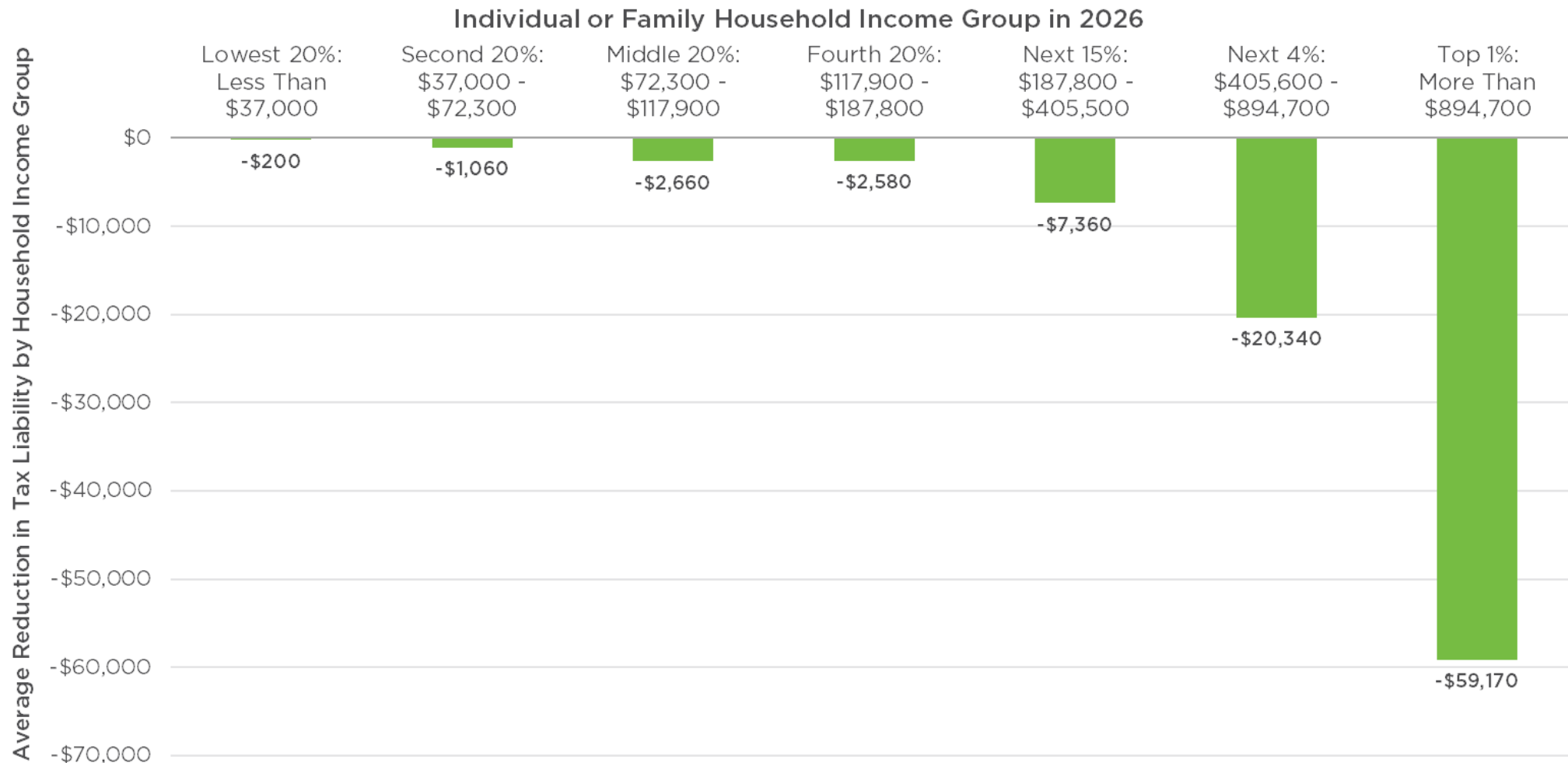
FEDERAL RURAL HEALTH FUNDING AND SNAP POLICY CHANGES

