Utah Medicaid H.R. 1 / One Big Beautiful Bill Act (OBBBA)

frequently asked questions for providers

What is H.R. 1?

On July 4, 2025, H.R. 1, also known as the **One Big Beautiful Bill Act (OBBBA)**, was signed into law. H.R. 1 changed the rules for how some Medicaid members qualify for and keep their Medicaid coverage. These changes will mostly affect adults covered through Medicaid Expansion. Some immigrant groups that used to be eligible for Medicaid may not be eligible anymore. The new law also changed some Medicaid financing and program integrity requirements. Many of the provisions will take effect beginning in late 2026 and will be implemented over several years.

Will Medicaid benefits change?

The new law does not change Medicaid benefits, but it does make significant changes to eligibility, enrollment, and financing. These changes will affect who remains covered. The large majority of kids, adults with disabilities, and pregnant and postpartum women who meet citizenship requirements will continue to be eligible for full benefits. Utah's **State CHIP** program will also continue to be an option for qualifying children through June 2028.

Will Medicaid members lose coverage?

Each member's coverage depends on their individual situation. Some people will lose coverage if they do not meet the new requirements for eligibility, citizenship, or community engagement. DHHS is studying the new law and building tools to help affected Utahns. To support our members, we are:

- Adding data sources to quickly and automatically check eligibility.
- Increasing our outreach to help members succeed.

Information for providers: Always check a member's eligibility before you provide services.

Can my patients still get retroactive Medicaid coverage?

Starting January 1, 2027, H.R. 1 reduces the amount of time Medicaid can cover past medical bills before an individual applies.

The new limits for this backdated coverage will be:

- **One month** for Medicaid Expansion enrollees.
- **Two months** for all other members.

Does everyone on Medicaid have to redetermine their eligibility every 6 months?

No, only Medicaid Expansion members will have their eligibility reviews every 6 months. This goes into effect on January 1, 2027.

Under H.R. 1, will immigrants still be eligible for Medicaid and the federal Health Insurance Marketplace?

Medicaid and CHIP eligibility changes:

Starting October 1, 2026, H.R. 1 places new limits on which lawfully present non-citizens can receive health coverage. Only the following individuals will be eligible for Medicaid and the Children's Health Insurance Program (CHIP):

- U.S. citizens
- Legal permanent residents (green card holders) who have held this status for 5 or more years
- Cuban and Haitian immigrants
- Compacts of Free Association (COFA) migrants

Health Insurance Marketplace and premium tax credit (PTC) changes

The new law also changes who can receive financial help (premium tax credits) to buy insurance through the Health Insurance Marketplace.

- **Changes in 2026:** Non-citizens with incomes below 100% of the federal poverty level (FPL) can no longer receive premium tax credits to help pay for coverage.
- **Changes starting January 1, 2027:** Financial help for non-citizens with incomes at or above 100% of the FPL will be limited. Only legal permanent residents, Cuban-Haitian entrants, and COFA migrants in this income range will be eligible for these tax credits.

How does H.R. 1 financially affect providers?

Updates to provider taxes:

H.R. 1 freezes the current provider tax thresholds for all states and, beginning fiscal year 2028, reduces the 6% prior allowable cap level of provider taxes 0.5% each year until it reaches 3.5% in FY 2032. In Utah, this impacts our hospital and ambulance providers.

State-directed payments:

H.R. 1 set the payment limit for hospital state-directed payments (SDPs) to 100% of Medicare rates. Existing state-directed payment grandfathered limits would be reduced, beginning with the rating period on or after January 1, 2028, by 10% annually to reach the allowable rate (Medicare). Today SDPs can go up to the average commercial rate (ACR). Utah will continue to target the ACR limited to the grandfathered amount until such time as the 10% reductions are forced.

Which providers can't accept Medicaid for 1 year?

For a 1-year period beginning at enactment, H.R. 1 prohibits Medicaid funds from being paid to certain family planning providers that offer abortion services and received at least $800,000 or more in Medicaid payments in 2023. This provision was effective immediately.

What is the Rural Health Transformation Program?

H.R. 1 established a 5-year Rural Health Transformation Program to enhance rural healthcare access, infrastructure, and workforce development. Utah's first-year award from CMS totals $195,743,566. While this funding may partially offset projected decreases in federal Medicaid spending for rural Utah due to H.R. 1, it is also a significant opportunity to reshape rural healthcare and aligns with Governor Cox's strategic objective to improve rural healthcare access.

DHHS has engaged stakeholders to share input, develop priorities, and shape program investments. More details about this program are available online: **dhhs.utah.gov/ruralhealth**.

What can I do to help my patients?

Providers are not responsible for their patients' Medicaid eligibility or ensuring compliance with the requirements of the new law; however, there are some simple steps providers can take to help minimize coverage issues.

- **You can refer patients to the website:** Direct them to **medicaid.utah.gov/obbba** for the most up-to-date information and a list of resources and supports to help them navigate the new law.
- **Refer pregnant members to DWS:** Some pregnant Medicaid members with certain immigrant statuses may lose coverage during their pregnancy or postpartum period. Please direct them to the **Department of Workforce Services** at 1-866-435-7414 to request Emergency Medicaid coverage for delivery.
- **Provide timely healthcare services** for patients who may be losing their coverage and are due for an office visit.
- **Please verify your patients' Medicaid eligibility** before each visit to make sure their coverage is active. Confirming eligibility can help prevent unexpected costs for both providers and patients before services are provided.