TEXAS Health and Human Services

Texas Health and Human Services Commission

MEPD and TW Bulletin 26-15

Date: Sept. 8, 2026

To: State and Regional Operations Supervisors and Staff
Program Managers
Regional Directors
Policy Attorneys
Hearings Officers

From: Access and Eligibility Services Program Policy
State Office 2106

Subject:
1. **Remove Continuous Eligibility from Transitional Medicaid**
2. **H.R. 1 Changes to Alien Medicaid Eligibility**
3. **H.R. 1 Changes to Alien Medicaid Eligibility - SSI Population**
4. **Texas Health Steps and Health Care Orientation Medicaid Eligibility Update**

The information in this bulletin will be included in a future handbook revision. Until the handbook is updated, staff must use the information in this bulletin. If you have any questions regarding the policy information in this bulletin, follow regional procedures.

Active bulletins are posted on the following websites:

- Medicaid for the Elderly and People with Disabilities Handbook (MEPDH) at https://hhs.texas.gov/handbooks/medicaid-elderly-people-disabilities-handbook/mepd-policy-bulletins;
- Texas Works Handbook (TWH) at https://hhs.texas.gov/handbooks/texas-works-handbook/twh-policy-bulletins.

1. Remove Continuous Eligibility from Transitional Medicaid

Background

Section 5112 of the Consolidated Appropriations Act (CAA), 2023, requires states to provide children under 19 years of age with 12 months of continuous eligibility (CE) coverage in Medicaid and CHIP. On Jan. 15, 2025, the Centers for Medicare & Medicaid Services (CMS) released guidance (State Health Official Letter #25-001) clarifying that CE does not apply to children eligible only on the basis of Transitional Medicaid. However, some children who are eligible on the basis of Transitional Medicaid may also be eligible under another mandatory eligibility group such as Children's Medicaid. If that is the case, the child may be enrolled or maintain enrollment in Children's Medicaid and receive 12 months of CE.

Current Policy

Transitional Medicaid

Children under 19 who are determined eligible and certified for Transitional Medicaid coverage receive 12 months of continuous eligibility regardless of most changes in circumstances, with certain exceptions.

The following are exceptions to the CE period:

- Death;
- Moves out of state;
- Voluntary withdrawal;
- Certified in error;
- Not validly enrolled due to being certified in error at application or HHSC's Office of Inspector General (OIG) has determined the person fraudulently received Medicaid and coverage should be denied; or
- Reaches age 19.

Earnings Transitional Medicaid (TP 07)

Children under 19 are eligible for 12 months of TP 07 if a parent or caretaker relative has an increase in income that makes them ineligible for Medicaid for Parents and Caretaker Relatives (TP 08).

Households receiving TP 07 coverage must report changes in gross monthly earnings and household composition during the fourth, seventh and 10th month of the certification period which could result in termination of benefits. (TWH A-840, Transitional Medicaid Coverage)

Alimony/Spousal Support Transitional Medicaid (TP 20)

Children under 19 are eligible for four months of TP 20 if a parent or caretaker relative has new or increased alimony or spousal support that makes them ineligible for TP 08. Recipients remain eligible during the certification period if they continue to live in Texas and receive alimony or spousal support. (TWH A-850, TP 20 Alimony/Spousal Support Transitional Medicaid Coverage, A-825, Medicaid Termination)

New Policy

Transitional Medicaid

If a parent or caretaker relative has an increase in income or has new or increased alimony or spousal support that makes them ineligible for TP 08, they will continue to be certified for TP 07 or TP 20, if eligible. However, any children active on a CE-applicable Medicaid EDG will remain on their current EDG and not transition to a new TP 07 or TP 20 EDG. During the child's administrative renewal, if they are eligible only on the basis of Transitional Medicaid, the child is certified for TP 07 or TP 20 for the remainder of the parent or caretaker relative's Transitional Medicaid certification period, after the termination of their Children's Medicaid coverage.