- Rural Health Transformation Fund will provide at least \$500 million to New Hampshire over five years, with potential for similar amount to be granted by federal government based on applications for use, depends in part on other states
- \$204.0 million awarded to New Hampshire for federal fiscal year 2026, must be spent by September 30, 2027, next round of possible funding to arrive in November 2026, and all funds in \$50 billion nationwide appropriation must be spent by Sept. 2031
- New Hampshire funds overseen by Governor's Office of New Opportunities & Rural Transformational Health (GO-NORTH), to oversee hubs (Foundation for Healthy Communities, Community College and University Systems, and Community Development Finance Authority) and focus on rural primary care and population health, health care workforce supports and pipelines, digital health technology, capital improvement projects
- More cost-sharing with states for SNAP benefits likely, with funding dependent on error rate; \$8 million for New Hampshire 2024 error rate, \$23 million with 2023 error rate, and cost-sharing starts in 2028
- More SNAP administrative costs shifted to states, from about 50% to 75% for states
- SNAP eligibility eliminated for groups also losing Medicaid and marketplace eligibility

TAX BENEFITS LIMITED WITH LOWER INCOMES

AVERAGE 2026 TAX REDUCTION PER INDIVIDUAL OR FAMILY HOUSEHOLD IN NEW HAMPSHIRE BASED ON THE JULY 2025 FEDERAL RECONCILIATION LAW

By Income From Any Source, Based on Modeling of the Federal Law Signed July 4, 2025



Source: Institute on Taxation and Economic Policy, Analysis of Tax Provisions in the Senate Reconciliation Bill: National and State Level Estimates, Updated July 2, 2025

OTHER STATE FUNDING CHANGES

- Funded a call center to help with Medicaid eligibility processing at \$3.8 million
- Provided \$3.0 million for long-term care eligibility determinations backlog
- \$700,000 to fund congregate housing under the Medicaid waiver program
- \$550,000 to establish 50 guardianship slots for individuals released from hospital settings who are legally incapacitated and require help making decisions around hospital discharge
- \$200,000 to increase funding for the Alzheimer's Disease and Related Dementias (ADRD) caregiver grant program
- Increased Medicaid copayments for prescription drugs from \$1-\$2 to \$4
- Boosted funding for Temporary Assistance to Needy Families payments and assistance in federal and State funds
- Established a committee to study the potential integration of Medicaid-funded long-term care into managed care system, report issued October 2025

OTHER KEY STATE BUDGET CHANGES

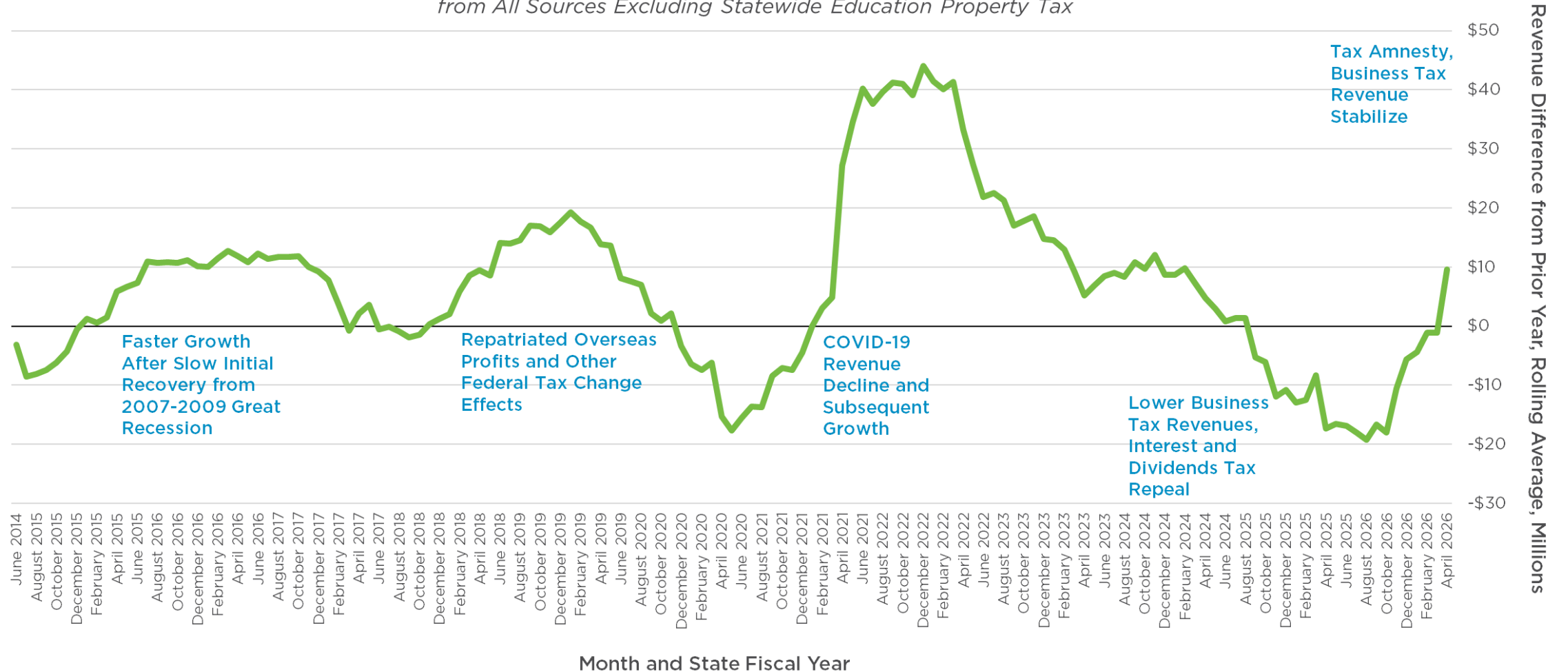
- Requires \$51.0 million in unspecified budget reductions at the NH DHHS
 - Stated priorities include keeping funding for programs at least at prior year levels, reducing contract scopes that would minimize service disruption, reducing legal risk
 - Reported reductions include \$16.4 million in one-time clearing of encumbrances, canceling a \$1.8 million contract with NH Food Bank associated with the federal government shutdown, savings from lower contract bids than anticipated, negotiating lower rents and leases, reducing Community Mental Health Center contracts and funding for staffing to transition individuals out of Glencliff, trimming wide variety of services
- Total “back-of-budget” reductions will be \$112.7 million in unspecified service cuts or revenue generation across all Executive Branch agencies
 - Non-DHHS agencies do not face reporting requirements except Governor’s \$32M savings
- Repealed Prescription Drug Affordability Board
- Reduced funding for Office of the Child Advocate by about \$357,000 (32%)
- Partially defunded State Commission on Aging, limiting appropriations to a flexible \$150,000 per year (appropriation in SFY 2025 was \$232,436)

