

The One Big Beautiful Bill Act: *Healthcare/Health Insurance Impacts*

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1

1

Timeline of Changes: Now to 1/1/2026

- Telehealth for HDHP without regard to deductible is retroactive to 1/1/2025
 - Potential expiration of Enhanced Premium Tax Credits (12/31/2025)
- For 1/1/2026:
 - Income-based (100-150% of SEP) special enrollment period is eliminated
 - People not filing taxes annually lose their APTC eligibility
 - Tax credits and emergency funding for non-citizens under 100% of FPL eliminated
 - Direct Primary Care Payments (up to \$150 single and \$300/family) eligibility from H.S.A.'s begins
 - Bronze and Catastrophic plans are considered H.S.A. eligible.

2

Timeline of Changes: 2027 to 2028

- On 1/1/2027:
 - Medicaid Community Engagement Requirements begin
 - People who fail Community Engagement are no longer eligible for APTC either.
 - New definition of “Lawfully Present” goes into effect for APTC eligibility.
- For 1/1/2028:
 - Presumptive eligibility for Special Enrollment/Premium Tax credits ends.
 - Passive re-enrollment on marketplaces without premiums or penalty ends

• **STAND BY FOR DETAILS!!!**

3

Private Insurance/Healthcare.gov Changes in OBBBA



*It is unlikely that a full restoration of ARPA-Level Tax credits (\$300B+ over 10 years) would have passed the Senate Parliamentarian test for Reconciliation.

- **The Act does not comment on the ARPA-level tax credits which expire on 12/31/2025***
- ***People who under-estimate their income and receive too much premium tax credit will be liable for the ENTIRE amount of the overage at tax time (removing caps on liability). Including those under 100% FPL!***
- Applicants who file during a special enrollment period will no longer receive presumptive eligibility for advanced tax credits. Until all their paperwork is processed and an approval issued, they have to pay 100% of premiums out of their own pocket. May take weeks.

4



Private Insurance/Healthcare.gov Changes in OBBBA (1/1/26)

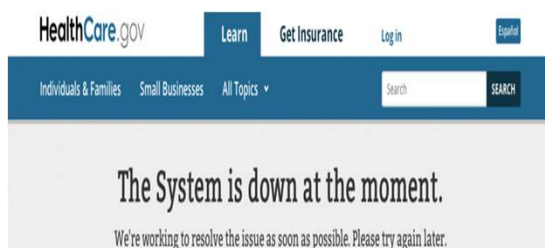
- Applicants will now have to file income taxes every single year to receive ATC's. Notices to end APTC go out 9/1/2025!
- Automatic re-enrollment is ended for people who receive premium tax credits without re-enrolling. A \$5 premium will apply to those who do not update their data annually and purchase a (formerly) \$0 premium plan.
- Lawfully present applicants with incomes under 100% of FPL can no longer receive tax credits.
- DACA (Deferred Action for Childhood Arrivals) folks are no longer eligible for tax credits.
- **Silver-loading will remain in place, no CSR funding in final bill.**
- Bronze and Catastrophic plans will now be considered HSA-eligible in the individual market (only).



Health Savings Accounts may be used to pay Direct Primary Care Fees up to \$300/month family.

5

Private Insurance/Healthcare.gov Changes in OBBBA (1/1/26)



- Max out of pocket for ACA Qualified Health Plans will be recomputed for 2026. Max allowable is now \$10,600 for a single, or \$21,200 for a family in 2026.
- **Open Enrollment on Healthcare.gov is shortened to only 8 weeks (down from 11). OEP is now 11/1 through 12/31 starting with the Fall of 2026 open enrollment for 2027 plans.**
- The year-around special enrollment period for low-income individuals (100% of FPL to 150% of FPL) has ended.
- Tightens special enrollment triggers for the Federal Employee Plans as well.