Note: If, at renewal, the child is only eligible for CHIP or Healthy Texas Women (HTW), the child will receive the remaining of the Transitional Medicaid certification period before being tested for eligibility on those programs.

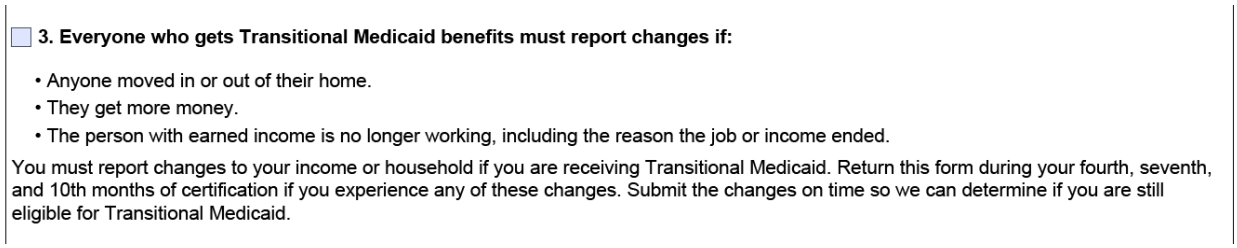
Automation

Changes to TIERS are currently scheduled to be implemented with TIERS Release 123.2 on Oct. 3, 2026.

A future project, scheduled to deploy with TIERS Release 123.3 on Nov. 7, 2026, will address children transitioning to all other medical programs not listed above.

Correspondence

Form H1146, Medicaid Report, and Form H1146-M, Medicaid Report (Manual) are being retired, and changes have been added to Form H1019, Report of Change.



☐ **3. Everyone who gets Transitional Medicaid benefits must report changes if:**

- Anyone moved in or out of their home.
- They get more money.
- The person with earned income is no longer working, including the reason the job or income ended.

You must report changes to your income or household if you are receiving Transitional Medicaid. Return this form during your fourth, seventh, and 10th months of certification if you experience any of these changes. Submit the changes on time so we can determine if you are still eligible for Transitional Medicaid.

Additionally, new dynamic text populates in the "Notes" section of the TF0001, Notice of Case Action, to explain to households the reason why specific recipients have been moved to Transitional Medicaid.

(Name) had an increase in earned income and is now above the limit for adult Medicaid. – (TW A-840, 1 TAC 366.737, 42 CFR 435.112, Sec. 1925 of The Act)

(Name) had an increase in spousal support income and is now above the limit for adult Medicaid. – (TW A-840, 1 TAC 366.737, 42 CFR 435.112, Sec. 1925 of The Act)

Health Care Benefits

Who gets health care benefits			
Name	EDG number	Program	Date
		Children's Medicaid	04/01/2026 - 12/31/2026
		Children's Medicaid	04/01/2026 - 12/31/2026
		Children's Medicaid	04/01/2026 - 12/31/2026
		Children's Medicaid	04/01/2026 - 12/31/2026
Notes: Because (name), (name) and (name) are no longer eligible for Children's Medicaid, they have been moved to Transitional Medicaid for the rest of the certification period of EDG ###.			

Changes to Form H1019, Report of Change, were implemented July 25, 2026, to include the Transitional Medicaid reporting requirements.

Changes to the dynamic text on Form TF0001, Notice of Case Action, will be implemented Sept. 21, 2026.

Form H1146, Medicaid Report, and Form H1146-M, Medicaid Report (Manual), will be retired effective Sept. 21, 2026.

Handbook
Updates to the MEPDH are not required.

The TWH is currently scheduled to be updated in the April 2027 revision.

Training
Training will be made available in PALMS titled R123.2 General Information on Sept. 24, 2026.

A training broadcast will be sent with further details.

Effective Date

This policy is effective with the implementation of TIERS Release 123.2 currently scheduled for Oct. 3, 2026.

