

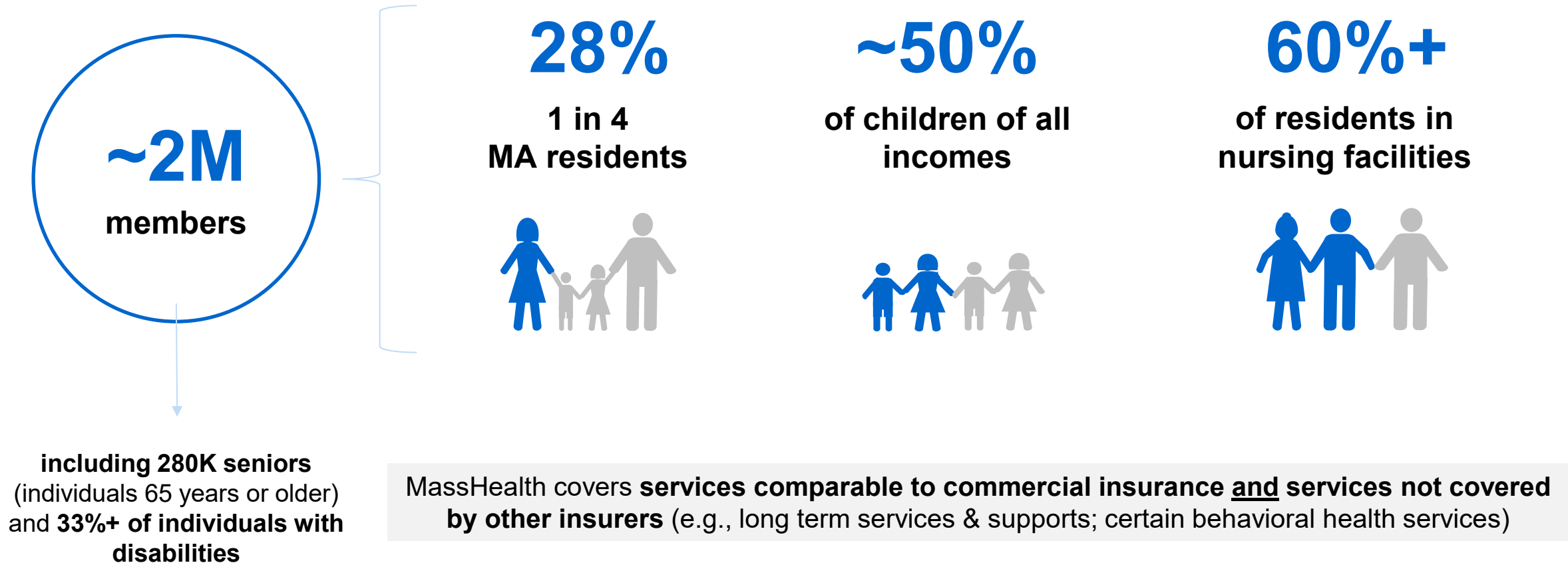
# Impact of OB3 on MassHealth for Stakeholders & Partners

Executive Office of Health and Human Services

February 2026

# Overview of MassHealth: Massachusetts' state Medicaid and CHIP program

MassHealth provides health benefits and help paying for them to qualifying children, families, seniors, and people with disabilities living in Massachusetts.



# Upcoming Federal Changes

# Background on Federal Medicaid Changes



## What is OB3?

- In July 2025, the One Big Beautiful Bill Act (known as OBBBA, or OB3) was signed into law.
- **This law includes major changes to Medicaid (which in Massachusetts is MassHealth).**
- OBBBA also made large changes to Health Connector coverage, SNAP, Medicare, and more.
- MassHealth is legally required to follow federal law, which means that we must implement these changes.



## When do the new rules begin?

- The new rules do not all happen right away.
- **The biggest changes affecting MassHealth members don't start until Fall 2026.**



## How will MassHealth members be affected?

- **The new federal rules will only affect certain members. Some members will not see any changes.** The largest impacts will be for some adults ages 19 to 64 and certain immigrants.
- To fully understand the impact of federal changes, MassHealth needs guidance from the federal government. **We expect to get this guidance in June 2026.**
- We will keep members and stakeholders informed of the upcoming changes. **We will begin communicating with affected members starting in Summer 2026.**

# MassHealth's Guiding Principles



## What Are the Biggest Financial Changes from OB3?

Currently, MassHealth estimates that Massachusetts will **lose about \$3.5 Billion\* annually** once the new changes are fully implemented. This includes lost funding for both MassHealth and the MA Health Connector.



