Washington State Health Care Authority

Apple Health (Medicaid) in Washington

On July 4, 2025, Congress signed into law a continuing resolution for the federal budget. It contains numerous changes that impact Apple Health and the individual market. (Apple Health is what we call Medicaid in Washington state.) The Health Care Authority (HCA) and our partners are still assessing the full scope of impacts to Apple Health but anticipate significant administrative changes and new state costs associated with implementation.

Impacts of the federal budget on Apple Health

- **Apple Health provides health coverage to almost 2 million Washingtonians.**
- Between 200,000 and 320,000 Washingtonians are projected to lose Medicaid coverage because of the federal budget.
- Washington is projected to lose billions in federal Medicaid funding between 2025–2034.

Major Medicaid policies and timelines (based on enacted budget)

	Policy	Effective Dates
Restricts payment for protected health services	Restricts federally funded Medicaid payments for 1 year to nonprofit organizations that primarily engage in family planning services or reproductive services and provide abortion services. Likely to impact over $11 million in funding.	Effective for 1 year, **from date of enactment** (July 4, 2025)
Funding for non-citizens	Changes Medicaid eligibility for refugee, asylee, and other non-citizen adults.	**Oct. 1, 2026**
Work requirements	Establishes work requirements as a new condition of Medicaid eligibility for adults aged 19-65 who receive full coverage. This makes coverage based on working, training, or doing community engagement 80 hours per month. Includes certain categorical exemptions.	**Dec. 31, 2026**, with option to apply for waiver to implement Dec. 31, 2028
Rural health funding	Allocates $10 billion annually to states, which can be used to support rural health transformation projects with a focus on promoting care, supporting providers, investing in technology, and assisting rural communities.	States can apply in **2025**; funding from 2026–2030
Increases the frequency of eligibility redeterminations	Requires states to redetermine eligibility for adults enrolled through Medicaid expansion every 6 months, instead of every 12 months.	**Dec. 31, 2026**
Retroactive coverage	Shortens period of retroactive coverage eligibility from 3 months to 1 month for adults and 2 months for other Medicaid and CHIP applicants.	**Jan. 1, 2027**
Restricts new state-directed payments (SDPs) from exceeding Medicare payment levels	Requires existing SDPs for hospital and nursing facility services and services provided at an academic medical center to reduce by 10% per year, beginning in 2028 until they reach Medicare levels.	10% reductions begin in **2028**
Cost-Sharing	Requires adults to pay cost-sharing of up to $35 for many services. Excludes primary care, behavioral health, emergency services, and services rendered in certain rural settings from the requirement.	**Oct. 1, 2028**
Address verification	Changes requirements for address verification.	**Oct. 1, 2029**
Removes good-faith waivers related to erroneous payments	Removes ability to waive federal penalties for a state's good-faith efforts to correct erroneous excess Medicaid payments under the Payment Error Rate Measurement (PERM) program and other state and federal audits.	**Oct. 1, 2029**