H.R. 1 Impacts on Washington State People and Budget

Updated August 14, 2025

The enactment of House Resolution 1 brings changes to federal policy that will significantly impact Washingtonians. These changes have implications for individuals, families, service providers, and the state budget—affecting everything from SNAP benefits and Medicaid coverage to student loan programs and renewable energy incentives. They will influence how people access basic services, get health care, and pursue education.

This page provides agency-specific insights into what's changing, who is impacted, and when these changes take effect. The information will be updated monthly.

FOOD ASSISTANCE: Supplemental Nutrition Assistance Program

Policy Change	Description	Agency	Washingtonians Impacted	Annual State Funding Impact	Effective Date	State Fiscal Year
1) Work Requirements	Broadens the scope of those who must meet SNAP eligibility work requirements and narrows the exemptions for some people who have not historically been required to satisfy work requirements, like people who are homeless, veterans, certain former foster youth, and those who have dependent children.	DSHS	137,300	unknown administrative costs unknown savings from reduced eligibility	July 4, 2025	FY26
2) Eligibility Limits Based on Residency and Citizenship Status	Limits SNAP to U.S. citizens, U.S. nationals, lawful permanent residents, Citizens of the Freely Associated States (COFA migrants) and certain Cubans/Haitians. Other immigrants, like refugees and asylees, are now ineligible.	DSHS	33,000	$100 million per year (if shifted to the State Food Assistance Program)	July 4, 2025	FY26
3) Eliminate Low Income Energy Assistance Deduction	Limits the impact of Low-Income Home Energy Assistance Act payments in SNAP (under Heat & Eat), conferring the standard utility allowance only to households with an elderly or disabled member. Otherwise, LIHEAP payments become countable income. This adds administrative burdens for DSHS clients and may increase state error rates and, in turn, the corresponding state match.	DSHS	75,000 households	unknown at this time	July 4, 2025	FY26
4) Eliminate Internet Deduction	Eliminates internet service costs toward shelter expense calculations when determining a SNAP participant's deductions and benefit level. This will reduce the amount of benefits that SNAP recipients receive, in particular in high-cost areas.	DSHS	unknown at this time	unknown at this time	July 4, 2025	FY26
5) Eliminates Nutrition Education program	SNAP will no longer fund the 60+ local health departments, community and health care organizations, tribes, and WSU Extension offices that provide nutrition education programming to the public. This eliminates funding for approximately 180 jobs.	DSHS	unknown at this time	$12 million per year	Oct. 1, 2025	FY26
6) Increase State SNAP Admin Share	Increases the state share of administrative costs for SNAP from 50% to 75%. Administrative costs are currently evenly split between the state and federal governments. With this change, the state will pay a higher share for administering SNAP.	DSHS	n/a	$66 million per year	Oct. 1, 2026	SFY27
7) SNAP state match	Requires states to contribute 5-15% annually to the SNAP program, if the state payment error rate is higher than 6%. Historically, SNAP food benefits have been fully paid for by the federal government. Washington's anticipated share is 5%.	DSHS	n/a	$100 million - $300 million per year	Oct. 1, 2027	FY28

HEALTH CARE: Medicaid Enrollee Impacts

Policy Change	Description	Agency	Washingtonians Impacted	Annual State Funding Impact	Effective Date	State Fiscal Year
1) Eligibility Limits Based on Residency and Citizenship Status	Limits eligibility for Medicaid or CHIP to citizens, lawful permanent residents, certain Cuban and Haitian immigrants, Citizens of the Freely Associated States (COFA migrants) lawfully residing in the United States, and lawfully residing children and pregnant adults in states that use the ICHIA option (the Legal Immigrant Children's Health Improvement Act, S. 764).	HCA DSHS	30,000	unknown at this time	Oct. 1, 2026	FY27
2) Work Requirements	Requires "community engagement" requirements (at least 80 hours/month) for all able-bodied adults without dependents (the Medicaid expansion population); certain enrollee groups are exempted – for example, individuals with a debilitating mental health condition (which will be defined later via rule/CMS guidance). Allows the HHS Secretary to exempt states from compliance with the new requirements up to 2 years, if the state is demonstrating a good faith effort to comply and submits progress in compliance or other barriers to compliance.	HCA	200,000 - 250,000 enrollees	unknown at this time	Jan. 1, 2027	FY28