**Funding Lost:**

**-\$3.5B annually**

*(estimated)*

### Reductions in Federal Funding

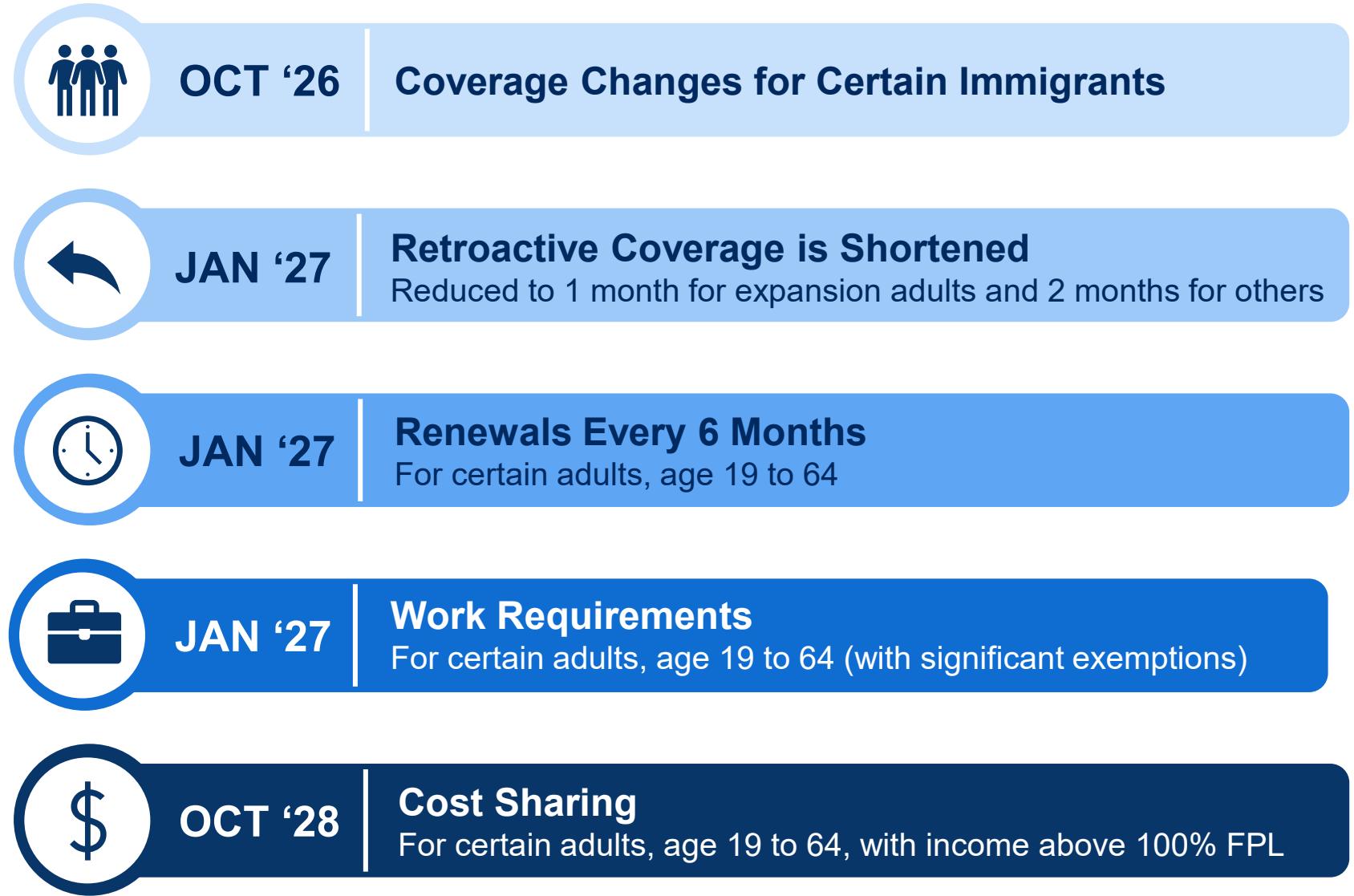
Starting Jan '26, MassHealth will lose significant federal funding. Major changes include:

