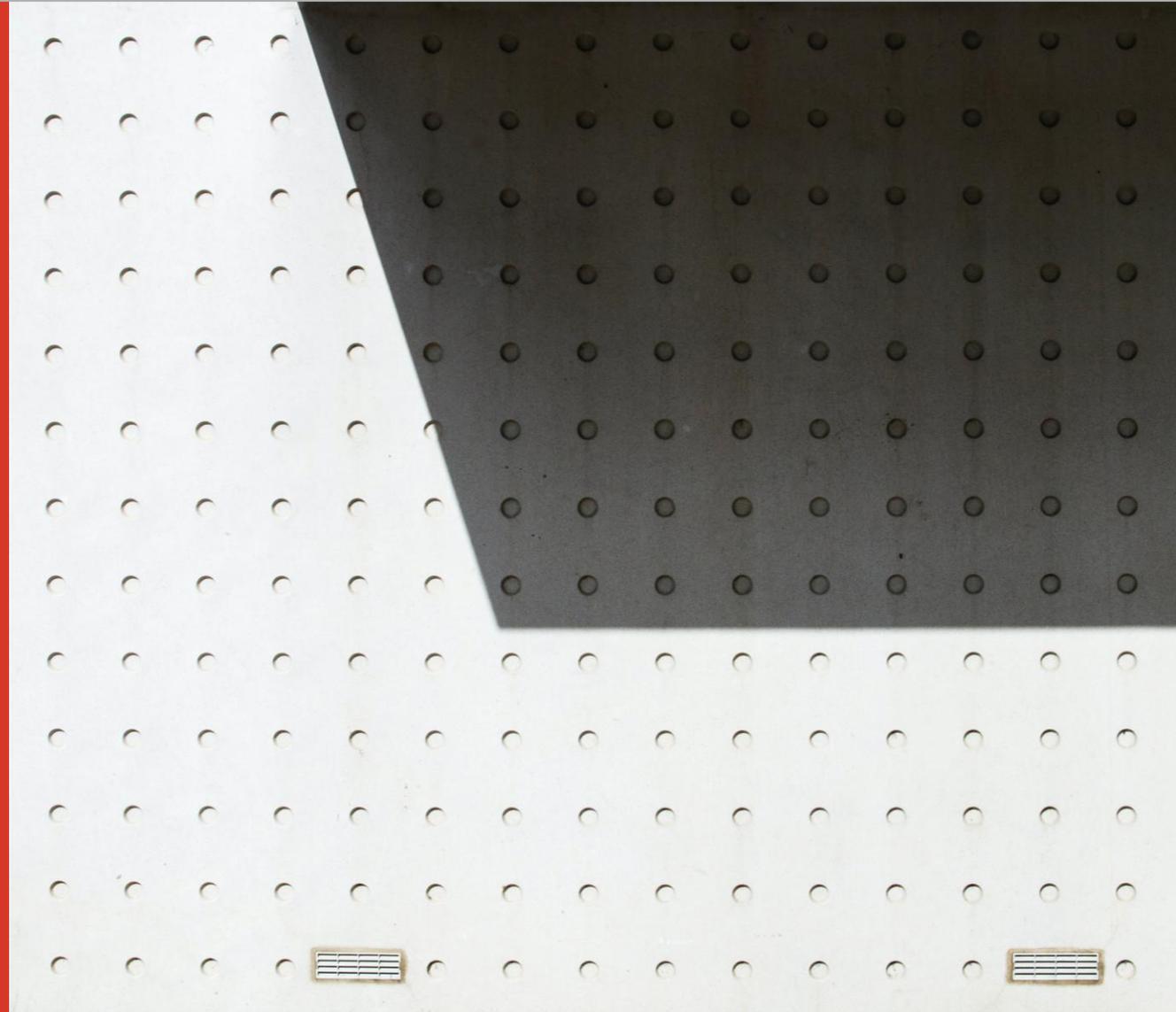


# H.R.1 - 119th Congress (2025-2026): One Big Beautiful Bill Act

Overview and Impact Analysis

JULY 2025

## ATI Advisory





The H.R.1 - One Big Beautiful Bill Act (OBBBA) marks a sharp departure from 15 years of federal policy that used Medicaid as a tool for expanding coverage.<sup>1</sup>

- The new direction: Medicaid as a **narrow safety net**, not a coverage expansion platform
- Designed to reduce enrollment and spending—leaving health systems to navigate increased uncompensated care burdens
- Risks serious unintended consequences: reduced access to care for vulnerable populations and the families who support them
- Stakeholders—**states, plans, providers, community-based organizations, and advocates**—must act now to mitigate harm

## THE HIDDEN IMPACTS: ELDERLY AND DISABLED POPULATIONS AT RISK



**Medicaid is the only public payer** for long-term services and supports (LTSS)—crucial for families caring for frail older adults and individuals with disabilities.



