

February 25, 2026

Senator Brian Hardin (Chair)
Health and Human Services Committee
Nebraska State Legislature
1445 K Street
Lincoln, Nebraska 68508

Dear Chair Hardin:

Thank you for the opportunity to provide written comments in advance of the February 25, 2026 hearing of the Nebraska Committee on Health and Human Services. On behalf of Families USA, a leading national, nonpartisan voice for health care consumers, **we urge the Nebraska State Legislature to protect Nebraskans' access to coverage, as Legislative Bill (LB) 777 would do, by requiring Nebraska Medicaid to provide the maximum retroactive coverage permitted under Federal law.**ⁱ

Eliminating retroactive Medicaid coverage would take away almost \$40 million in Medicaid funds from low-income Nebraska families and the providers that serve them, stripping away a key financial protection low-income families need while applying for health care coverage.

Retroactive Medicaid coverage is a critical policy that shields the most vulnerable Nebraskans from financial catastrophe when they apply for Medicaid after an unexpected illness or injury (for example, after a stroke) or after they have a change in life circumstances that makes them eligible for Medicaid (such as pregnancy). Retroactive Medicaid allows eligible individuals to receive coverage for medical expenses that happen in the weeks before their Medicaid application date. Without this protection, low-income Nebraskans face insurmountable debt for hospitalizations and surgeries, despite being eligible for assistance. About 22 percent of Nebraskans (~441,000) already have trouble paying medical bills — double the national average.

While federal law will now restrict the availability of retroactive coverage in 2027 (from 90 days to 30 or 60 days, depending on the type of Medicaid enrollee), Congress specifically chose to maintain retroactive coverage in federal policy because it is so critical to protecting low-income Americans from unnecessary financial hardship while applying for health coverage.ⁱⁱ Governor Jim Pillen's proposed FY 2026-2027 budget, however, attempts to eliminate retroactive Medicaid coverage entirely.ⁱⁱⁱ

Eliminating retroactive coverage now would be a compounding blow to families, hospitals, and communities already facing significant Medicaid cuts as a result of recent changes under H.R. 1 that are projected to leave 30,000 Nebraskans uninsured.^{iv}

Critically, Nebraska’s health care system is ill equipped for managing this change. Nebraska Medicaid already struggles with operational bottlenecks, slow processing, and high call center wait times, making it difficult for people to apply to Medicaid.^v Eliminating retroactive coverage does nothing to improve application efficiency and also serves to undermine existing eligibility and enrollment processes.^{vi} Almost half of Nebraska’s rural hospitals operate at a loss, and several are at risk of closure with new federal Medicaid cuts.^{vii} The state also experiences a critical, ongoing shortage of nursing homes with over 40 facilities closing since 2015.^{viii} Eliminating retroactive coverage only increases the financial vulnerability of these safety-net providers as more of the care they provide to low-income residents goes unpaid for by Nebraska Medicaid.

For these reasons, we call on the Nebraska State Legislature to reject all proposals that seek to reduce or eliminate retroactive Medicaid coverage and, instead, support policies that protect retroactive Medicaid coverage for low-income Nebraskans.

Thank you for the opportunity to submit this testimony. For further information, please contact Alberto Gonzalez, Deputy Senior Director for State Government Relations, at agonzalez@familiesusa.org

Sincerely,



Sophia Tripoli
Senior Director of Health Policy

ⁱ Legislative Bill 777, Nebraska 119th Legislature, Second Session, January 07, 2026, <https://nebraskalegislature.gov/FloorDocs/109/PDF/Intro/LB777.pdf>.

ⁱⁱ Prior to the 2025 federal reconciliation bill (H.R. 1), retroactive Medicaid coverage was 90 days. Effective December 31, 2026, H.R. 1 reduces retroactive coverage to one month prior to application for coverage for Medicaid expansion enrollees and two months prior to application for coverage for all other Medicaid enrollees. Public Law 119-21 § 71112; “Health Provisions in the 2025 Federal Budget Reconciliation Bill,” Kaiser Family Foundation, July 8, 2025. Summary of Medicaid Provisions in the House and Senate Budget Reconciliation Bills | KFF <https://www.kff.org/medicaid/tracking-the-medicaid-provisions-in-the-2025-budget-bill/>

ⁱⁱⁱ Mid-Biennium Budget Adjustments 2025–2027 Biennium,” State of Nebraska, Administrative Services – State Budget Division, January 15, 2026, <https://das.nebraska.gov/budget/publications/docs/2025-2027/2026/Governor's%20Mid-Biennium%20Budget%20Adjustments%202026.pdf>

^{iv} Sierra Salgado Pirigyi, “Release: Nebraska Hastily Implementing Work Requirements Will Cause Tens of Thousands to Unnecessarily Lose Medicaid Coverage,” Nebraska Appleseed, December 17, 2025, <https://neappleseed.org/50322>.

^v Kelsey Arends, “Unpacking the Medicaid “Unwind:” Understanding historic COVID-19-related protections and using lessons learned to improve Medicaid,” Nebraska Appleseed, December 2024, <https://neappleseed.org/wp-content/uploads/2024/12/Medicaid-Unwind-Brief-12.2024-Nebraska-Appleseed.pdf>; Tricia Brooks, Joan Alker, Hannah Green, Yuliya Yafimenka and Antony Lin, “Are States Ready to Implement HR 1 and Medicaid Work

Reporting Requirements?” Georgetown University McCourt School of Public Policy, Center for Children and Families, September 4, 2025, <https://ccf.georgetown.edu/2025/09/04/are-states-ready-to-implement-hr-1-and-medicaid-work-reporting-requirements/>;

^{vi} Nebraska threw a ‘lifeline’ to rural hospitals on the brink. It’s fraying.” Nebraska Hospital Association, December 12, 2025, <https://www.nebraskahospitals.org/nebraska-threw-lifeline-rural-hospitals-brink-its-fraying>.

^{vii} “Nebraska threw a ‘lifeline’ to rural hospitals on the brink. It’s fraying.” Nebraska Hospital Association, December 12, 2025, <https://www.nebraskahospitals.org/nebraska-threw-lifeline-rural-hospitals-brink-its-fraying>.

^{viii} “Who will care for Nebraska seniors?” Nebraska Health Care Association, 2025, <https://nehca.org/NEHCA/NEHCA/Advocacy/whowillcare.aspx>; Aaron Bonderson, “Nursing Homes Struggling to Make Ends Meet in Nebraska,” Nebraska Public Media, December 2023, [%20State%20payments%20to%20assisted%20living%20facilities](https://nebraskapublicmedia.org/es/news/news-articles/nursing-homes-struggling-to-make-ends-meet-in-nebraska/#:~:text=Some%20nursing%20homes%20that%20are%20closing%20include,).