



OBBBA: Medicaid Impacts and Implementation

January 9, 2026

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OBBBA Overview

- On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act (OBBBA).
- OBBBA includes a series of Medicaid provisions that are expected to have substantial impact on Maryland:
 - Major coverage losses: As many as ~175,000 Marylanders are projected to lose coverage
 - Significant Medicaid funding cuts: In the future, Maryland will lose up to a total of ~\$2.7 billion in federal funding annually when ALL bill provisions are implemented.
 - All provisions have varied implementation dates and are not necessarily immediate (FY26 - FY34). The majority of funding losses will be incurred over two years, beginning in FY 27 and FY 28 (period between July 2026 - June 2028).
- For the Medicaid eligibility provisions alone, Maryland could lose up to \$1.43 billion in federal funds annually.
- Investment will be needed for implementation costs to implement and administer these requirements, particularly around eligibility changes.

\$2.7 Billion in Annual Federal Funding Potentially Lost

This is the estimate of funding lost once all bill provisions are fully implemented (based on current \$14.6 billion budget).

■ Federal and State Funds Remaining ■ Projected Federal Funds Lost



This represents **almost 20%** of Maryland's current Medicaid budget.

Implementation Workstreams

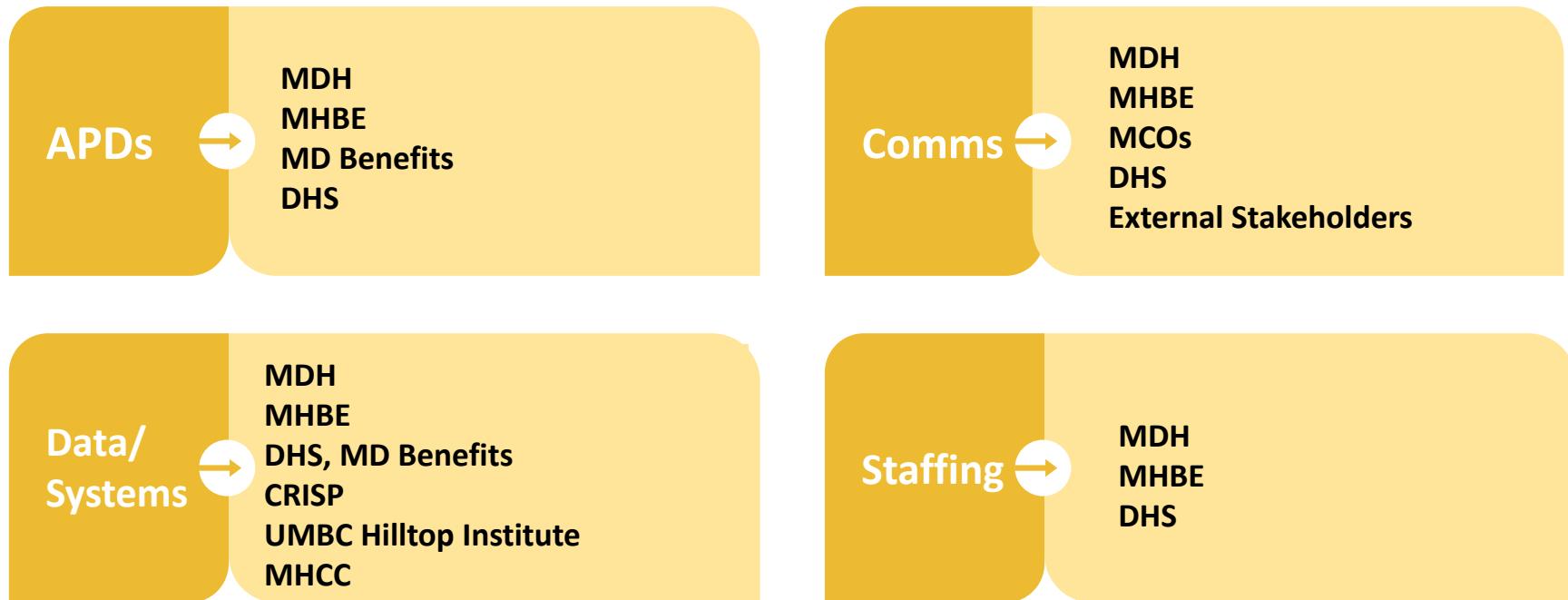
Implementation Workstreams

The State has established a **comprehensive cross-agency team led by the Maryland Department of Health (MDH), Maryland Health Benefit Exchange (MHBE), and Maryland Benefits** to implement OBBBA Medicaid eligibility requirements, **in partnership with providers, plans, and stakeholders.**

