



Federal Government Jeopardizes Texans' Health as Funding Restrictions Prevent States from Offsetting Skyrocketing Costs of H.R. 1

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In 2025, Every Texan sounded the alarm on compounding impacts of H.R. 1, the federal budget bill. As Texans lost jobs and funding in DOGE sweeps, H.R. 1 immediately removed thousands of Texas families from the SNAP food stamps program. SNAP work requirements implemented in Texas through H.R. 1 have caused 19% of Texas households who were enrolled in SNAP to drop from the program. Because SNAP and Medicaid are intertwined in applications and computer systems, eligible Texans have also lost Medicaid, and the number of people trying to restore coverage has led to a [backlog of over 200,000 pending applications as of August 2026](#).

The federal government is [implementing H.R. 1's restrictions](#) as harshly as possible, and Texans are suffering because of it. **The [Texas Governor and the Texas Children's Health Coverage Coalition](#) - of which Every Texan is a member - oppose federal agencies' overreaching implementation of H.R. 1 through rulemaking.** Compounding the problem, [850,000 Texans who enrolled in individual health insurance plans through the health insurance Marketplace did not activate their plans](#) by paying their first months' premiums. In many cases, premiums were too high or they let their plans roll over from 2025 and didn't know they had a new premium.

Texas hospitals, doctors, and nurses will feel the same strain already experienced by Texans who have lost SNAP food stamps and Marketplace health insurance over the past year. Congressional lawmakers who supported H.R. 1 knowingly downplayed the consequences the funding package would have on children, disabled people, and healthcare systems. Those lawmakers also misled states about how the law would be implemented, suggesting states whose leaders have resisted Medicaid expansion for ideological reasons would have more flexibility to withstand the cuts. The [economic reality](#) is that the expansion of Medicaid eligibility to low-income adults will improve health outcomes while strengthening and stabilizing the state's healthcare financing system over the long term. A second reality worth considering is that Texans have the power to call for accountability from the Texas leaders who have offered their public support to the federal administration despite being misled by it.

The federal government's [refusal to approve Texas' plan](#) to offset low Medicaid payments with increased supplemental payments sends a clear message Texans and state leaders: Texas will not receive a special carve out and will shoulder the consequences of the administration's policies just as Minnesota, Florida, and every other state are expected to.



In the coming year, Texas lawmakers can support Texans' access to health coverage during the 90th Session by:

- Increasing Medicaid reimbursement rates so hospitals have funds for services rendered, reducing the need for Directed Payment Programs
- Funding health care navigators and HHSC-certified Community Partner Programs so more people have coverage by payers who can pay hospitals for services rendered
- Maintaining integrity of Texas health plans by opposing [junk insurance](#) so insurers can't refuse payment to hospitals for medically necessary care
- Closing part of the health insurance coverage gap in Texas by expanding Medicaid to cover low-income adults

Federally, the Texas Congressional delegation can:

- Reinstitute [Enhanced Advanced Premium Tax Credits](#) so more people can afford their coverage in Texas
- Establish a basic, universal national health plan that will stabilize US healthcare financing and cover all US residents:

Every Texan looks forward to working with lawmakers, partners, and Texans in the coming legislative session to pass and implement common-sense laws that will protect [Texans' wellbeing and financial security](#).

Every Texan calls on lawmakers to make decisions based on evidence and sound information. Every Texan calls on partners and stakeholders to speak out about the effects of federal budget laws in our state, and we encourage Texans to vote to protect their health and the health of their communities. Texans can [make sure they're registered to vote](#) by October 5, 2026. Texans are encouraged to make a plan to vote during the [early voting period](#) (October 19 to October 30) or on November 3, 2026.

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