**Medicaid is the only source** of secondary insurance for millions of low-income Medicare beneficiaries.



**Home-based care is vulnerable** to budget cuts—unlike nursing homes, home- and community-based services (HCBS) are optional under federal law.

Work requirements and provider tax limits may spare some, but the ripple effects of enrollment and funding reductions will be widespread.

# ATI'S ANALYSIS OF KEY HEALTHCARE CONSIDERATIONS WITHIN OBBBA

Category	Impact	ATI's Overall Assessment
1. Medicaid Financing	↓	OBBBA may lead to reduced federal Medicaid funding and less state flexibility by reducing the opportunity for states to draw down matching funds, potentially lowering provider reimbursements and access for beneficiaries.
2. Medicaid Eligibility and Enrollment	↓	OBBBA tightens eligibility requirements and creates barriers to enrollment, likely leading to coverage loss and increased administrative churn and beneficiary abrasion.
3. Medicaid Personal Responsibility	↓	Community engagement and increased cost-sharing requirements add administrative burden, implementation costs, and barriers to access for states, plans, and beneficiaries.
4. Medicaid LTSS/HCBS	↔	OBBBA both expands and limits LTSS/HCBS access opportunities, depending on the state, provider, or beneficiary.
5. Providers	↓	OBBBA creates deeply uneven provider impacts with some providers facing increased burdens, while some providers including nursing facilities gain significant relief from any immediate negative impact from the legislation.
6. Rural Healthcare Providers	↑ ⚠	Allocates \$50B over five years for rural health, but tight deadlines require rapid state and provider action before end of 2025.
7. Medicare	⚠	OBBBA bars certain immigrant populations from Medicare, provides a one-year physician pay bump, delays drug price controls for some drugs, and requires future action to avoid a 4% cut to provider and plan payments in 2026, while affordability challenges remain.
8. Dual Eligible Individuals	↓	Dual eligible individuals could face more administrative barriers to access and possible service cuts as states struggle with higher costs and limited capacity for integration.
9. SNAP	↓	Stricter SNAP rules and increased state responsibility for financing likely to reduce access for low-income adults and immigrants, raising food insecurity and health system strain.

## Comparing work requirements across Medicaid and SNAP

	Overview	Population subject to requirement	Exempt Populations
Medicaid	Under Section 71119 of OBBBA, Medicaid enrollees will need to meet work requirement by working or participating in certain activities for at least 80 hours per month, effective no later than December 31, 2026 (exemptions can be granted to delay implementation up to December 31, 2028).	Able-bodied adults 19-64	<ul style="list-style-type: none"> <li>• Certain veterans with disabilities</li> <li>• Individuals with certain medical needs or disabilities, including those with SSI</li> <li>• Pregnant and postpartum individuals</li> <li>• Parents or caregivers of a dependent child under 14 years of age or an individual with a disability</li> <li>• Children under 19 and seniors 65+</li> <li>• Individuals receiving treatment for substance use disorders</li> <li>• Inmates of public institutions</li> <li>• Certain indigenous populations</li> <li>• Other defined hardship events (e.g., PHE, institutionalization)</li> </ul>
SNAP	Under previous legislation, able-bodied SNAP recipients were required to meet work requirement of at least 80 hours per month.	Able-bodied adults 18-64	<ul style="list-style-type: none"> <li>• Individuals under 18 or over 64</li> <li>• Medically certified as physically or mentally unfit for employment</li> <li>• Parent or member of a household with responsibility for a child or incapacitated individual</li> <li>• Meeting work requirements for another program (TANF or unemployment compensation)</li> <li>• Individuals caring for an incapacitated individual</li> <li>• Pregnant individuals</li> <li>• Individuals participating in an alcohol or drug treatment program</li> <li>• Certain individuals studying or in a training program</li> <li>• Certain indigenous populations</li> </ul>