Our **objective** is to **protect health care coverage** for eligible Marylanders, **consistent with federal law and guidance.**



Key Partners Across Workstreams



Implementation Timeline and Eligibility Changes (2026)

2026



October

Immigrant Eligibility Changes
Begin

- Certain immigrants are **no longer eligible for Medicaid**
 - **Refugees,**
 - **Asylees,**
 - **Immigrants granted parole for at least one year, and**
 - **Certain victims of abuse and trafficking**
- However, states may continue to provide coverage for pregnant women and children who would otherwise be impacted by this provisions.
- Note, the Healthy Babies Program and emergency Medicaid are not impacted by this provision

Effective October 1, 2026

Implementation Timeline and Eligibility Changes (2027)

January

Work Requirements

Limits on Retroactive Coverage

Renewals for ACA Expansion Adults

Increase to Every 6 Months

Restrictions on State Directed

Payments Take Effect



2027

- **Work requirements** imposed on adults ages 19 through 64 who are covered by the ACA Medicaid Expansion
- Requirements apply to the **more than 320,000 adults** in this coverage group
- **Tens of millions of dollars will be needed to implement and administer this provision**

Maryland Impacted
January 1, 2027

Implementation Timeline and Eligibility Changes (2027)

January

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2027

- Prior to OBBBA, enrollees could get up to three months of retroactive Medicaid coverage
- With the implementation of OBBBA,
 - **ACA expansion adults** are limited to **one month of retroactive coverage**, and
 - **All other enrollees** are limited to **two months retroactive coverage**.
- **\$3.1 million in annual federal funds will be lost and uncompensated care will increase.**

***Maryland Impacted
January 1, 2027***

Implementation Timeline and Eligibility Changes (2027)

January

Work Requirements
Limits on Retroactive Coverage

Renewals for ACA Expansion Adults
Increase to Every 6 Months

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Payments Take Effect



2027

*Maryland Impacted
January 1, 2027*

- Currently, ACA expansion adults are subject to renewals every 12 months
- Beginning January 1, 2027, **the frequency of renewals for ACA expansion adults** will increase to **once every 6 months**
- **The Department expects that this provision will be associated with the most significant coverage losses**

Other OBBBA Provisions

- **Payments to Planned Parenthood**
 - Sec. 71113. Federal payments to prohibited entities. (July 4, 2025)
- **Provider Taxes**
 - Sec. 71115. Provider taxes. (July 4, 2025)
 - Sec. 71117. Requirements regarding waiver of uniform tax requirement for Medicaid provider tax. (July 4, 2025)
- **State Directed Payments**
 - Sec. 71116. State directed payments. (July 4, 2025, Maryland impacted January 1, 2027)
- **Budget Neutrality**
 - Sec. 71118. Requiring budget neutrality for Medicaid demonstration projects under section 1115. (January 1, 2027)
- **Cost Sharing**
 - Sec. 71120. Modifying cost sharing requirements for certain expansion individuals under the Medicaid program. (October 1, 2028)
- **Erroneous Excess Payments**
 - Sec. 71106. Payment reduction related to certain erroneous excess payments under Medicaid. (October 1, 2029)

Work Requirements - Deeper Dive

H.R.1 Community Engagement/Work Requirements

ACA expansion adults aged 19 to 64 are subject to work requirements.
Note, there are a number of categorical and optional exemptions.

Participants must meet at least 1 of the following criteria:

- Have income of at least \$580/month;
- 80 hours of work per month;
- 80 hours of a SNAP-defined work program;
- 80 hours of community service;
- At least half-time enrollment in a higher education or vocational training program; or
- A combination of 80 hours of the above.