- July '26: Restrictions to how we tax health plans to raise money to pay for state public health coordination (vaccine purchases) and Medicaid spending
- Jan '27: Major Medicaid eligibility changes go into effect, resulting in members losing coverage – and shifting the costs of their health care to the state-funded safety net programs
- Oct '27: Lowering rate at which we can tax providers which helps to finance our safety net (e.g., acute hospitals)
- Jan '28: Limits on payments used to support hospitals, nursing facilities, and academic medical centers

\*Dates and amounts are subject to change, based on federal guidance and ongoing analysis

## What Are the Biggest Eligibility Changes from OB3?

### Upcoming Changes to MassHealth Eligibility Due to OB3



**Note:** There are additional changes to Medicaid due to OB3; these are the largest eligibility changes for Medicaid

# Coverage Changes for Certain Immigrants



<p><b>When does this happen?</b></p>	<p><b>October 1, 2026</b></p>
<p><b>Who do we think is impacted, based on current information?</b></p>	<p><b>Certain members who the federal government says are “Qualified Alien Immigrants” today.</b> This includes an estimated 2,500 members who are:</p> <ul style="list-style-type: none"> <li>• Refugees</li> <li>• Asylees</li> <li>• Parolees</li> <li>• Certain victims of abuse and trafficking</li> </ul>
<p><b>What is the change?</b></p>	<p><b>Affected members may lose their current level of coverage</b> because the federal government will stop providing funding. MassHealth expects affected members’ coverage to change as follows:</p> <ul style="list-style-type: none"> <li>• <b>Adults age 65 or older</b> will move to <a href="#">MassHealth Family Assistance</a>*</li> <li>• <b>Disabled adults ages 19 through 64</b> will move to <a href="#">MassHealth Family Assistance</a>*</li> <li>• <b>Non-disabled Adults ages 19 through 64</b> will move to emergency coverage (<a href="#">MassHealth Limited</a> and <a href="#">Health Safety Net</a>)</li> </ul> <p>Note that children, pregnant and postpartum individuals will continue to get full coverage through MassHealth standard.</p>

\*Family Assistance does not cover Long Term Services and Supports (such as nursing home care) or non-emergency medical transportation



## Renewals Every 6 Months for Certain Adults

<b>When does this happen?</b>	<b>January 1, 2027</b>
<b>Who do we think is impacted, based on current information?</b>	<b>Non-disabled adults, ages 19 to 64, who are:</b> <ul style="list-style-type: none"><li>• Not pregnant;</li><li>• Not the parent or caretaker of a child or disabled adult; and</li><li>• Not a member of a Federally Recognized Tribe.</li></ul>
<b>What is the change?</b>	<b>Affected members will need to renew their MassHealth eligibility <u>every six months</u>.</b> <ul style="list-style-type: none"><li>• Currently, members only need to renew their eligibility once a year.</li></ul>

## Work Requirements for Certain Adults



<p><b>When does this happen?</b></p>	<p><b>January 1, 2027</b></p>
<p><b>Who do we think is impacted, based on current information?</b></p>	<p><b>Certain non-disabled adults, ages 19 to 64.</b></p> <p>However, members are <b>exempt</b> from this requirement (meaning that work requirements do not apply to them) if:</p> <ul style="list-style-type: none"> <li>• They are pregnant;</li> <li>• They are a parent, guardian or caretaker of a child under age 14 or someone with a disability;</li> <li>• They are medically frail;</li> <li>• They participate in a substance use treatment or rehab program; or</li> <li>• They meet another exemption identified by the federal government*</li> </ul>
<p><b>What is the change?</b></p>	<p><b>Affected members will need to do one of the following activities to retain their MassHealth coverage:</b></p> <ul style="list-style-type: none"> <li>• <b>Work</b> 80 or more hours per month;</li> <li>• <b>Volunteer</b> 80 or more hours per month;</li> <li>• Participate in a work program for 80 or more hours per month;</li> <li>• Be enrolled in an <b>educational program</b> at least half-time;</li> <li>• Do a combination of the above activities for 80 or more hours per month; or</li> <li>• Earn at least \$580 per month.</li> </ul>

\*See appendix for a more detailed list of federal work requirement exemptions

# Deep Dive on Work Requirements



# Supporting Members through Work Requirements



MassHealth's goal is to use existing data to minimize the number of people who need to take action to meet work requirements and maintain coverage. MassHealth has ~2M members, but not everyone is subject to work requirements.