2. H.R. 1 Changes to Alien Medicaid Eligibility

Background

On July 4, 2025, H.R. 1 (Pub. L. No: 119-21) was signed into law. Section 71109 restricts eligibility for Medicaid and the Children's Health Insurance Program (CHIP) to United States (U.S.) citizens and nationals and limited groups of non-citizens.

These changes **do not** impact Emergency Medicaid types of assistance (TOAs) or Medicaid and CHIP eligibility for lawfully residing children and/or pregnant women in states that have implemented the CHIPRA 214 option. The Texas Health and Human Services Commission (HHSC) covers lawfully residing children eligible for Modified Adjusted Gross Income (MAGI) Medicaid programs or CHIP under this option.

Current Policy

Medical Programs

U.S. citizens and certain legally admitted immigrants may qualify for Medicaid and CHIP if they meet all other eligibility criteria. Before certifying a non-citizen, ensure that:

- U.S. Citizenship and Immigration Services (USCIS) legally admitted the person to live in the U.S.; and
- they meet the definition of a qualified immigrant.

Review the person's USCIS documentation to determine if they have an alien status that makes them eligible to receive Medicaid or CHIP. Use the Systematic Alien Verification for Entitlements (SAVE) to verify the person's alien status. Disqualify a person who does not have an acceptable alien status. (TWH A-310, General Policy, A-311, Alien Status Policies, and MEPDH D-8700, Verification of Alien Status)

Qualified Immigrants

USCIS defines a qualified immigrant as an alien in one of the following categories:

- Asylee
- Battered Alien
- Conditional Entrant
- Cuban and Haitian Entrant
- Deportation (or Removal) Withheld
- Special Immigrant Conditional Permanent Resident
- Iraqi and Afghan Special Immigrant
- Lawful Permanent Resident (LPR)*
- Parolee
- Refugee
- Victim of severe trafficking

***Note:**

- An LPR admitted into the U.S. prior to Aug. 22, 1996, must have 40 qualifying quarters of Social Security coverage before they are eligible for Medicaid unless they meet an exception.
- An LPR admitted on or after Aug. 22, 1996, must meet a five-year waiting period from their legal date of entry and have 40 qualifying quarters of Social Security coverage before they are eligible for Medicaid unless they meet an exception.

Other groups of **non-citizens** eligible for Medicaid and CHIP include:

- Amerasians;
- Compact of Free Association (COFA) migrants;
- Members of a federally recognized Indian tribe; and
- Canadian born American Indians.

(TWH A-311.1, Definition of Qualified Alien, A-342, TANF and Medical Programs Alien Status Eligibility Charts, A-330, Lawful Permanent Resident and 40 Qualifying Quarters of Social Security Coverage, MEPDH D-8300, Qualified Alien Categories, and D-8900, Alien Status Eligibility Charts)

Eligibility for Certain Lawfully Residing Children

MAGI Medical Programs and CHIP

Children age 18 and under who are lawfully residing in the U.S. with a satisfactory immigration status are eligible for MAGI Medicaid and CHIP regardless of their date of entry if they meet all other eligibility criteria. These children are eligible for Medicaid and CHIP in Texas based on the CHIPRA 214 option.

Some individuals may receive coverage past their 19th birthday, such as:

- Healthy Texas Women (HTW - TA 41) recipients who turn 19 during their certification period receive HTW until their next redetermination;
- Former Foster Care Children (FFCC - TA 82) and Medicaid for Transitioning Foster Care Youth (MTFCY - TP 70) recipients qualify through the month of their 21st birthday; and
- Medicaid for Breast and Cervical Cancer (MBCC - TA 67) recipients who applied before their 19th birthday remain eligible for MBCC through the duration of their cancer treatment or until they no longer meet all other eligibility criteria, whichever is earlier.

(TWH A-342, TANF and Medical Programs Alien Status Eligibility, Chart D)

Continuous Eligibility (Medical Programs)

A change in immigration status is not an exception to continuous eligibility. Once a person with a satisfactory immigration status is determined eligible for Medicaid on a TOA with continuous eligibility or CHIP, they remain eligible through a continuous 12-month certification period, unless they:

- voluntarily withdraw;
- move out of state;
- are ineligible due to agency error or fraud, abuse or perjury attributed to the person;
- are deceased; or
- turn 19 (children only).