Exemptions to Work Requirements

Parents/Caretakers
of Young Children or
Disabled Individuals

Medically Frail
Individuals

Incarcerated or
Recently Released
from Incarceration

Pregnant or
Postpartum
Individuals

Participating in SUD
Program

Former Foster Youth
Under Age 26

American Indians
and Alaska Natives

Disabled Veterans

Individuals that are
subject to SNAP work
requirements or
meeting TANF work
requirements

Optional “Short-Term Hardship” Exemptions:
Recent acute care or travel for medically complex & necessary care
| County emergency or disaster | High county-level unemployment

Medical Frailty: Example Conditions

OBBBA indicates that medical frailty should include at least five potential categories of conditions.

Blindness or Disability

E.g. Blind, coronary insufficiency, hydrocephalus

Substance Use Disorders

E.g. Opioid use disorder, alcohol use disorder, drug overdose requiring medical care

Disabling Mental Disorders

E.g. Delusional disorder, schizoid personality disorder, major depressive disorder

Physical, intellectual, or Developmental Disability

E.g. Cerebral palsy, autism spectrum disorder, epilepsy

Serious or Complex Medical Conditions

E.g. Chronic heart failure, chronic liver disease, HIV/AIDS

Core Assumptions, Pending CMS Guidance

Core Assumptions:

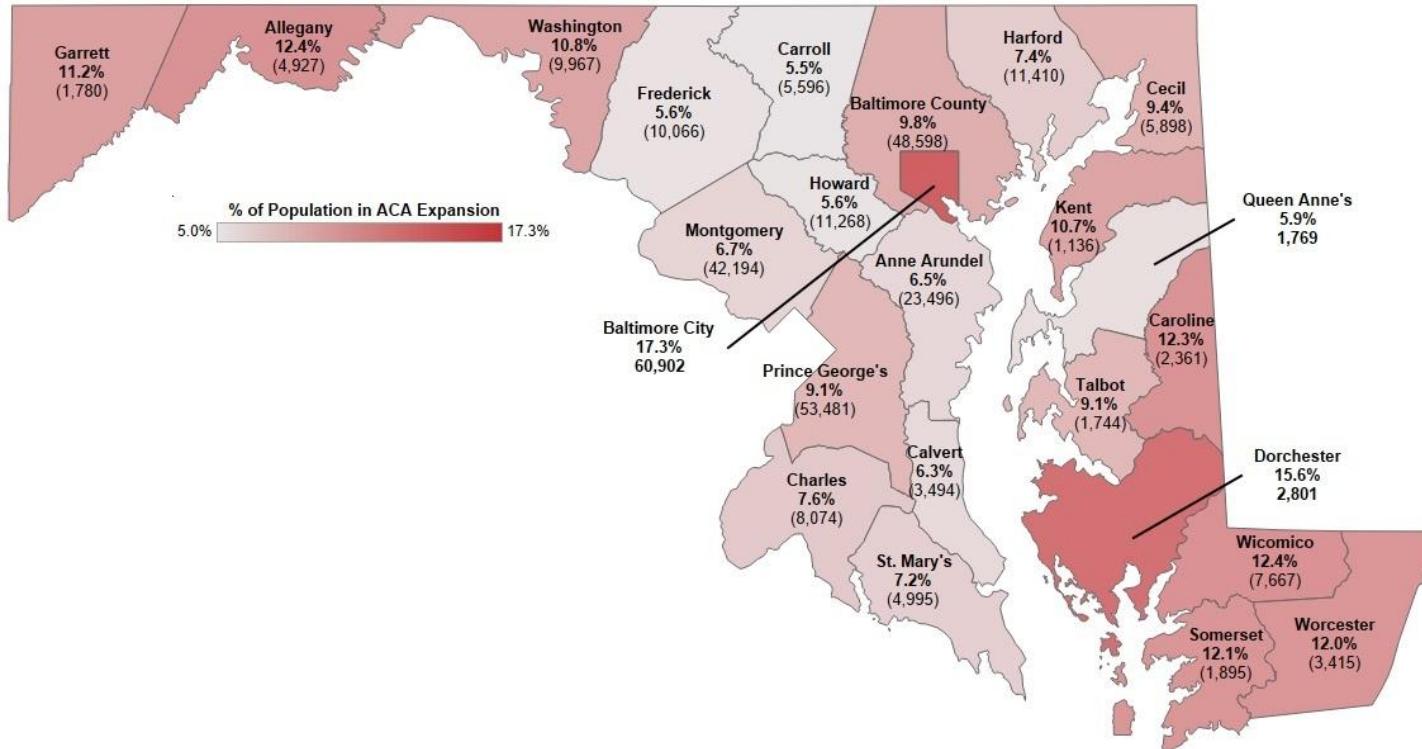
- States can accept self-attestation for “medical frailty” status;
- States can use administrative data to exempt individuals, even if they do not self-attest;
- States have discretion for developing their “Medical Frailty” definitions based on existing CMS guidance;
- States should be able to verify “Medical Frailty” status when possible.

