Medicaid Eligibility and OBBBA

Division of County Operations - Medicaid Policy Unit

One Big Beautiful Bill Act (OBBBA)

- HR1 or OBBBA, will implement several new requirements and pauses on past requirements to aid in securing the budget for assistance programs such as Medicaid and changes range from funding to eligibility factors.

- Key Impacts to Eligibility
  - Pause on previous requirement for certain transitions between Medicaid and CHIP
  - Efforts to reduce enrollment for deceased members
  - Home Equity Limit Revision
  - Adult Expansion Group recertification timeline moving from 12 months to 6 months
  - Adult Expansion Group Community Engagement requirements
  - Qualified Alien eligibility
  - Changes to retroactive coverage eligibility

Pause on Certain Medicaid-CHIP Transitions

- During efforts to end Medicaid enrollment due to the pandemic, requirements under "Medicaid Program; Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Process" , were passed for states to ease transitions between Medicaid and CHIP.

- OBBBA paused implementation of the requirements for this rule until September 30th, 2034.

- This pause will not have an effect on current Medicaid and CHIP enrollees or redetermination actions as Arkansas had not implemented these changes prior to OBBBA.

Efforts to Reduce Enrollment of Deceased Members

- Section 71104 of OBBBA makes changes to ensure more accurate and timely reporting of deceased members.

- These new requirements will offer more security around fraudulent billing of deceased members.

- It is important to note; **Medicaid enrollees will not see eligibility changes under this effort.** The state must take steps to act on reports of deceased members through the Death Master File and not delay closure of coverage for identified members.

Home Equity Limit

- Section 71108 of OBBBA will make changes to the Home Equity Limit for the Long-Term Services and Support categories of Medicaid.
- These categories include things like Nursing Facility and ARChoices programs.
- Currently this limit adjusts annually with each state having an option of value for the 2025 year to be no less than $500,000 and no more than $750,000
- As of January 1, 2028, this limit will be increased to $1,000,000.

Adult Expansion Group Renewal

- Section 77107 of OBBBA requires states to change the frequency of redetermination made for the Adult Expansion Group of Medicaid.

- Currently redeterminations are required to be completed once every 12 months, but these changes would require this group to be renewed once every 6 months.

- For Arkansas, this change would affect our ARHOME enrollees only.

Adult Expansion Group Community Engagement

- Section 71119 of OBBBA outlines the new Community Engagement requirements for certain Medicaid applicants and enrollees.
- Community Engagement will have eligibility requirements for Arkansas's ARHOME population.
- ARHOME applicants and enrollees will need to provide verification of meeting an engagement activity or a specified exemption from the engagement requirements.
- Some activity and exemption options include: (This is not a full list but some examples)
  - Working, Community Service Hours, Education Program Hours- at least 80 hours/month
  - Pregnancy
  - Disabled
  - Children in the home under a specified age
- States will be required to provide outreach concerning these new requirements prior to implementation.

Qualified Alien Eligibility

- Section 71109 of OBBBA amends the definition of "Qualified Alien" for Medicaid purposes.
  - There is a separate section for the changes of alien eligibility under the SNAP program.

- Medicaid will only consider aliens that have been lawfully admitted for permanent residence, Cuban and Haitian immigrants, and Compact of Free Association (COFA) migrants as "Qualified Aliens."

- These specified aliens will still be required to meet the 5-year waiting period.

- These changes to alien statuses will not have an eligibility effect on programs such as, Emergency Medicaid or Arkansas's Pregnant Woman-Unborn categories.

Retroactive Eligibility

- Section 71112 of OBBBA changes states' options on what retroactive coverage will be allowed.

- Currently most Medicaid categories that offer retroactive coverage will allow coverage to go back as far as 3 months prior to application date, if the member is eligible.
  - Exception for ARHOME enrollees. This population is offered a 1-month retroactive start date.

- Once implemented, states will the option for the following maximum retroactive coverage:
  - ARHOME will remain at 1-month
  - All other categories will move to no more than 2-months

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ARKANSAS DEPARTMENT OF HUMAN SERVICES