## Step 1:

Automatically identify members who don't fit criteria

First, MassHealth will automatically identify individuals who are not impacted by work requirements based on available data. We will filter out children, people age 65+, pregnant individuals, people with disabilities, members in limited or emergency coverage, and others.

## Step 2:

See if remaining members already meet requirements

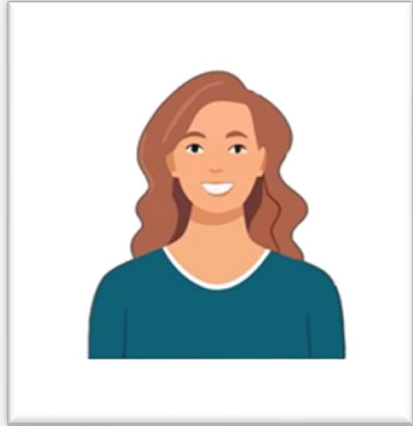
Then, MassHealth will use available data (such as income) to automatically confirm if members already meet work requirements, so they don't need to take action. Over time, MassHealth aims to add more data sources so we can confirm even more members.

## Step 3:

Help members who need to take action

Everyone else will need to take action to show MassHealth that work requirements don't apply to them (e.g., they have a disability or meet another exemption) **OR** they are meeting the requirements through work, education, or volunteering.

# Scenario 1: A Mother of a Young Child Applies for MassHealth



**LIFE STAGE** Adult

**AGE** 25

**HOUSEHOLD** Single  
1 Child (5 y/o)  
Not Disabled

**INCOME** \$370 per Month

**EMPLOYMENT** Works 40 Hours  
per Month

**ACTION** New Application

## STEPS

1

I apply for MassHealth online. In my application, I say that I have a child who is 5 years old.

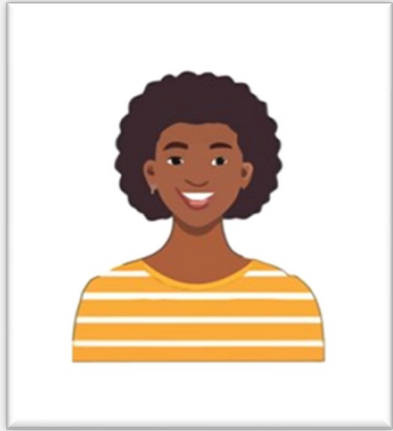
**MassHealth Action:** MassHealth reviews my application:

- ✓ Since I said I have a dependent child (under 14 years old) on the application, I am exempt from work requirements.
- ✓ I am otherwise eligible for MassHealth.

2

I receive a notice confirming I am now on MassHealth.

# Scenario 2: A Student Renews their MassHealth Coverage



<b>LIFE STAGE</b>	Student
<b>AGE</b>	22
<b>HOUSEHOLD</b>	Single No Children Not Disabled
<b>INCOME</b>	\$0 per Month
<b>EMPLOYMENT</b>	Full-Time Student
<b>ACTION</b>	Renewal

## STEPS

1

I receive my **MassHealth renewal** form in a blue envelope.  
I report that I am a student enrolled in a higher education program.

2

I complete my renewal online.



**MassHealth Action:** MassHealth reviews my renewal form:

- ✓ I report that I am a full-time student, but do not provide any related documentation.
- ✓ I am otherwise eligible for MassHealth.

3

I receive a “**request for information**” for work requirements from **MassHealth**. This means I need to respond with the required documentation within 30 days.

I send MassHealth documentation of my enrollment in full-time higher education.



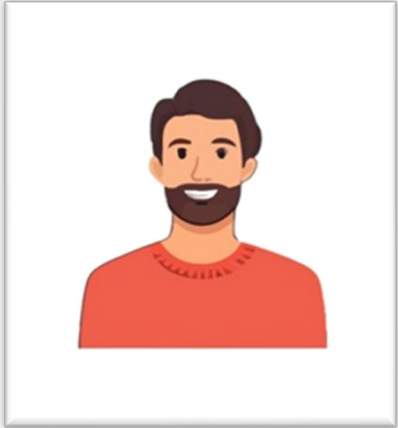
**MassHealth Action:** MassHealth reviews my response:

- ✓ Since my enrollment in higher education has been confirmed, I meet work requirements.

