

Better reimbursement.

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Better hospitals.

Better communities.

Better *together*.

HFMA Region 9 Webinar

July 8, 2025

Big Beautiful Bill and Impact of
Medicaid Changes



ALTUM

HEALTHCARE SOLUTIONS



The Altum Difference

Altum Healthcare Solutions is an experienced team of professionals at the forefront of healthcare revenue cycle management (RCM).



Deep Dive Approach

We focus on taking a strategic "deep dive" into our healthcare provider partners' revenue cycle needs.

Our client-focused approach, utilization of the latest technologies, and expert staff is our competitive advantage that translates to better operational performance and increased revenue for our partner clients.



Healthcare providers need to focus on patient care. But if they don't manage and control revenues and expenses properly, they won't survive. And that's where Altum comes in.





HQ
Atlanta, Georgia

20+ YRS
Avg Leadership Experience

2020
Founded

HEALTHCARE RCM
Niche Expertise

SOUTHEAST +
EXPANDING
Hospitals + Physician Groups



Altum At-a-Glance

We shape creative solutions with a
singular goal in mind:

Better reimbursement, better hospitals,
better communities—better *together*.



**Good enough is not part of the
language we speak.**

We excel at servicing our partners and uncovering
every single dollar available to give back to them.

We are driven to succeed for ourselves and our
partners.

Big Beautiful Bill



- Signed on July 4, 2025
- States will see more than a \$1.2 trillion dollar reduction in Medicaid coverage and funding through 2034
 - Estimated \$665 Billion in cuts will directly impact Hospitals
- Federal Medicaid Funding will plummet \$940 Billion
- Health Insurance Exchange will diminish by \$200 Billion
- CBO projects that 11.8 million people will become uninsured (16.9 million over a decade)
- Original Bill included \$800 billion in Medicaid cuts, and the passed bill includes \$940 billion
- Establishes a \$50 Billion Fund for Rural Hospitals over 5 years

Big Beautiful Bill

- Subchapter A Reducing Fraud and Improving the Enrollment Process
 - HHS shall NOT from now until September 30, 2043 implement, administer, or enforce provisions of:
 - CMS rule published on September 21, 2023 which simplified enrollment in Medicare Savings Programs
 - CMS rule published April 2, 2024 which improved access to and quality of care for Medicaid and CHIP
 - By January 1, 2027, Medicaid State Plans must provide a process to regularly obtain address updates from specific data sources, and take “actions specified by the Secretary”
 - By October 1, 2029, HHS must establish a system to prevent an individual from being simultaneously enrolled in multiple states.
 - Fiscal Year 2026 \$10 million to create system
 - Fiscal Year 2029 \$20 million to maintain such system

Big Beautiful Bill

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 - Beginning January 1, 2028, the State shall not less frequently than quarterly, review the Death Master File and disenroll any deceased individuals/providers.
 - Reduces Good Faith Waiver of Payment and allows for both HHS and State Audits to determine excess payments
 - Beginning December 31, 2026 states must redetermine Medicaid eligibility every 6 months, for individuals enrolled in expansion
 - Effective January 1, 2028, limits the amount states can set for home Equity when determining long-term care, and creates a \$1 million cap in perpetuity.
 - Alien Coverage Status
 - Citizen or National of the US
 - Alien lawfully admitted for permanent residence (with exceptions)
 - States will no longer be able to receive the 90% FMAP for emergency care furnished to immigrants that would meet Medicaid Expansion

Big Beautiful Bill

- Subchapter B Preventing Wasteful Spending

- Moratorium on Implementation of the Rule Relating to Staffing Standards for Long-Term care facilities until September 30, 2024
- Effective December 31, 2026, reduces retroactive Medicaid coverage to one month for expansion enrollees, and two months for other Medicaid enrollees
 - Retroactive coverage for pregnant women and children covered by CHIP to two months prior.
- Prevents Federal Medicaid and CHIP Funding for Gender Transition Procedures. List of procedures and treatments is included in the text, as well as a long list of exceptions.
 - *Executive Order 14178 Banned Federal Funding for Pediatric Gender Transition by the end of April*
- No payments using Federal Funding for one year, to prohibited entities. i.e. Abortion Providers

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- Subchapter C Stopping Abusive Financing Practices
 - Sunsets the 5% FMAP increase effective January 1, 2026
 - States that expand prior to January 1st still get bump-just no new States
 - Fiscal Year 26 and 27 all States can keep their current provider tax rates, if there is not a tax already in place for a particular provider type the hold harmless threshold shall be 0%
 - Non expansion States can remain at current levels, as long as they are within 6% threshold
 - For Expansion States overtime the hold harmless threshold is reduced by .5% to get to 3.5% by FY 2032
 - Louisiana and Oklahoma would be affected

