

H.R.1 Provisions: What's Changing and How Innovators Can Help

	 WHAT'S CHANGING (H.R.1 Provisions)	 WHO IS IMPACTED?	 NEW PROBLEMS FOR PROVIDERS	 WHERE INNOVATORS CAN HELP (Opportunity Areas)
COVERAGE & ENROLLMENT	Six-month eligibility redeterminations - Eligibility reviews move from annual to every six months - States may implement on current annual review date or put enrollees on six-month cycle sooner by rescheduling existing renewal date	Medicaid expansion adults	- More outreach and document collection - Higher disenrollment risk - Coverage interruptions - Reimbursement disruption	- Eligibility management - CRM platforms - Patient outreach and reminders - Digital intake - Predictive churn analytics
	Community engagement (work) requirements - Certain adults must document 80 hours/month of qualifying activities - States must verify compliance, exemptions, notices, and appeals	Medicaid expansion adults and 1115 waiver populations	- New compliance workflows - Exemption tracking - Appeals administration - Coverage continuity risk	- Navigation platforms - AI document processing - Exemption workflows - Digital forms - Work-hour verification support
	Reduced retroactive coverage Coverage window reduced from 90 days to 30 days (expansion) and 60 days (non-expansion), depending on eligibility category	Medicaid and CHIP applicants	- More uncompensated care risk - Greater dependence on front-end enrollment accuracy - Revenue-cycle pressure	- Eligibility verification - Financial clearance - Registration workflows - Revenue-cycle automation
PROVIDER FINANCE	Provider tax restrictions Limits state provider-tax flexibility and phases down safe-harbor levels in many expansion states	States and provider classes subject to provider taxes	- Less Medicaid financing flexibility - Increased provider financial pressure - Greater need for efficiency	- Operational AI - Productivity tools - Cost-reduction technologies - Revenue optimization
	State-directed payment (SDP) changes - New Medicare-linked payment limits - Expansion states generally capped at 100% of Medicare rates - Non-expansion states generally capped at 110%	- Initially applies to: - Hospitals - Nursing facilities - Certain academic medical center professional services - As of Jan. 1, 2029, it will be expanded to: - All managed care organization (MCO) SDPs - Some targeted fee-for-service SDPs - Behavioral health SDPs	- Tighter reimbursement environment - Major potential loss of revenue - Margin compression - Greater productivity requirements	- Financial analytics - Workforce optimization - Reimbursement analytics - Utilization management
TRANSFORMATION & MODERNIZATION	Rural Health Transformation program \$50B state-administered modernization fund supporting rural health care infrastructure	- States - Rural providers - Community organizations - Technology vendors and implementation partners	- Implementation at scale - Modernization planning - Workforce enablement - Infrastructure deployment	- Interoperability - Infrastructure modernization - Workforce solutions - Implementation services
POTENTIALLY LIMITED BEHAVIORAL HEALTH IMPACTS	Cost sharing for certain expansion adults Limited cost-sharing requirement for certain adults above 100% of federal poverty level (FPL)	- Certain Medicaid expansion adults above 100% FPL - Behavioral health services exempt, as well as any services rendered by a CCBHC, FQHC, or RHC	Minimal direct behavioral health impact	Low relevance for behavioral health organizations



THE BIG PICTURE: H.R.1 shifts responsibility, risk, and complexity to providers — creating urgent operational challenges across the board and opening the door for innovators who can deliver the right solutions.

■ **Coverage & Enrollment:** Changes that affect eligibility, enrollment, and coverage continuity
■ **Provider Finance:** Changes that impact provider reimbursement and financial stability
■ **Transformation & Modernization:** Investment and infrastructure opportunities for the future
■ **Limited Behavioral Health Impact:** Minimal direct impact on behavioral health organizations