3) **Twice yearly Eligibility Verification**	Eligibility verification is changed from 12 months to every 6 months. Eligibility verification requires enrollee outreach to confirm they still are eligible for Medicaid benefits. The enrollee has to respond to the outreach. If they do not respond within a certain timeframe, they are disenrolled.	HCA	unknown at this time	unknown at this time	Jan. 1, 2027	FY28
4) **Retroactive Coverage Reduction**	Under current law, states are required to provide Medicaid coverage for qualified medical expenses incurred up to 90 days prior to the date of application for coverage. H.R. 1 Limits retroactive coverage to one month prior to application for coverage for expansion enrollees and two months prior to application for coverage for traditional enrollees.	HCA	unknown at this time	unknown at this time	Jan. 1, 2027	FY28
5) **Cost Sharing**	Cost-sharing for Medicaid Expansion enrollees who are between 100% and 138% of the federal poverty level – cost-sharing would be capped at $35 per service for emergency services but can be over $35 for non-emergency services or 5% of income.	HCA	78,000	unknown administrative cost impacts to the state and to health care providers	Oct. 1, 2028	FY29
6) **Increase State share for Alien Emergency Medicine**	Reductions in federal match for the Alien Emergency Medical program – moving from 90% to a 50% federal match. No impact on Washington as the state's current federal match rate for this program is 50%.	HCA	none	none	Oct. 1, 2026	FY27
7) **Decreases Home Equity Limit for Long-Term Care Services Eligibility**	Reduces the maximum home equity limits to $1 million regardless of inflation but allows states to apply different requirements for homes located on farms. The current maximum limit is $1,097,000 and is adjusted annually for inflation. This will impact recipients in high-cost housing areas, creating a barrier to accessing Medicaid Long-Term Services and Support without first reducing equity in their homes.	DSHS	unknown at this time	unknown at this time	Jan. 1, 2028	FY28

HEALTH CARE: Medicaid Provider Impacts

Hospitals

Policy Change	Description	Agency	Washingtonians Impacted	Annual State Funding Impact	Effective Date	State Fiscal Year
1) **State Directed Payment and Provider Tax Changes**	**Hospital Safety Net Program**: Washington's hospital safety net is a state directed payment* that is funded by assessing fees on non-UW hospitals to generate revenue, which is used to raise hospital reimbursement rates and save state dollars.	HCA	unknown indirect impact to Washingtonians	impact phases in: up to $226 million loss of state savings per year (up to $1.3 billion per year impact to hospitals)	Jan. 1, 2028	FY29
2) **State Directed Payment and Provider Tax Changes**	**UW State Directed Payment**: The UW state directed payment is similar to the Hospital Safety Net, but for hospitals in the University of Washington Medical System.	HCA	unknown indirect impact to Washingtonians	$330 million per year	Jan. 1, 2028	FY29

**State directed payments (SDP) are a mechanism to ensure a specified reimbursement rate or investment be made directly to providers. Sometimes these are connected to provider tax programs but not always. Provider taxes are fees or taxes that states levy on healthcare providers to help fund their Medicaid programs. These taxes, typically imposed on hospitals, nursing homes, and managed care organizations, generate revenue that is often used to increase payment rates to providers. H.R. 1 reduces the total payments by 10% annually until the payment matches Medicare rates.*