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- Prohibits States from instituting new State Directed Payments that exceed Medicare Rates (expansion states) and 110% of Medicare Rates (non-expansion states)
 - Any existing SDP over this amount, shall be reduced 10% a year to get to the 100/110% threshold
 - *Executive order June 6, 2025 Directing Secretary of HHS to ensure Medicaid payment rates are not higher than Medicare*
- CMS can approve Medicaid Demonstration 1115 waivers, but the State must demonstrate the net effect of the tax is “generally redistributive” and not directly linked to Medicaid Payments.

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- Subchapter D- Increasing Personal Accountability
 - Community Engagement Requirements must be a condition of eligibility for Medicaid Expansion Population beginning December 31, 2026.
 - All enrollees by December 31, 2028, States can request an exemption before that date, if they can demonstrate Good Faith effort to comply
 - Community Engagement may consist of 80 hours of work, community service, participation in a work program, or enrolled in an education program at least part time (or a combination of these)
 - Non-compliance results in disenrollment, as well as being blocked from premium tax credits on the ACA Marketplace
 - Includes minimum requirements for seasonal workers

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- Several categories are exempted and allows for optional exemptions for temporary hardships
 - Parents, guardians, or caregivers of a dependent children up to the Age 14, or disabled child (Age 19).
 - Pregnant/Post Partum
 - Individuals under the age of 19
 - Formerly Incarcerated in the last 3 months
- Interim Final Rules by June 1, 2026 (*Chevron Doctrine- overturned, HHS abolished comment period in February 2025*)
- Provides \$200 million in implementation funding

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- Effective October 1, 2028, add cost-sharing for Medicaid Expansion enrollees with incomes over 100% of the FPL.
 - Must be greater than \$0 but can not exceed \$35 for a healthcare item or service
 - Sets a total aggregate limit of cost sharing to 5% of family income
 - Healthcare Providers can refuse service to Medicaid members who do not pay the required cost sharing at the time of service
 - Exclusions to cost sharing: pregnancy, inpatient, emergency, family planning, hospice, COVID testing, vaccines

Big Beautiful Bill Medicare

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Increases Medicare physician reimbursements 2.5% in 2026, but drops a House proposal to peg future payment updates to the Medicare Economic Index.

Triggers Medicare cuts under the Statutory Pay-As-You-Go Act of 2010 that could include reductions in provider reimbursements.

Blocks a rule easing eligibility and enrollment in Medicare Savings Programs for people enrolled in both Medicare and Medicaid.

Prevents most immigrants, including most asylum recipients, from getting Medicare benefits

Does not delay \$16 billion in cuts to Medicaid disproportionate share hospital payments for three years.

Big Beautiful Bill ACA Exchange

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Prevents premium tax credits from being provided to most migrants and disallows them for enrollees whose status is in doubt.

Institutes stricter eligibility and income verifications for exchange subsidy recipients and requires new checks for low-income enrollees with zero-premium plans.

Ends eligibility for premium tax credits during special enrollment periods.

Eliminates limits on recapturing improperly paid advance premium tax credits.

Sunsets ACA incentives for states to expand Medicaid.

What is Medicaid?

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Medicaid is a joint federal and state program that, together with the Children's Health Insurance Program (CHIP), provides health coverage to over 77.9 million Americans, including children, pregnant women, parents, seniors, and individuals with disabilities. Medicaid is the single largest source of health coverage in the United States.

\$756.3 Billion Total Medicaid Expenditure (Federal and State) in 2021

41% of US Births were covered by Medicaid in 2021

Federal Government pays between 50-83% of cost (90% in expansion states)

Medicaid Beneficiary at a Glance



- 45.9% Male 54.1% Female
 - 23% are Female beneficiaries of Reproductive Age
- Percentage of Child and Adult Population Enrolled in Medicaid or CHIP 2022
 - Texas 13.4%-22.1%
 - Mississippi 22.2%- 27.1%
 - Oklahoma, Arkansas, and Louisiana 30.1%-42.6%
- Ethnicity
 - 42% White
 - 28% Hispanic or Latine
 - 18% Black or African American
 - 5% Asian

