



## Federal Legislative and Policy Watch: School Medicaid

This document summarizes key federal actions across all three branches of government—legislative, executive, and judicial—that may affect school-based Medicaid programs, including SHARS (School Health and Related Services) and other federally reimbursable health services provided by schools.

### Explanation of Table Fields

**Status / Movement** – Describes the action's progress:

- *Proposed* – Introduced but not yet passed or finalized.
- *Enacted* – Passed into law or fully implemented.
- *Pending Legal Review* – Under consideration in the courts.

*Please note: Legislative and policy statuses may change rapidly. Updates should be cross-referenced with real-time tracking.*

**Operational Impact Level** – Expected effect on school district operations:

- *High* – Directly alters funding, service access, or federal compliance standards.
- *Moderate* – May require revised practice, awareness, or legal consultation.
- *Low* – Limited operational impact but worth monitoring.

**Relevance to Education** – Summary of how the action could influence Medicaid-funded school services.

**Disclaimer:** The information in this document is provided for awareness and planning purposes only. Most items listed reflect proposed, pending, or evolving developments at the federal level. School districts should not implement changes based solely on this information. Any action taken should follow formal adoption through legislation, regulation, or court decision, and be guided by legal counsel or relevant subject matter experts, along with clear criteria or instructions from appropriate state or federal authorities.

This information is provided for educational purposes only to facilitate a general understanding of the law or other regulatory matters. This information is neither an exhaustive treatment on the subject nor is this intended to substitute for the advice of an attorney or other professional advisor. Consult with your attorney or professional advisor to apply these principles to specific fact situations. This information was developed with the assistance of an artificial intelligence tool, specifically a large language model (LLM). The AI provided support in generating textual content, augmenting data analysis capabilities, and aiding in the development of insights.



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## Federal Actions Impacting School Medicaid

Policy / Action	Status / Movement	Operational Impact	Relevance to Education
<b>FY2026 Budget Proposal – Medicaid Funding Cuts</b>	Proposed; pending Congressional budget action	High	Suggests major reductions to federal Medicaid funding. Could significantly impact reimbursements for school-based services like SHARS.
<b>Bipartisan Safer Communities Act (2022)</b>	Enacted; ongoing implementation	Moderate	Provides federal funding to expand school-based mental health services, many of which can be Medicaid-reimbursable. Requires submission of the SPA to request changes or action by the state.
<b>State-Level Medicaid Expansion for School Services</b>	CMS guidance active; 25+ states participating	Moderate	Expands reimbursement to include general education students who are Medicaid-eligible, not just those with IEPs. Encourages expanded local infrastructure.
<b>Legal Challenges to HHS Medicaid Reductions</b>	Lawsuit filed by multiple states; proceedings ongoing	Moderate	Could affect federal funding streams that support Medicaid reimbursements in schools, including provider qualifications and covered services.
<b>Federal Funding Freeze (January 2025)</b>	Implemented briefly; clarified and partially rescinded	Moderate	The Office of Management and Budget paused some assistance programs. DOE later confirmed Title IV education programs were unaffected. May have caused temporary confusion regarding Medicaid reimbursement timing.
<b>Continuing Resolution Maintaining FY2024 Funding</b>	Enacted; through September 30, 2025	Low	Maintains current Medicaid reimbursement rates and eligibility rules while long-term budget negotiations continue.