

What to Know: Federal Budget Reconciliation and Impacts for Wisconsin Medicaid and FoodShare

On July 4, 2025, President Trump signed the federal budget reconciliation bill (H.R. 1) into law. The budget bill, also called the *One Big Beautiful Bill Act* or *OBBA*, includes changes to Wisconsin Medicaid and FoodShare that take effect over the next several years.

July 4, 2025



Wisconsin cannot create or increase fees that fund care for Medicaid members. Providers tell us that Medicaid rates do not cover their costs to care for patients. These fees help pay providers more when they care for more Medicaid members.



Wisconsin cannot increase certain provider payments (called state-directed payments, or SDPs). These payments are limited in future years.

October 1, 2025



Federal funding ends for the SNAP-Ed nutrition education program that helps members learn about healthy eating, physical activity, and shopping on a budget. The program will likely end in Wisconsin.

We know other changes are coming. We are still working to understand when and how these changes will apply.

More FoodShare members have work requirements, including adults up to age 64 and parents with children ages 14 to 17. These adults will have to submit more paperwork. Wisconsin will have less flexibility with these work requirements, like for veterans and people living in areas without enough jobs. Members of Wisconsin Tribes are exempt.



WISCONSIN DEPARTMENT
of **HEALTH SERVICES**

October 1, 2026



Wisconsin will begin paying more administrative costs for the people and systems necessary to run FoodShare. Wisconsin will pay 75% of these costs. Wisconsin currently pays 50%.

December 31, 2026



Medicaid members age 19-64 without children will have new work requirements, with a few exceptions. Members must report at least 80 hours each month of work, training, or volunteering.

January 1, 2027



Wisconsin must limit retroactive coverage for new Medicaid applicants. Today, new Medicaid members may have coverage for health care they received in the three months before they applied (and were eligible). Now, retroactive coverage will be limited to one or two months for adults and two months for children.

October 1, 2027



For the first time, Wisconsin may begin paying for members' FoodShare. How much Wisconsin pays will be based on our *payment error rate*. States with more errors will pay more to help people afford food, up to 15% of costs. Wisconsin's error rate is currently very low.

January 1, 2028



Wisconsin must use new data sources to see if any providers or enrolled members are deceased. Wisconsin must use a new death record database during enrollment, and several times each year for both providers and members.



**WISCONSIN DEPARTMENT
of HEALTH SERVICES**