CURRENT STATUS OF STATE REVENUES

RECENT STATE REVENUE TURNS FAVORABLE

DIFFERENCES OVER TIME IN NEW HAMPSHIRE COMBINED GENERAL AND EDUCATION TRUST FUNDS MONTHLY CASH RECEIPTS

Twelve-Month Rolling Averages of Monthly Cash Receipts to the General and Education Trust Funds Relative to Prior Year from All Sources Excluding Statewide Education Property Tax

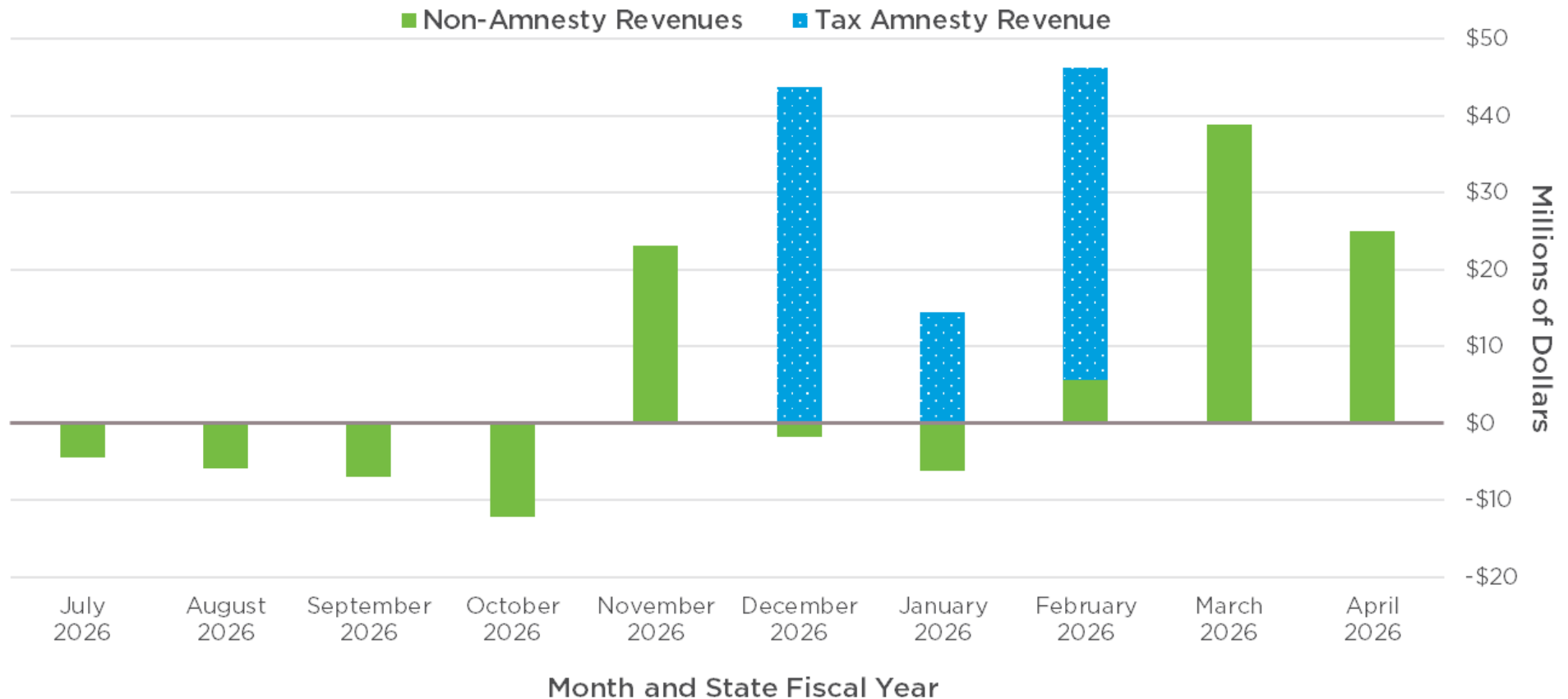


Note: Medicaid Enhancement Tax excluded from historical data. Statewide Education Property Tax excluded due to tax targeting a certain amount collected. Sources: New Hampshire Department of Administrative Services, Monthly Revenue Focus Reports

