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PRESS RELEASE

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Ongoing Implementation of New Federal Law Worsens Health Care Affordability Crisis

One year after H.R. 1's enactment, advocates point to rising premiums, new Medicaid paperwork requirements, and coverage losses across Georgia

ATLANTA, Ga. (July 2, 2026): One year after H.R. 1 became federal law on July 4, 2025, more than 500,000 Georgians have dropped their marketplace health insurance coverage due, in part, to rising premiums. Newly released guidance from the Centers for Medicare & Medicaid Services (CMS) goes further than what is written in H.R. 1 in some cases, and makes accessing high-quality, affordable health care even more of a challenge for everyday Georgians.

Health advocates say the combined effects of marketplace subsidy changes, new administrative requirements, and future federal policy changes have significant implications for both Georgia families, health care providers, and communities statewide.

After Congress declined to extend enhanced premium tax credits under H.R. 1, which priced working-class Georgians out of marketplace coverage, the federal government has finalized a rule for the 2027 marketplace that will increase the paperwork needed for people to enroll in plans and receive financial help, permit unlimited annual out-of-pocket maximums for certain marketplace health plans, and make it more difficult to find in-network care.

Regarding Medicaid, a newly released CMS rule, which is intended to guide states like Georgia in their implementation of H.R. 1, will continue to leave low-income families without access to affordable care. By sharply restricting exemptions to Medicaid work reporting requirements, such as who is considered "medically frail," and forcing severely ill individuals to navigate complex paperwork systems to keep their coverage, the new federal guidance will only perpetuate existing barriers and Georgia's health care crisis. Georgia's Pathways to Coverage program is a cautionary tale of what is to come for other states when the H.R. 1 Medicaid work requirement begins in January 2027: bureaucratic hurdles and suppressed enrollment for individuals with low incomes and high administrative costs covered by taxpayers.

As of March 2026, Georgia had invested almost $31 million in state funds (about $147 million in total state and federal funds) in the Pathways program and only had about 16,000 Georgians actively enrolled, while almost 200,000 uninsured Georgians remain stuck in the health insurance coverage gap. The newly released CMS guidance on implementing the federal Medicaid work requirement strictly defines who is exempt from the work requirement and creates even more paperwork for health care providers, state

agency workers, and uninsured Georgians seeking coverage through the Pathways program.

> *"Many Georgians are already making difficult choices between paying for health care, housing, food, and other necessities. Any additional barriers to gaining and maintaining coverage could have real consequences for working families, particularly those managing chronic illnesses or living on limited incomes."*
>
> **Jeff Graham, Executive Director, Georgia Equality**

For some advocates, the issue reflects personal experiences with barriers to health care access.

> *"My fight for health care access in Georgia started when my mother was diagnosed with cancer and denied life-saving treatment simply because of her pre-existing condition, that very cancer. For nine years, her battle was overshadowed by an exhausting, bureaucratic war with insurance companies. She ultimately passed away, which left me to wonder if she would have survived had those barriers not been put in her way. As health care costs continue to rise, it is more urgent than ever that we make health care access a reality."*
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> *"Behind every enrollment statistic is a person trying to stay healthy, keep working, and care for their family. When coverage is interrupted, the effects can ripple through entire households and communities."*
>
> **Dom Kelly, Executive Director, New Disabled South**

Beginning in October 2026, federal eligibility changes introduced in H.R. 1 will drastically affect certain lawfully present immigrant groups, including some refugees, asylees, and survivors of domestic violence and human trafficking, according to organizations monitoring implementation of H.R. 1. Data reported from the Georgia Department of Community Health (DCH) estimate that up to 5,000 lawfully present immigrants could lose coverage.

> *"These policy changes create additional insecurity for thousands of Georgia residents who are lawfully present in the United States and rely on health care coverage to meet basic medical needs. Access to health care is essential for community health, workforce participation, and family stability."*
>
> **Laura Colbert, Executive Director, Georgians for a Healthy Future**

Advocacy groups also point to expected reductions in federal health care funding tied to future changes in Medicaid financing and State-Directed Payment (SDP) Programs. Projections from DCH and Manatt Health Strategies estimate between $1.5 and $5.4 billion in federal provider payment losses to Georgia's hospitals and other providers as a result of changes to Medicaid SDPs. These changes will have implications for health care providers, particularly rural hospitals and safety-net systems.

> *"Many rural health care providers are already operating under challenging financial conditions. Any significant reduction in federal support could create additional strain on hospitals that serve some of Georgia's most vulnerable communities."*
>
> **Kreena Patel, MD, MPH, Georgia-based family medicine physician**

Members of Cover Georgia and Bridge Georgia, statewide health care advocacy coalitions, said they will continue monitoring implementation of H.R. 1 and related federal guidance while advocating for policies that increase access to health care coverage.

> *"Georgia's health care challenges will not be solved by a single policy change. But as federal reforms are implemented, state leaders have an opportunity to*

strengthen access to care, support health care providers, and address the coverage gaps that continue to affect communities across Georgia."

"Medicaid expansion remains one option that could help address those gaps. We believe policymakers should carefully consider solutions that improve health outcomes, strengthen local health care systems and economies, and expand access to affordable coverage."

Natalie Crawford, Executive Director, Georgia First

ORGANIZATIONS SUPPORTING THIS STATEMENT

The following organizations support this statement:

- American Cancer Society Cancer Action Network
- American Heart Association
- American Lung Association
- Georgia Budget and Policy Institute
- Georgia Equality
- Georgia First
- Georgians for a Healthy Future
- Georgians for a Universal Health Program
- New Disabled South

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About Cover Georgia

Cover Georgia is a broad coalition of community stakeholders and advocates from all across our state. We are working together to create a bridge to health coverage for ALL Georgians.

We have launched a shared campaign to ensure that all Georgians, regardless of income, get the health coverage and care they need. We want to expand our state's Medicaid program to cover low-income Georgians as envisioned by the Affordable Care Act.

Health care is critically important to the health of Georgia's families, communities, and economy. We believe we should work together to expand access to health care for all Georgians, especially those who can least afford it. Please join us in our campaign by sharing your story, calling your elected officials, and speaking out. Read more at coverga.org.

COVER GEORGIA

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