Nursing Homes

Policy Change	Description	Agency	Washingtonians Impacted	Annual State Funding Impact	Effective Date	State Fiscal Year
1) **Delays Final Nursing Home Staffing Rules**	Prohibits the federal government from implementing, administering, or enforcing the minimum nursing home staffing requirements set by the Biden Administration in 2024 or the 2023 final rule regarding eligibility and enrollment in Medicare savings programs until FFY35.	DSHS	unknown indirect impact to Washingtonians	unknown at this time	July 4, 2025 (until FFY35)	FY26

HEALTH CARE: Other Health Care System Impacts

Policy Change	Description	Agency	Washingtonians Impacted	Annual State Funding Impact	Effective Date	State Fiscal Year
1) **Planned Parenthood Medicaid Moratorium**	One year prohibition on Medicaid payments to nonprofit health care providers that serve predominantly low-income, medically underserved individuals (i.e., essential community providers) if the provider (1) primarily furnishes family planning services, reproductive health, and related care; (2) offers abortions in cases other than that of rape, incest, or life-threatening conditions for the woman; and (3) in FY2023, received federal and state Medicaid payments totaling more than $800,000.	HCA	none	$11 million per year	July 4, 2025	FY26

2) **Rural Health Care Delivery**	The Rural Health Fund provides $50 billion for state grants over 10 years (DC and the U.S. territories cannot apply). Half ($25 billion) will be distributed by CMS "equally among all states with an approved application." CMS will have discretion on how to distribute the additional $25 billion. There are a number of requirements for how states choose to distribute funding – states will be required to include at least 3 of these requirements, all subject to approval by CMS.	HCA	unknown indirect impact to Washingtonians	+$100 million per year (potential grant to WA)	Oct. 1, 2025	FY26 (could receive funds beginning in FY26 or FY27)
3) **ACA Medicaid Churn**	Specifies that if a person is denied or disenrolled from Medicaid due to work requirements, they are also ineligible for subsidized Marketplace coverage. Individuals who are disenrolled from Medicaid due to work requirements, will not be able to purchase coverage on the Exchange and will just be uninsured until the next open enrollment period in the Q4 of every year.	WAHBE HCA	200,000 - 250,000	unknown at this time	Jan. 1, 2027	FY27
4) **ACA Eligibility and Subsidy Changes**	HR 1 combined with other regulatory changes issued concurrently by the Trump administration shrink enrollment primarily by making it harder to enroll, as well as limiting immigrant eligibility. The law also ends automatic reenrollment and instead requires people to reverify information on their application for coverage annually even when no changes have occurred. Additionally, while their information is verified, applicants will owe the full undiscounted premium. WAHBE estimates that premiums on the exchange may increase overall by 15% to 21% due to these changes and other expiring subsidies.	WAHBE	85,000 - 142,000 (enrollees likely not to retain coverage)	unknown at this time	Jan. 1, 2027	FY27
5) **Expands HCBS Waivers**	A new 1915(c) waiver option allows states to offer HCBS without requiring that they provide institutional level of care, but only if waiting lists for existing services are not extended.	DSHS	unknown at this time	unknown at this time	July 4, 2028	FY29