4

I receive a notice confirming **my MassHealth coverage is renewed.**

# Scenario 3: A Working Adult Renews their MassHealth Coverage



<b>LIFE STAGE</b>	Adult
<b>AGE</b>	50
<b>HOUSEHOLD</b>	Single No Children Not Disabled
<b>INCOME</b>	\$293 per Month
<b>EMPLOYMENT</b>	(1) Works 18h per Month; (2) Participates in Work Program for 20h per Month
<b>ACTION</b>	Renewal

## STEPS

1

I receive my **MassHealth renewal** form in a blue envelope.

2

I **complete my renewal** online. I do not report my work activity.

**MassHealth Action:** MassHealth reviews my renewal form:

- ✓ I am otherwise eligible for MassHealth.
- ✓ As I do not report any information that makes me exempt, I am **not exempt from work requirements**.
- ✓ As my income is below \$580 and I did not report work activity, I am **not meeting work requirements**.

3

I receive a **“request for information” for work requirements from MassHealth**. This means I need to respond and prove that I either meet work requirements or am exempt.

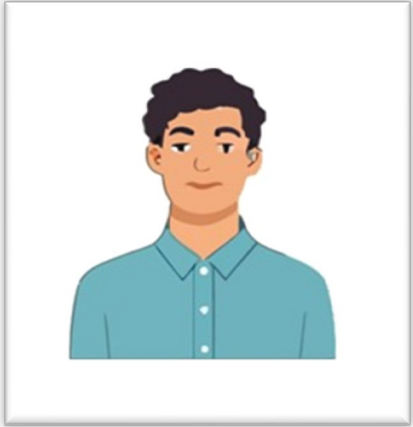
I send MassHealth proof that I work 18 hours per month and participate in a work program for 20 hours per month.

**MassHealth Action:** MassHealth reviews my response and determines I am no longer eligible for MassHealth, since I am not meeting work requirement rules.

4

I receive a **notice confirming my coverage is ending**.

# Scenario 4: A Disabled Adult Renews Their MassHealth Coverage



<b>LIFE STAGE</b>	Adult
<b>AGE</b>	30
<b>HOUSEHOLD</b>	Single No Children Disabled
<b>INCOME</b>	\$250 per Month
<b>EMPLOYMENT</b>	Works 25 Hours per Month
<b>ACTION</b>	Renewal

## STEPS

1

I receive my **MassHealth renewal** form in a blue envelope.

2

I complete my renewal online.

**MassHealth Action:** MassHealth reviews my renewal form:

- ✓ I report a new disability that makes me exempt, which must be verified before exemption can be granted.
- ✓ I am otherwise eligible for MassHealth.

3

I receive a “**request for information**” for disability verification from **MassHealth**.

I send MassHealth documentation of my disability.

**MassHealth Action:** MassHealth reviews my response:

- ✓ Since my disability has been confirmed, I am exempt from work requirements.

4

I receive a notice confirming **my MassHealth coverage is renewed**.

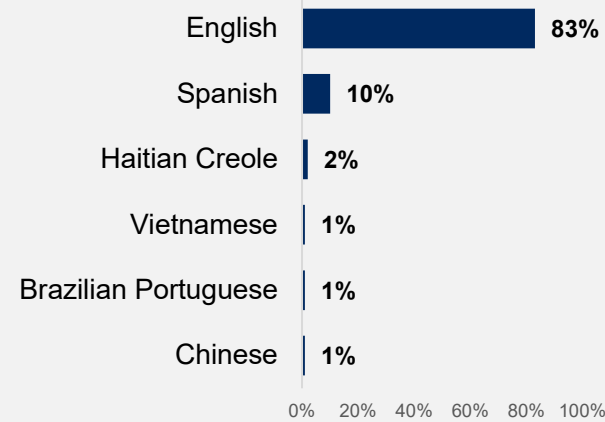
# Initial Analysis of Impacted Members: Demographics

The below data represents members who are likely subject to work requirements and/or 6-month renewals under the new federal law. Some members will have individual-level exemptions, such as having a complex medical condition or being pregnant – these are not considered below.