Pending CMS guidance that alters these core assumptions may require changes to our current implementation plan.

Impact on ACA Adults

PREVIEW: ACA Expansion Group Deep Dive

ACA Population as a Percentage of Total County Population



What We Know About Employment & Education

Employment and income are **NOT reported in MMIS**, but we can generate **estimates** of who is working and in school using data from the American Community Survey*

65.7% of childless, non-disabled, adult Marylanders on Medicaid are working or in school



Working Full Time
(40+ hours/week)



Working Part Time
(20-39 hours/week)



Enrolled in an Academic Program

34.3%

OR

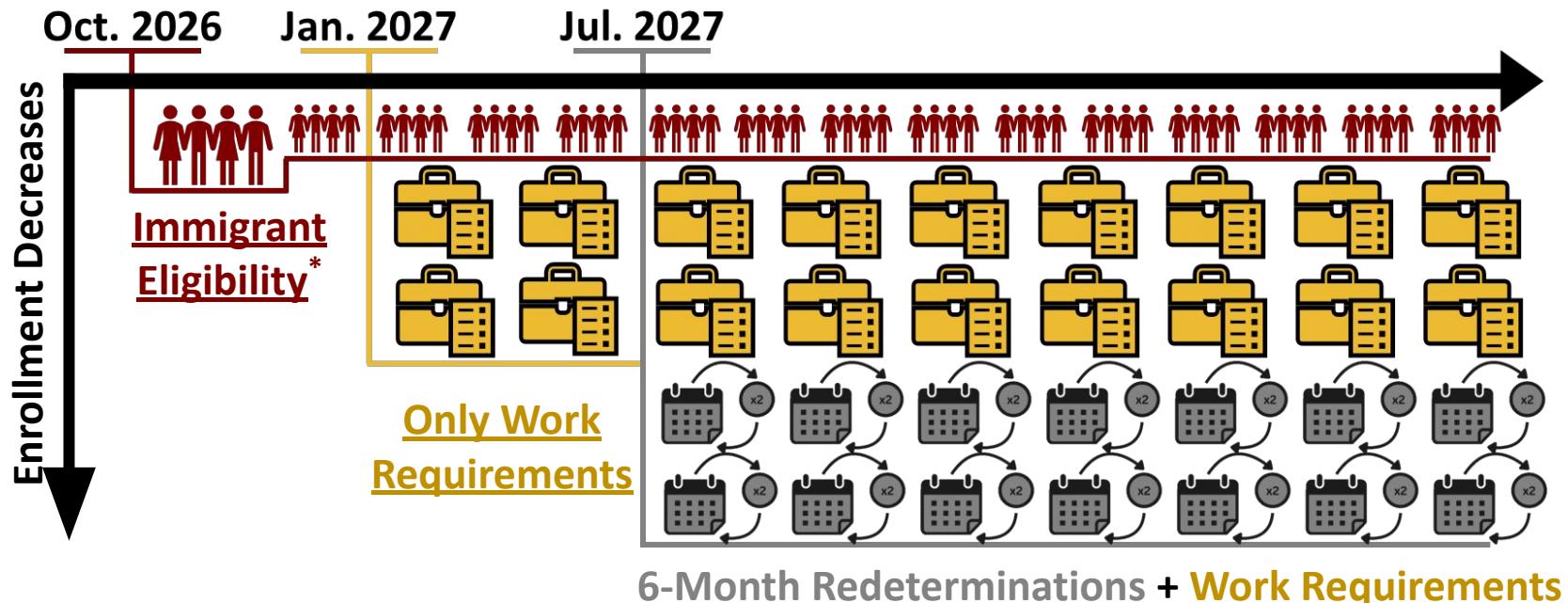
24.5%

OR

15.9%

*Note: Used 2023 ACS data from respondents who identified as childless adults aged 19-64, who live in Maryland, were enrolled in Medicaid, and did not report a disability; since individuals can both work and be enrolled in an academic program, the employment and education percentages are NOT mutually exclusive

Big Picture of Enrollment Impacts



*Pending CMS guidance, the Department assumes that all immigrants who no longer qualify for coverage will lose eligibility effective October 1, 2026.