(TWH A-820, Regular Medicaid Coverage, A-832, Continuous Medicaid Coverage, and MEPDH B-6600, Continuous Medicaid Coverage)

New Policy

Medical Programs

Beginning Oct. 1, 2026, only U.S. citizens or nationals, and the following groups of non-citizens qualify for Medicaid and CHIP if they meet all other eligibility criteria:

- Lawful permanent residents (LPRs)*;
- Cuban and Haitian entrants; and
- Compact of Free Association (COFA) migrants, who are citizens of the Republic of Marshall Islands (RMI), Federated States of Micronesia (FSM), and Republic of Palau (PAL).

***Note:** LPR policy did not change. LPRs admitted after Aug. 22, 1996, must meet a five-year waiting period and have 40 qualifying quarters of Social Security coverage before they are eligible for Medicaid unless they meet an exception.

Eligibility for Certain Lawfully Residing Children

MAGI Medical Programs and CHIP

A lawfully residing child with a satisfactory immigration status continues to qualify for MAGI Medicaid and CHIP under the CHIPRA 214 option, regardless of their date of entry, if all other eligibility criteria are met on or after Oct. 1, 2026. A lawfully residing child qualifies for Medicaid up to age 19 or 21 (depending on the TOA) and for CHIP up to age 19.

Lawfully Residing Children Aging Out of Eligibility

Type Program (TP) & Type Assistance (TA)	Description	Age Out
TP 44	Children's Medicaid (6-18)	19
TP 40	Medicaid for Pregnant Women	21
TP 56	Medically Needy with Spend Down	21 (Pregnant women) 19 (Children)
TP 07	Transitional Medicaid	19
TP 20	Alimony/Spousal Transitional Medicaid	19
TA 41	Healthy Texas Women	21
TA 67	Medicaid for Breast and Cervical Cancer	21
TP 70	Medicaid for Transitioning Foster Care Youth	21
TA 82	Former Foster Care Children	21
TA 84	CHIP	19

Review Due Date (RDD)

A lawfully residing child's RDD is the last day of the month in which they age out of Medicaid eligibility. This means they may receive less than 12 months of eligibility.

If the child's current RDD is after Oct. 2026 and the child ages out:

- Prior to Oct. 2026, the child's RDD is automatically adjusted to Sept. 30, 2026.
- During Oct. 2026, the child's RDD is automatically adjusted to Oct. 31, 2026.

Redetermination

TP40, TP44, TP70, TA82, TP56, TP07, TP20

During redetermination, a child aging out of eligibility for their current Medicaid TOA is tested for other medical programs. If the child is not eligible for another Medicaid program due to their current alien status, the system automatically generates the following correspondence:

- Form H1010-R, Your Texas Works Benefits – Renewal Form;
- Form H1830-R, Texas Works Renewal Notice; and
- Form H3038, Emergency Medical Services Certification.

Month-to-Month Extensions

TP44, TP40, TA41, TP70, TP82, TP56, TP07, TP20, TA84

A lawfully residing child receives a fixed 12-month certification period when aging out of Medicaid and CHIP eligibility and is not eligible to receive month-to-month

extensions. Coverage automatically terminates the last day of the benefit month even if a renewal has not been processed.

Continuous Eligibility (Medical Programs)

A change in immigration status is an exception to the continuous eligibility requirement. The eligibility determination system automatically overrides continuous eligibility when a person no longer has a satisfactory immigration status and denies coverage prospectively.

Medicaid for Pregnant Women (TP40)

A pregnant woman over age 21 who no longer has a satisfactory immigration status is automatically tested for CHIP Perinatal (CHIP-P) eligibility. Certify the woman for CHIP-P following current policy and procedures, if eligible.