**~360K**  
 current MassHealth members expected to be impacted by OBBBA changes

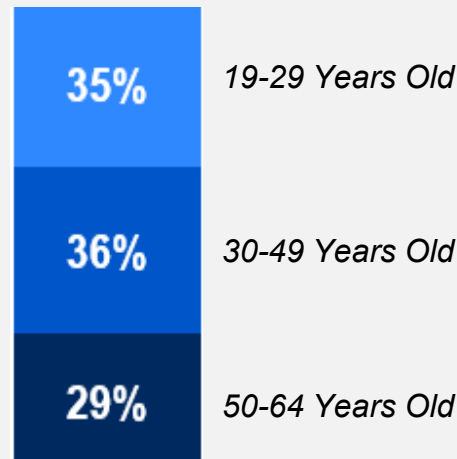
## TOP LANGUAGES

By % of Impacted Members



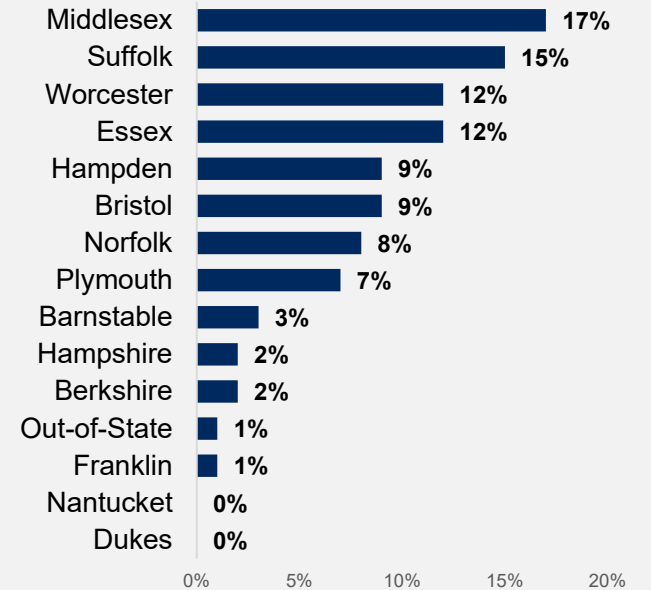
## AGE BANDS

By % of Impacted Members



## COUNTY

By % of Impacted Members



## How Will Members Know if They Are Impacted by These Changes?

MassHealth has begun communicating with stakeholders and will send more information to affected members starting this summer.



MassHealth will **conduct direct outreach** to impacted members through mailed notices, texts, phone calls, and emails.

MassHealth will also host **public webinars** and develop a member-facing website.

Communications will be in the **top 6 member languages\*** and will be designed to be clear, simple, and accessible.



MassHealth will work with a broad coalition, including **community-based organizations, providers, health plans, sister agencies, non-profits, employers, and other partners** across the state to amplify key messages.

MassHealth will provide **ongoing information, sharable communications, and technical assistance** with these group



MassHealth will also issue **general communications** through its website, social media, and other outlets, so members are aware of updates and know to look for important notices.

This will include a **dedicated website and a communications toolkit with sharable materials**, developed in partnership with Health Care for All.

\*English, Spanish, Brazilian Portuguese, Simplified Chinese, Vietnamese and Haitian Creole

# Deep Dive: Communicate early, often, and clearly

	Key Information	Resources
<b>1</b> <b>Educate</b> JAN '26 – MAY '26	<ul style="list-style-type: none"> <li>• Nothing is changing right now – keep getting care</li> <li>• Timeline of changes</li> <li>• Impacted populations</li> <li>• Ways to stay informed</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="https://www.mass.gov/MassHealthFederalUpdates">Mass.gov/MassHealthFederalUpdates</a></li> <li>• Overview Webinars for Members and Stakeholders</li> <li>• Kickoff HCFA partnership</li> <li>• Launch focus groups for informative feedback</li> <li>• Coordination with Member Advisory Council and Stakeholders</li> </ul>
<b>2</b> <b>Outreach</b> JUNE '26 – DEC '26	<ul style="list-style-type: none"> <li>• How members prepare</li> <li>• Overview of key process steps</li> <li>• Tools and resources to support members</li> </ul>	<ul style="list-style-type: none"> <li>• HCFA partnership launches</li> <li>• Communications toolkit</li> <li>• Direct member outreach</li> <li>• Public webinars</li> <li>• Assister trainings</li> <li>• Community events</li> <li>• CBO Office Hours</li> <li>• Video with ASL</li> <li>• Member-friendly website launches</li> </ul>
<b>3</b> <b>Act</b> JAN '27 Onward	<ul style="list-style-type: none"> <li>• Actions members need to take</li> <li>• Member resources to get support</li> <li>• Next steps if members lose coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Direct member outreach at key steps</li> <li>• Health plan and sister agency outreach</li> <li>• Community events</li> <li>• CBO Office Hours</li> <li>• Enrollment Centers and Call Centers prepared to support members</li> </ul>

