

# IMPLEMENTING THE ONE BIG BEAUTIFUL BILL

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# IMPLEMENTING THE ONE BIG BEAUTIFUL BILL

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The number of  
able-bodied adults  
on Medicaid has  
skyrocketed



**6.9M**

2000

**34.0M**

2024



# IMPLEMENTING WORK REQUIREMENTS

## OBBB CREATES MEDICAID WORK REQUIREMENTS

- Starting January 1, 2027, states must implement modest work requirements for ObamaCare expansion enrollees

## WHO IS SUBJECT?

- Able-bodied adults in ObamaCare expansion, including childless adults and parents with teenage children

## WHAT IS THE REQUIREMENT?

- Work, train, or volunteer 80 hours per month.
- Have monthly income of \$580



# IMPLEMENTING WORK REQUIREMENTS

## WHO IS EXEMPT?

- Adults eligible for Medicare
- Adults younger than 19
- Pregnant and post-partum women
- Parents of children age 13 and younger
- Parents or caregivers of disabled individuals
- Medically frail
- Individuals recently released from incarceration
- Indians, Urban Indians, California Indians, or eligible for IHS
- Veterans with total disability rating
- Individuals with substance use disorders
- Individuals with disabling mental disorders
- Individuals with physical, intellectual, or developmental disabilities that significantly impairs daily living
- Individuals complying with TANF or Food Stamp work requirements



# IMPLEMENTING WORK REQUIREMENTS

## WHEN MUST STATES CHECK COMPLIANCE?

- Prior to enrollment
- At redetermination
- More frequently at state option

## IS THERE A GRACE PERIOD?

- Enrollees get a 30-day grace period to prove compliance.
- States must disenroll by the end of the following month after the grace period expires



# IMPLEMENTING WORK REQUIREMENTS

## ACTION STEPS

- **Do not accept self-attestation of exemptions or compliance**
- **Do not accept MCO designations of exemptions**
- **Do not adopt additional optional exemptions**
- **Verify compliance at least quarterly**
- **Utilize existing wage records and data sources**



# VERIFYING ELIGIBILITY MORE OFTEN

## OBBB REQUIRES MORE FREQUENT ELIGIBILITY CHECKS

- Biden-era “Medicaid Streamlining” Rule was paused, effective July 4, 2025
- Starting January 1, 2027, states must redetermine eligibility for ObamaCare expansion enrollees at least once every six months

## ACTION STEPS

- Increase frequency of eligibility redeterminations for adult MAGI-based eligibility groups



# ENDING MULTI-STATE ENROLLMENT

## OBBB REQUIRES MULTI-STATE DATA SHARING

- Starting January 1, 2027, states must regularly obtain address information for Medicaid enrollees
- Starting October 1, 2029, states must submit enrollment information to HHS to prevent duplicate enrollment

## ACTION STEPS

- Establish process to regularly update address information
- Submit enrollment data to HHS
- Cross-check enrollment with NCOA data monthly
- Cross-check enrollment with out-of-state EBT transactions monthly



# REMOVING DECEASED ENROLLEES

## OBBB REQUIRES DEATH RECORD CROSS-CHECKS

- Starting January 1, 2027, states check Social Security death records at least quarterly

## ACTION STEPS

- Cross-check Social Security death records quarterly
- Cross-check state Vital Statistics records monthly



# REDUCING ELIGIBILITY ERRORS

## OBBA RESTRICTS ERRONEOUS PAYMENTS

- Starting October 1, 2029, federal matching dollars are unavailable for eligibility-related improper payments above 3%

## ACTION STEPS

- Conduct more frequent redeterminations
- Prohibit self-attestation
- Regularly cross-check death records, incarceration records, out-of-state EBT transactions, change-of-address records, wage records, tax returns, etc.



# **LIMITING RETROACTIVE COVERAGE**

## **OBBB LIMITS RETROACTIVE ELIGIBILITY**

- **Starting January 1, 2027, states must limit retroactive eligibility to**
  - **ObamaCare expansion enrollees: 1 month**
  - **All other enrollees: 2 months**

## **ACTION STEPS**

- **Limit retroactive eligibility to 1-2 months**



# REQUIRING COST-SHARING

## OBBB REQUIRES MANDATORY ENROLLEE COST-SHARING

- Starting October 1, 2028, states must impose mandatory cost-sharing requirements on ObamaCare expansion enrollees above the poverty line
- Cost-sharing amounts can range up to \$35 per service, subject to an aggregate 5% cap
- States may permit providers to enforce cost-sharing at the time of service

## ACTION STEPS

- Impose required cost-sharing for services, including a \$35 charge for nonemergency ER use
- Allow providers to enforce cost-sharing at the time of service



# REMOVING ALIENS

## OBBB CREATES NEW RESTRICTIONS ON ELIGIBILITY

- Starting October 1, 2026, Medicaid eligibility is limited to:
  - Citizens
  - Lawful permanent residents
  - Cuban and Haitian refugees
  - Individuals lawfully residing under COFA

## ACTION STEPS

- Verify immigration status
- Require immigration status certification for presumptive eligibility determinations
- Limit number and duration of reasonable opportunity periods
- Refer illegal aliens to ICE



# ENSURING BUDGET NEUTRALITY

## OBBB REQUIRES WAIVER BUDGET NEUTRALITY

- Starting January 1, 2027, HHS may not approve or extend an 1115 waiver without certification by the Chief Actuary that it is budget neutral

## ACTION STEPS

- Review all existing waivers, methodology, and assumptions



# ENDING FINANCING SCHEMES

## OBBB FREEZES NEW PROVIDER TAXES

- Starting July 4, 2025, the safe harbor is zero for new classes of provider taxes.
- Starting July 4, 2025, the safe harbor is the current ratio of tax-to-revenue for existing classes of provider taxes.

## OBBB PHASES DOWN THE PROVIDER TAX SAFE HARBOR

- Starting October 1, 2027, the 6 percent safe harbor for provider taxes phases down by 0.5 percent per year in ObamaCare expansion states.
- Starting October 1, 2031, the safe harbor will be 3.5 percent in ObamaCare expansion states.



# ENDING FINANCING SCHEMES

## OBBB UNWINDS MANAGED CARE TAXES

- Starting July 4, 2025, provider taxes must be uniform and not based on Medicaid units.

## OBBB REDUCES STATE-DIRECTED PAYMENT BONUSES

- Starting July 4, 2025, new state-directed payments are subject to an upper payment limit.
  - ObamaCare expansion states: Medicare rates
  - Non-expansion states: Medicare rates + 10%
- Existing approved state-directed payments will be reduced until meeting these new standards.



# **FGA IS HERE TO HELP**

## **MY CONTACT INFO**

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## **AN FGA PRESENCE IN ALL 50 STATES**

- **FGA has staff and contractors to help each of you implement the One Big Beautiful Bill**