KEY RECENT REVENUE SURPLUSES DRIVEN BY ONE-TIME TAX AMNESTY PROGRAM

GENERAL AND EDUCATION TRUST FUND CASH REVENUES RELATIVE TO STATE REVENUE PLAN TARGETS BY MONTH

New Hampshire General and Education Trust Funds

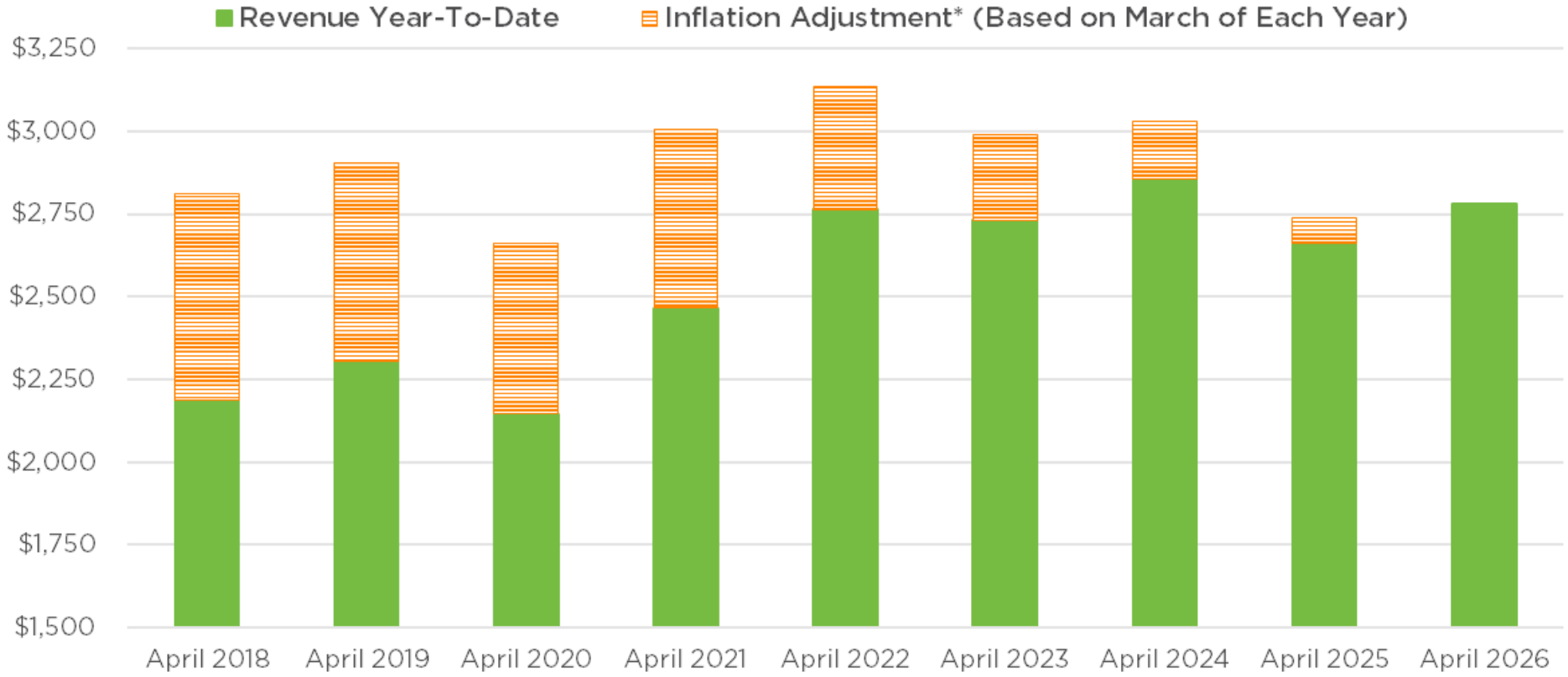


Sources: Department of Administrative Services Monthly Revenue Focus Reports

REVENUE INCREASES STILL LAG BEHIND SPENDING POWER OF PRIOR YEARS

NEW HAMPSHIRE STATE COMBINED GENERAL AND EDUCATION TRUST FUNDS REVENUE, YEAR-TO-DATE AS OF APRIL EACH YEAR

Combined General and Education Trust Funds Revenue, in Millions, Cash Basis



Note: Axis does not begin at zero.

*Note: Inflation adjustment based on the Consumer Price Index-Urban, New England for All Items
 Source: New Hampshire Department of Administrative Services Monthly Revenue Focus reports;
 U.S. Bureau of Labor Statistics

POTENTIAL FISCAL CHALLENGES FACING STATE

- Loss of revenue from federal Medicaid Enhancement Tax restrictions and federal match revenue
- New education funding requirements from a mid-2025 ruling by the State Supreme Court
- Youth Development Center settlements and court cases
- Construction of a new State prison for men
- Slower growth in existing tax revenue sources
- Economic challenges could increase service needs and decrease revenues

KEY TAKEAWAYS

- Federal and State policy changes, which happened in parallel during 2025, will have different and interacting impacts on health services and State finances
- Access to Medicaid, the largest State program in total dollars, will be more limited for Granite Staters, with more State and federal requirements for payment from certain enrollees, reduced eligibility, and more reporting requirements