6

STATUS OF STATE MEDICAID EXPANSION

AS OF JUNE 2018

Legend:

- ADOPTED (Teal)
- CONSIDERING EXPANSION (Light Gray)
- NOT ADOPTED (Orange)

Source: Henry J. Kaiser Family Foundation
<https://www.kff.org/health-policy/news/state-medicare-and-medicaid-expansion-by-state/>



- New, clarified citizenship rules for Medicaid eligibility (no exceptions, 10/1/2026)
- Applicant must be a **resident of the United States** AND one of the following:
 - US Citizen or National;
 - Lawful Permanent Resident (but not visitor, tourist, diplomat, or student);
 - Cuban or Haitian entrant (as defined in the Refugee Education Assistance Act of 1980);
 - Resident from Micronesia, Marshall Islands, or Palau

4



New Medicaid Requirements on States

- Emergency FMAP Changes (10/1/2026)
 - States providing emergency services to persons ineligible for Medicaid due to citizenship issues will no longer be reimbursed at their maximum FMAP (typically 90%). That care will now be reimbursed at standard FMAP rates (50-63%).
- Applicants will now get 1 or 2 months of retroactive coverage at maximum. That's down from 3 months currently (12/31/2026)
- Medicaid payments may not be made to any medical providers that provide abortion services (For 1 year, Started July 4, 2025)
- Increased FMAP offers (extra 5%) to the Expansion Holdout states is removed. (now)



9



The Big Hit: Limits and Freezes on Provider Taxes

- States that have expanded Medicaid under the ACA (Like Louisiana) use provider taxes (on hospitals, Docs, Pharmacies, Nursing Homes, Intermediate care facilities, MCO's) to raise money by pairing it with a 90% FMAP from CMS.
- Thus, for every **\$1** in tax raised and spent in Medicaid, **up to \$9** in federal money was received by that state, augmenting state revenue.
- These "matched" taxes safe harbor will be reduced by 0.5% annually (from the current 6% of total Medicaid spending) starting in 2028 until tax rate reaches 3.5% by 2032. Taxes on nursing homes and intermediate care facilities are not affected.



Taxes within 1 class of providers may not vary % based on the volume of Medicaid patients any more!

10

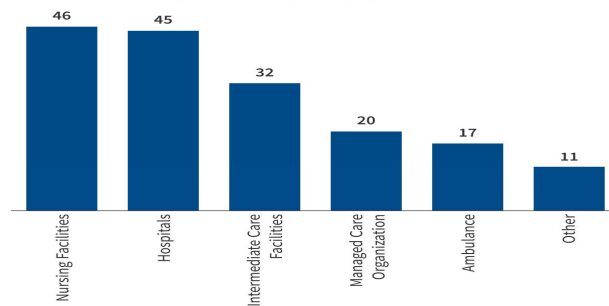


The Big Hit: Limits and Freezes on Provider Taxes

Figure 3

Provider Taxes are Most Common for Institutional Providers

Count of states with a provider tax in place by type of provider



Note: Includes Medicaid provider taxes as reported by states. FL did not respond to the 2024 survey; publicly available data used to verify taxes in place.
Source: Annual KFF survey of state Medicaid officials conducted by Health Management Associates, October 2024

KFF

- ACA Expansion States were heavily reliant on these tax dollars for coverage above and beyond the ACA expectations (and using the money for non-Medicaid purposes). In some states, provider taxes **generate 30% or more** of Medicaid spending.
- My best guess is that provider tax federal matching funds runs north of \$100 Billion annually in extra federal money to states.
- It appears at least 40% of Louisiana's current Provider Tax revenue will be **immune** to these changes (nursing home and intermediate care taxes)

11



Community Engagement Requirements For Medicaid

- Expansion States are ordered to implement **"Community Engagement Requirements"** for Medicaid eligibility and submit plans for federal approval.
- They must have their Advisory Councils in place by Summer 2026 and have the entire plan implemented by 1/1/27.
- States are required to track, report, update, and follow compliance rates and disenrollment rates.



These requirements do not apply to the 10 non-Expansion states because the population affected does not exist.

12



Community Engagement Requirements For Medicaid are Relatively Narrow



MCO's are NOT allowed to determine compliance with Community Engagement Requirements, only states.