Medicaid Beneficiary at a Glance



- Average Cost Expenditures and Enrollment in 2020
 - Children 0-20 \$3,358.00 (38.1% of the enrollment)
 - Adults, Non-Expansion, Non-Disabled 21-64 \$5,528 (16.5% of the enrollment)
 - Adults Medicaid Expansion \$7,122 (23.1% of the enrollment)
 - Aged over 65 \$18,080 (10.2% of the enrollment)
 - People with Disabilities \$23,196 (12.1%) of the enrollment
- Mental Health Coverage
 - 13% of Children and 19% of Adults enrolled in Medicaid received Mental Health Treatment in 2021
 - 12% of Children and 25% of Adults enrolled in Medicaid took a RX for emotional or mental health in 2021

Medicaid Beneficiary at a Glance



50% of households with at least one person covered by Medicaid or CHIP reported at least 1 housing related problem

38% of households with at least one person covered by Medicaid or CHIP reported receiving a food stamp or SNAP benefit

41.5% of children ages 1 to 20 with Medicaid or CHIP coverage received a preventative dental service between October 2019 and September 2020

Kaiser Family Foundation: 92% of able-bodied Medicaid adults under age 65 worked full or part-time, or were indisposed for a good reason such as caring for a relative or attending school.

Medicaid Beneficiary at a Glance

- Estimated 4.8 Million enrollees do not meet Community Engagement Requirements
- Estimated 1.4 Million enrollees do not meet Citizenship Requirements

Mandatory Eligibility Groups

- Low Income Families
- Transitional Medical Assistance
- Extended Medicaid due to Child or Spousal Support Collections
- Children with Title IV-E Adoption Assistance, Foster Care or Guardianship Care
- Qualified Pregnant Women and Children
- Mandatory Poverty Level Related Pregnant Women
- Mandatory Poverty Level Related Infants
- Mandatory Poverty Level Related Children Aged 1-5
- Mandatory Poverty Level Related Children Aged 6-18
- Deemed Newborns
- Individuals Receiving SSI

Mandatory Eligibility Groups



- Aged, Blind, Disabled in 209 (b) States
- Individuals who are essential spouses
- Disabled Widows and Widowers ineligible for SSI
- Working Disabled under 1619 (b)
- Disabled Adult Children
- Specified Low Income Medicare Beneficiaries

Optional Eligibility Groups

- Children with Non- IVE Adoption Assistance
- Independent Foster Care Adolescents
- CHIP (income too high for Medicaid but too low for private coverage)
- Optional Poverty Level Related Women and Infants
- Presumptively Eligible Pregnant Women
- Presumptively Eligible Children
- Individuals Electing COBRA
- Individuals in HMOs Guaranteed Eligibility
- Individuals Receiving Hospice Care
- Individuals with Tuberculosis
- Certain women needing treatment for Breast or Cervical Cancer
- Ticket to Work Groups
- Individuals at or below 133% FPL Age 19 through 64 (expansion)
- Medically Needy

Mandatory Medicaid Benefits



- Transportation to medical care (1902(a)(4), 42 CFR 431.53 and 42 CFR 440.170)
- Inpatient hospital services (1905(a)(1), 42 CFR 440.10)
- Outpatient hospital services (1905(a)(2)(A), CFR 440.20(a))
- Rural health clinic services (1905(a)(2)(B), 42 CFR 440.20(b))
- Federally qualified health center services (1905(a)(2)(C))
- Laboratory and X-ray services (1905(a)(3), 42 CFR 440.30, and 42 CFR 441.17)
- Nursing facility services (1905(a)(4)(A), 42 CFR 440.40 and 42 CFR 440.155)
- Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services (1905(a)(4)(B), 1905(r), 42 CFR 440.40, 42 CFR 441 Subpart B)

Mandatory Medicaid Benefits

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- Family planning services (1905(a)(4)(C), 42 CFR 441.20)
- Tobacco cessation counseling for pregnant women (1905(a)(4)(D))
- Physician services (1905(a)(5), 42 CFR 440.50)
- Home health services (1905(a)(7), 42 CFR 440.70 and 42 CFR 441.15)
- Nurse Midwife services (1905(a)(17), 42 CFR 440.165 and 42 CFR 441.21)
- Certified pediatric and family nurse practitioner services (1905(a)(21), 42 CFR 440.166(b) and 42 CFR 441.22)
- Freestanding birth center services when licensed or otherwise recognized by the state (1905(a)(28))
- Medication Assisted Treatment (MAT) (1905(a)(29))
- Routine patient costs of items and services for beneficiaries enrolled in qualifying clinical trials (1905(a)(30)).