HIGHER EDUCATION

Policy Change	Description	Agency	Washingtonians Impacted	Annual State Funding Impact	Effective Date	State Fiscal Year
1) **Federal Student Loan Repayment Plan Changes**	For new borrowers, HR 1 eliminates all current repayment plans and replaces them with just two: a standard plan and a new income driven repayment (IDR) plan called the Repayment Assistance Plan (RAP). The standard plan sets level "mortgage-style" payments over an amortization period of 10 to 25 years, depending on the borrower's initial balance. The new RAP varies payments with income. It sets a minimum monthly payment of $10, which is binding on only the lowest-income borrowers. For other borrowers, payments are a set percentage of income: 1 percent for borrowers earning between $10,000 and $20,000, 2 percent for borrowers earning between $20,000 and $30,000, and so on up to 10 percent for borrowers who earn more than $100,000.		390,000 Washingtonians in income driven repayment plans and forbearance	unknown at this time (individuals will have increased monthly payment under the new RAP)	New borrowers: July 1, 2026 All borrowers must transition by: July 1, 2028	New borrowers: FY27 All borrowers must transition by: FY29
2) **New Annual and Lifetime Loan Limit Caps**	HR 1 introduces new annual loan limits for parents of undergraduates and graduate students. Parents of undergraduate students may borrow $20,000 per year per dependent student and a $65,000 aggregate limit per dependent student. Loan limits will greatly impact students in the state for those enrolled in professional programs, or in higher cost master's programs. These students will eventually need to pursue alternate loan funding with the elimination of GRAD PLUS (see below), and reductions to annual/aggregate direct loan limits.		79,000 Washingtonians with over $1 billion in federal loans	unknown at this time	July 1, 2026	FY27
3) **Grad PLUS Loan Program Elimination**	H.R. 1 eliminates the Graduate PLUS loan program. These loans are intended for graduate or professional students to cover educational costs beyond what is available through other federal loans.		7,000 graduate students	none	July 1, 2026	FY27
4) **Parent Plus Loan Changes**	All parents (combined) may borrow $20,000 per year per dependent student and a $65,000 aggregate limit per dependent student (without regard to amounts forgiven, repaid, canceled, or discharged)		8,000 students	none	July 1, 2026	FY27
5) **Workforce Pell Grants**	HR 1 creates a new Workforce Pell Grant program. Eligible programs must be 150-600 hours and run at least 8 weeks but fewer than 15 weeks. Programs must lead to a "portable, stackable" credential across more than one employer or prepare students for entry level employment for which there is only one recognized postsecondary credential.		unknown at this time	unknown at this time	July 1, 2026	FY27
6) **Higher Education Institution Accountability**	Creates a new accountability measure that will cause a program to lose Direct Loan eligibility if it fails the "low earnings outcomes" measure 2 out of 3 years. Compares earnings for graduate and undergraduate program graduates to peers without degrees.		unknown at this time	unknown at this time	July 1, 2026	FY27

7) Endowment Tax	Creates graduated investment income excise tax rate, ranging from the current 1.4% up to 8%, based on the institution's per-student endowment. Only applies to private institutions. In Washington, Whitman College is the only institution subject to this tax.		none	none	Dec. 31, 2025	FY26

ENERGY AND ECONOMIC DEVELOPMENT

Policy Change	Description	Agency	Washingtonians Impacted	Annual State Funding Impact	Effective Date	State Fiscal Year
1) Inflation Reduction Act Rescisions	Rescinds the unobligated balances of specific Inflation Reduction Act grants and programs aimed at increasing clean energy, alternate fuels, low-carbon materials, environmental and climate justice, equity, polution reduction and environmental protection.		unknown at this time	unknown at this time	July 4, 2025	FY26
2) Repeals Clean Energy Project Tax Credits	Tax incentives for renewable energy under the IRA will have a phased reduction, starting in 2026. Wind and solar projects may still qualify for the tax credits if they begin construction within the next 12 months (July 5, 2026) or come online by the end of 2027. The clean hydrogen tax credit terminates for projects that begin construction after 2027. Non-solar and wind technologies (e.g., storage, hydropower, and geothermal) will also have phased down tax credit schedules, but at a much slower pace, beginning in 2034. Additionally, advanced manufacturing tax credits are terminated on a phase-out schedule, beginning in 2028 with the credit for wind components.	COM	unknown clean energy jobs	unknown at this time	phased beginning July 5, 2026	FY27
3) Electric Vehicle Tax Credits	Completely removes all federal electric vehicle purchase incentives. Beginning in October 2025, it will be more expensive for Washingtonians to purchase electric vehicles.		unknown at this time	unknown at this time	Sept. 30, 2025	FY26
4) Residential and Home Energy Credits	Credits for residential clean energy (i.e., a 30% credit for solar panels, battery storage, and heat pumps) will terminate at the end of 2025. Credits for home energy efficiency improvements will phase out beginning at the end of 2025.		unknown at this time	unknown at this time	Dec. 31, 2025	FY26