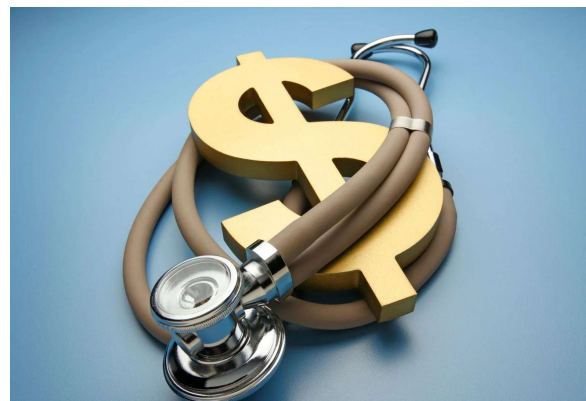
- The Community Engagement requirement applies to Medicaid enrollees in Expansion States with incomes between 100 and 138% of FPL ONLY, and:
 - **People 20-64 who are:**
 - Physically and mentally fit to work
 - Without children under age 14
 - Non-pregnant females
 - Not American Indians or Alaska Natives
- **The requirement is:**
 - Roughly 80 hours of work, searching for work, or volunteering each month (state discretion on quantity)
 - Job training constitutes allowable hours
 - Education also counts as allowable hours

13



Medicaid Cost-Sharing Requirements (10/1/2028)

- (Expansion) States must implement cost-sharing charges to the able-bodied expansion population (income between 100 and 138% of FPL) up to \$35 per service used. (starting in 2028)
- Drugs may only have a "nominal" fee charged.
- Cost sharing total is capped at 5% of household income annually



14



Medicaid Cost-Sharing Requirements (10/1/2028)



Since the 10 non-expansion states (including Florida, Texas, and Georgia) don't cover over 100% FPL, will not apply.

- Exempt from cost sharing:
 - Primary Care Visits
 - Mental health and substance abuse treatments
 - Emergency Room visits
 - Long-term care or custodial care services
 - Contraceptive/pregnancy coverage
 - **Services provided by FQHC's, Rural health clinics, certified community behavioral health clinics.**

15

Medicare Changes in OBBBA



Effective 1/1/2026

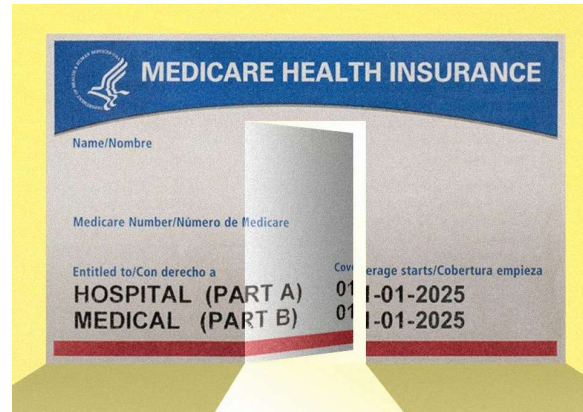
- Clarifies Medicare Eligibility to only:
 - US Citizens or Nationals
 - Lawful Permanent Residents
 - Certain Humanitarian Entrants (specifically Cubans and Haitians)
 - Individuals under a Compact of Free Association (Micronesia, Marshall Islands or Palau)
 - Certain lawful immigrants who paid into Medicare will not be allowed to enroll

16



Medicare Changes in OBBBA

- Adds a 2.5% pay bump for physician reimbursement during 2026 (only)
- The Extra spending (since the tax cuts were not allowed to expire) could trigger PayGO cuts to Medicare during 2029 and beyond. Further action will be needed to avoid trust fund insolvency.



17

Bonus! Tax Changes in OBBBA

- **Makes permanent the TCJA 2017 tax cuts plus adds \$750/\$1500 to standard deduction.**
- Raises estate tax exemption to \$15m and indexes for inflation 2026 onward.
- Creates Temporary \$6,000 bonus deduction for the over 65 (phases out with higher incomes)
- Tipped workers can deduct up to \$25k in tips, OT workers \$12,500 (single) or \$25,000 (MFJ)
- Allows immediate and full expensing/deductions of capital investments.
- Eliminates almost all green energy credits, including EV's, Solar, Wind, etc
- Creates new tax-favored accounts for children, parents can contribute up to \$5k per year.



18

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Don't be Scared of Change!!!

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