Optional Medicaid Benefits

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- Other licensed practitioner services (1905(a)(6), 42 CFR 440.60)
- Private duty nursing services (1905(a)(8), 42 CFR 440.80)
- Clinic services (1905(a)(9), 42 CFR 440.90)
- Dental services (1905(a)(10), 42 CFR 440.100)
- Physical therapy (1905(a)(11), 42 CFR 440.110(a))
- Occupational therapy (1905(a)(11), 42 CFR 440.110(b))
- Speech, hearing and language disorder services (1905(a)(11), 42 CFR 440.110(c))
- Prescription drugs (1905(a)(12), 42 CFR 440.120(a) and 42 CFR 441.25)
- Dentures (1905(a)(12), 42 CFR 440.120(b))
- Prosthetics (1905(a)(12), 42 CFR 440.120(c))
- Eyeglasses (1905(a)(12), 42 CFR 440.120(d))

Optional Medicaid Benefits



- Other diagnostic, screening, preventive, and rehabilitative services (1905(a)(13), 42 CFR 440.130)
- Services for individuals age 65 or older in an Institution for Mental Disease (IMD) (1905(a)(14), 42 CFR 440.140)
- Services in an intermediate care facility for Individuals with intellectual disability (1905(a)(15), 42 CFR 440.150)
- Inpatient psychiatric services for individuals under age 21 (1905(a)(16), 42 CFR 440.160 and 441 Subpart D)
- Hospice (1905(a)(18))
- Case management (1905(a)(19), 42 CFR 440.169 and 42 CFR 441.18)
- TB-related services (1905(a)(19))
- Respiratory care for ventilator-dependent individuals (1905(a)(20), 42 CFR 440.185)

Optional Medicaid Benefits



- Personal care (1905(a)(24), 42 CFR 440.167)
- Primary care case management (1905(a)(25), 42 CFR 440.168)
- Primary and secondary medical strategies, treatment, and services for individuals with sickle cell disease (1905(a)(27))
- Certified community behavioral health clinic (CCBHC) services (1905(a)(31), (1905)(jj))
- State plan home and community-based services (1915(i), 42 CFR 440.182)
- Self-directed personal assistance services (1915(j), 42 CFR 441.450-441.484)
- Community First Choice Option (CFC) (1915(k), 42 CFR 441.500-590)
- Medical Assistance For Eligible Individuals Who Are Patients In Eligible Institutions for Mental Diseases (1915(l))
- Alternative Benefit Plan (ABP) (1937,* 42 CFR 440.300)
- Health homes for enrollees with chronic conditions (1945)

Impact to Region 9

- Arkansas Projected Impact
 - \$3,586 Million to Hospitals (14% less than baseline)
 - \$10,882 Million to State (12% less than baseline)
- Louisiana
 - \$22,660 Million to Hospitals (23% less than baseline)
 - \$40,305 Million to State (17% less than baseline)
- Mississippi (Non-expansion)
 - \$4,777 Million to Hospitals (14% less than baseline)
 - \$6,111 Million to the State (8% less than baseline)
- Oklahoma
 - \$10,719 Million to Hospitals (18% less than baseline)
 - \$16,924 Million to the State (13% less than baseline)
- Texas (Non-expansion)
 - \$20,645 Million to Hospitals (9% less than baseline)
 - \$29,346 Million to the State (6% less than baseline)

Impact

- Destabilization of the Federal/State Medicaid Partnership at a level never seen before
- States will struggle to make up Billions of Dollars in Federal Medicaid money causing benefit and eligibility cuts, provider payment reductions, and tax increases
- Enrollment issues- more frequent enrollments, citizenship and address checks, work requirements, etc.
- Expansion States Severely Impacted
- Millions will lose coverage (Healthy will exit first)
- Uncompensated Population will Increase (expected to increase upward of 84 Billion by 2034)
- Insurers will Lose Big Business
- Significantly Impact Healthcare Access in Rural Areas
- Implementation is not properly funded, and the timeline is unrealistic

Response



- The provisions that will most directly affect Medicaid coverage and hospital finances are set for 2027 and 2028
- Prepare for the Medicaid Work Requirement and become an Advocate for your Patients
 - Childcare Crisis
- Much of the impact will be determined by how individual States respond- talk to your representative today
- Special Attention to Obstetrics and Behavioral Health in highly impacted communities
- Prepare for over-run Emergency Departments- consider expansion and/or clinic diversion
- Food Insecurity is Coming

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