Communications

Communications Approach



Key Messaging Goal



Message discipline across agencies and stakeholder partners.



Overarching Strategy



- **Consumer-focused** materials
- **Provider/community stakeholder-focused** materials



Key Audience



- **ACA Adults**
- **Non-Citizens**
- **Pregnant Women & Children**



Partners



- Sister Agencies: **DHS, MHBE**
- **MCOs**
- Stakeholders and Community Organizations

Communication Activities

- MHBE Communications campaign in partnership with MCOs, modeled on unwinding. →
- New MDH web page with updated one-pager, FAQ
- ACA Deep Dive Deck
- ACA Deep Dive Dashboard



ACA Adults Public Dashboard

ACA Adults as of August 2025: 329,802

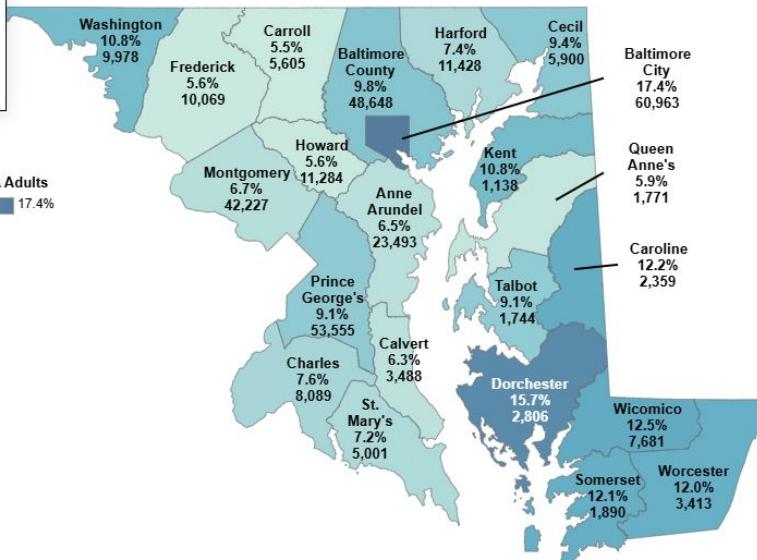
Select a Map to Display

- ACA Adults - % of All Adults by County
- ACA Adults - % of All Adults by County
- ACA Adults - % of Total Population by County
- ACA Adults - % of Medicaid Enrollees by County
- ACA Adults - % of All Adults by Congressional District
- ACA Adults - % of Total Population by Congressional District
- ACA Adults - % of Medicaid Enrollees by Congressional District

% of County Adults who are ACA Adults
5.5%  17.4%

ACA Adults - % of All Adults by County

Out of all adults aged 19-64 in the county, what percentage are ACA Adults?



Notes: ACA Adult population as of August 2025.

County population counts for those between the ages of 19 and 64 are from maryland.gov and are estimates provided for July 1, 2024:
https://planning.maryland.gov/MSDC/Documents/pop_estimate/ARS/Vintage2020/JUR-Popest-Single-Year-Age-July-2024.xlsx.

Communications - Grassroots Outreach

- The Department will work with MCOs and other stakeholders to implement a grassroots outreach strategies that reach as many Maryland Medicaid members as possible;
- The Department will take a comprehensive approach with stakeholders that reaches non-English speaking members and hard-to-engage participants;
- **The most important message stakeholders can convey to Medicaid members now is that they must keep their contact information up to date so that they are aware of changes.**

Discussion and Questions

Resources

- [MDH OBBBA Fact Sheet](#) (Issued July 11, 2025)
- [MDH Webpage on OBBBA Medicaid Changes](#)
 - Note, this will be updated as more information becomes available.
- [FAQs: What the New Federal Budget Law Means for Your Medicaid Coverage](#)
- [FAQs: Cómo impacta la nueva ley presupuestaria federal en su cobertura de Medicaid](#)
- [Maryland Medicaid DataPort](#)
 - See “Federal Changes” tab.

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