Note: A woman over age 21 who no longer has a satisfactory immigration status is not eligible for TP40 even if in her 12-month postpartum period.

Automation

Changes to TIERS and YourTexasBenefits.com were implemented with TIERS Release 123.1 on Aug. 29, 2026, to be effective Oct. 1, 2026.

Correspondence

The following forms were updated to clarify immigration-related information. Changes were implemented on Aug. 29, 2026.

- Form H1010, Texas Works Application for Assistance – Your Texas Benefits
- Form H1010-R, Your Texas Works Benefits – Renewal Form
- Form H1200, Medicaid for the Elderly and People with Disabilities
- Form H1200-MBI, Medicaid for People with Disabilities who Work – Medicaid Buy-In

Additionally, lawfully residing children whose RDD is shortened to align with the month they age out of Medicaid eligibility will receive a Form H1809, *Notice of Renewal Due Date*, informing them of the reason for the adjustment.

Handbook

The MEPDH is currently scheduled to be updated in the December 2026 and March 2027 revisions.

The TWH is currently scheduled to be updated in the February 2027 revision.

Training

Training was made available in PALMS titled R123.1 H.R. 1 Changes to Alien Medicaid Eligibility on Aug. 20, 2026.

Effective Date

This policy is effective Oct. 1, 2026.

3. H.R. 1 Changes to Alien Medicaid Eligibility - SSI Population

Background

On July 4, 2025, H.R.1 (Pub. L. No: 119-21) was signed into law. Section 71109 restricts eligibility for Medicaid and the Children's Health Insurance Program (CHIP) to United States (U.S.) citizens and limited groups of non-citizens. These changes affect the Medicaid eligibility of non-citizens who receive Supplemental Security Income (SSI), including children.

Current Policy

Supplemental Security Income (SSI) Medicaid

The Social Security Administration (SSA) administers and determines eligibility for SSI cash assistance. This includes verifying that the person has a satisfactory immigration status.

An SSI recipient is automatically eligible for Medicaid. HHSC does not make a separate determination of eligibility for Medicaid and does not require a separate application. SSA notifies HHSC of a person's SSI eligibility via the State Data Exchange System (SDX) automated interface. (MEPDH A-2100, Supplemental Security Income)

New Policy

Supplemental Security Income (SSI)

Beginning Oct. 1, 2026, SSI recipients must fall under one of the following groups to qualify for SSI-associated Medicaid:

- Compact of Free Association (COFA) migrants;
- Cuban and Haitian entrants;
- Lawful permanent residents (LPRs);
- U.S. citizen or national.

The SSA continues to administer and determine eligibility for SSI cash assistance. SSA notifies HHSC of a person's eligibility for SSI cash assistance via SDX. HHSC makes a separate determination of eligibility for Medicaid and does not require a separate application.

A person may receive SSI cash assistance on and after Oct. 1, 2026, but not be eligible to receive SSI-associated Medicaid or Medicare Savings Program benefits, including Qualified Medicare Beneficiaries (QMB) benefits. HHSC must ensure SSI recipients meet citizenship or have a satisfactory immigration status before certifying a person for SSI-associated Medicaid, including SSI-associated QMB.

SDX Information

Citizenship or alien status information that is received via SDX is considered verified for Medicaid programs. If SDX information verifies the person:

- Is a U.S. citizen or has a satisfactory immigration status, SDX automatically updates the person's information in TIERS.
- Is not a U.S. citizen or does not have a satisfactory immigration status, SSI-associated Medicaid is denied.

A new **Alert 920**, *SDX Alien/Citizenship for SSI Recipient Differs from TIERS*, is generated for eligibility staff to process when one of the following occurs:

- SDX is unable to automatically update citizenship or alien status information in TIERS; or
- SDX provides information about a person who already exists in TIERS, and they are certified for SNAP. Because SDX is not an acceptable verification source for SNAP, eligibility staff must run SAVE to verify the person's alien status information when there is an associated SNAP EDG.