- Center on Budget and Policy Priorities: estimated 20,000 Medicaid Expansion enrollees likely to lose coverage in New Hampshire due to work requirements
- Medicaid funding source to be reduced by limitation on hospital provider taxes
- Likely shift in SNAP costs to states could put more fiscal pressure on program
- State funding limited by lack of available revenue in last State Budget cycle, in part due to State policy choices, and key services were trimmed or altered while impacts of back-of-budget reductions are not fully known
- State revenues may have stabilized after drop, but still offer fewer real resources for State services than in prior years while significant costs loom

ADDITIONAL REFERENCES AND RESOURCES

Issue Brief: New Federal Reconciliation Law Reduces Taxes, Health Access, and Food Assistance Supports for Granite Staters – August 4, 2025: <https://nhfpi.org/resource/new-federal-reconciliation-law-reduces-taxes-health-access-and-food-assistance-supports-for-granite-staters/>

Report: The State Budget for Fiscal Years 2026 and 2027 – July 28, 2025: <https://nhfpi.org/resource/the-state-budget-for-fiscal-years-2026-and-2027/>

Issue Brief: Headwinds Hit the New Hampshire Economy – August 27, 2025: <https://nhfpi.org/resource/headwinds-hit-the-new-hampshire-economy/>

Blog: Latest U.S. Census Bureau Data Show Granite Staters’ Economic Well-Being Remained Steady and Did Not Improve in 2024 – September 11, 2025: <https://nhfpi.org/blog/acs2025/>

Report: Hospital Provider Taxes and Support for Medicaid Financing in New Hampshire – February 16, 2026: <https://nhfpi.org/resource/hospital-provider-taxes-and-support-for-medicaid-financing-in-new-hampshire/>

Publication: New Hampshire Policy Points, Second Edition – December 6, 2024: <https://nhfpi.org/nhpp/>



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