# Next Steps

## What Do Members Need to Do? How Can They Prepare?

MassHealth members should take these actions to keep getting the best coverage available:



### **Continue to get care, refill prescriptions, and go to your appointments.**

You will hear directly from MassHealth before anything changes about your coverage.



### **If anything changes, tell us right away.**

Tell us if you move, get a new number, are pregnant, or have another change that could affect your coverage.



### **Always read and reply to letters or messages from MassHealth.**

Create a MyServices account to see eligibility notices, and be on the lookout for more information in Summer 2026.







### **If you have questions or need help, contact us!**

Call us at (800) 841-2900, TDD/TTY: 711, visit a [MassHealth Enrollment Center](#), or find an [assister](#) near you.

## Next Steps & Questions



### Key Milestones:

-  **Winter 2026** Implementation planning, system design, and stakeholder engagement
-  **Summer 2026** Kickoff of member education and outreach efforts
-  **Fall 2026** Coverage changes for certain immigrants go into effect
-  **Winter 2027** Work requirements, more frequent renewals, and shortened retroactive coverage period go into effect

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### MassHealth Federal Updates and Impact

The federal government is making changes that impact how Medicaid is funded and who can use the program. MassHealth is watching federal actions closely. We're here to help explain how federal changes may affect members and partners.

Changes to MassHealth are not happening right away, and they will not affect all MassHealth members. MassHealth members and providers should keep getting and delivering care.



More information is available at  
[https://www.mass.gov/info-  
 details/masshealth-federal-updates-  
 and-impact](https://www.mass.gov/info-details/masshealth-federal-updates-and-impact)

# Appendix

## Retroactive Coverage is Shortened



<b>When does this happen?</b>	<b>January 1, 2027</b>
<b>Who do we think is impacted, based on current information?</b>	<b>All members</b>
<b>What is the change?</b>	<p><b>Today, members can qualify for up to three months of “retroactive coverage.”</b> Retroactive coverage is when MassHealth starts your benefits up to three months <i>before</i> the date when you were found eligible.</p> <ul style="list-style-type: none"> <li>• Members can get retroactive coverage if they were eligible during that time and had qualifying medical expenses.</li> </ul> <p><b>Starting in January 2027, retroactive coverage will be shortened to less than three months.</b> Members who are eligible for retroactive coverage will get a shorter period, as follows:</p> <ul style="list-style-type: none"> <li>• <b><u>One month</u></b> for “expansion adults” (who are generally non-disabled adults ages 19 to 64 with no children)</li> <li>• <b><u>Two months</u></b> for everyone else</li> </ul>

# Cost Sharing for Certain Adults



<b>When does this happen?</b>	<b>October 1, 2028</b>
<b>Who do we think is impacted, based on current information?</b>	<p><b>Non-disabled adults, ages 19 to 64, who are:</b></p> <ul style="list-style-type: none"> <li>• Not pregnant;</li> <li>• Not the parent or caretaker of a child or disabled adult; and</li> <li>• Have income above 100% of the Federal Poverty Level (FPL), which is about \$16,000 per year for a single adult.</li> </ul>
<b>What is the change?</b>	<p><b>Certain adults will be required to start paying for some of their healthcare costs.</b></p> <ul style="list-style-type: none"> <li>• These members will pay between \$1 and \$35 for some services.</li> <li>• They will not pay more than 5% of their total income each year.</li> </ul> <p><b>This rule will not apply to every kind of service.</b> For instance, members will not need to pay for some “essential services,” like emergency care, primary care, or mental health services.</p>