Children Under 21

When a child under 21 is not eligible for SSI-associated Medicaid due to their current alien status, eligibility is explored for other medical programs. The child is tested for:

- Children's Medicaid if under 19.
- Medicaid for Pregnant Women (TP40) if under 21 and actively pregnant or in their 12-month postpartum period. If the child is not eligible for TP40, they are automatically tested for CHIP Perinatal (CHIP-P).

A child who is not eligible for any medical program is denied coverage.

Automation

Changes to TIERS were implemented with TIERS Release 123.1 on Aug. 29, 2026, to be effective Oct. 1, 2026.

The Change and Alert Guide will be updated to include Alert 920 processes.

Correspondence

Form H1296, *Notification of SSI Medicaid Ending*, is suppressed when a person is not eligible for SSI-associated Medicaid due to failure to meet citizenship or immigration status requirements. A TF0001, Notice of Case Action, is generated to notify the person of the denial.

Handbook
The MEPDH is currently scheduled to be updated in the Dec. 2026 revision.

Updates to the TWH are not required.

Training
Training was made available in PALMS titled R123.1 H.R. 1 Changes to Alien Medicaid Eligibility on Aug. 20, 2026.

Effective Date
This policy is effective Oct. 1, 2026.

4. Texas Health Steps and Health Care Orientation Medicaid Eligibility Update

Background

The Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program provides comprehensive and preventive health care services for children under age 21 who are enrolled in Medicaid. In Texas, the EPSDT program is known as Texas Health Steps program.

The Texas Health and Human Services Commission (HHSC) is updating its policies and the eligibility processes to remove adverse actions related to following the regimen of care prescribed the Texas Health Steps program.

Current Policy

TP 44 and TP 48

Eligibility staff must inform parents and caretakers:

- about the requirement to participate in a Health Care Orientation (HCO).
- starting at age two, children under 18 and enrolled in Medicaid must comply with the regimen of care prescribed by the Texas Health Steps program.

At the first redetermination, eligibility staff review the case information for overdue checkup dates and attempt to contact the parent or caretaker to clear missing Texas Health Steps or HCO information, providing an opportunity to satisfy the requirement through First Contact Resolution.

If compliance cannot be verified or established, staff explore good cause and may request verification using Form H1020, Request for Information or Action, and Form H1024, Subject: Self-Declaration Notice.

If Form H1024 is not returned by the due date or the parent or caretaker does not claim good cause for noncompliance, the child's Medicaid coverage is terminated for failure to provide information. (TWH A-1510, General Reminders, and A-1531.5, Compliance Requirements)

New Policy

TP 44 and TP 48

HHSC no longer takes adverse action when a household does not comply with the regimen of care prescribed by the Texas Health Steps program.

Eligibility staff's responsibility is only to outreach and inform households about the Texas Health Steps program at initial application and redetermination emphasizing the importance of preventive medical and dental checkups.

If a household does not comply with the regime of care prescribed by the Texas Health Steps program, eligibility staff will attempt to outreach the household to deliver the Health Care Orientation. Outreach efforts will be documented in the case record.

TANF

This policy update does not change Texas Health Steps requirements for TANF.

Automation

The Texas Integrated Eligibility Redesign System (TIERS) will be updated to no longer pend or deny cases at renewal or administrative renewal for overdue Texas Health Step checkups or Health Care Orientation noncompliance.

Changes to TIERS are currently scheduled to be implemented with TIERS Release R123.1 on Aug. 29, 2026.

Correspondence

Form H1024 and instructions have been updated to remove the language asking households to complete and return the form to be able to renew a child's Medicaid coverage.

Changes to Form H1024, Self-Declaration Notice will be implemented Aug. 29, 2026.

Handbook

Updates to the MEPDH are not required.

The TWH is currently scheduled to be updated in the January 2027 revision.

Training

Training is not required.

Effective Date

This policy is effective with the implementation of TIERS Release 123.1 currently scheduled for Aug. 29, 2026.