Health Care Reform in Indian Country

Self-Governance Communication & Education

Self-Governance Tribes Striving Towards Excellence in Health Care

One Big Beautiful Bill Act Implementation

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Self-Governance Communication and Education

The One Big Beautiful Bill Act

- On July 3, 2025, Congress passed H.R.1, the "One Big Beautiful Bill Act."
- In general, the bill:
  - reduces taxes,
  - enacts reforms that will shrink the Medicaid and SNAP,
  - raises the debt ceiling by about $4 trillion,
  - creates the Rural Hospital Transformation Program, and
  - rescinds parts of the Inflation Reduction Act.

The One Big Beautiful Bill Act - Medicaid

- The One Big Beautiful Bill Act implements several reforms to the Medicaid program.
- AI/ANs, as defined below, are largely exempt from those changes:
  - an Indian or an Urban Indian (as such terms are defined in paragraphs (13) and (28) of section 4 of the Indian Health Care Improvement Act);
  - a California Indian described in section 809(a) of such Act; or
  - otherwise been determined eligible as an Indian for the Indian Health Service under regulations promulgated by the Secretary.

The One Big Beautiful Bill Act - Medicaid

Medicaid Reform	Mandatory Community Engagement.
General Impact	Beneficiaries must work or enroll in school part-time to maintain their coverage.
Tribal Exemption	AI/ANs do not have to comply with work requirements.

The One Big Beautiful Bill Act - Medicaid

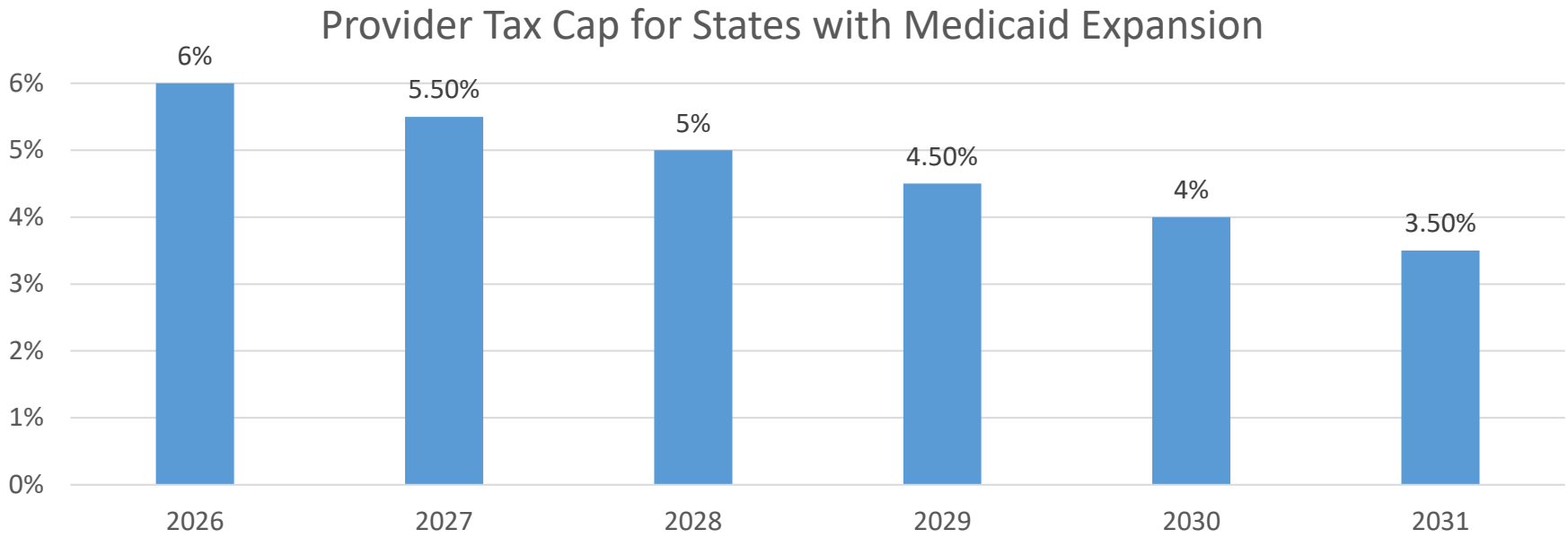
Medicaid Reform	Six-Month Redeterminations.
General Impact	Beneficiaries will have their eligibility evaluated every six months, rather than annually.
Tribal Exemption	Annual redeterminations are preserved for AI/ANs.

The One Big Beautiful Bill Act - Medicaid

Medicaid Reform	Increased Cost-Sharing
General Impact	Beneficiaries over 100% federal poverty level will have increased cost-sharing responsibility.
Tribal Exemption	AI/ANs remain exempt from all cost-sharing.

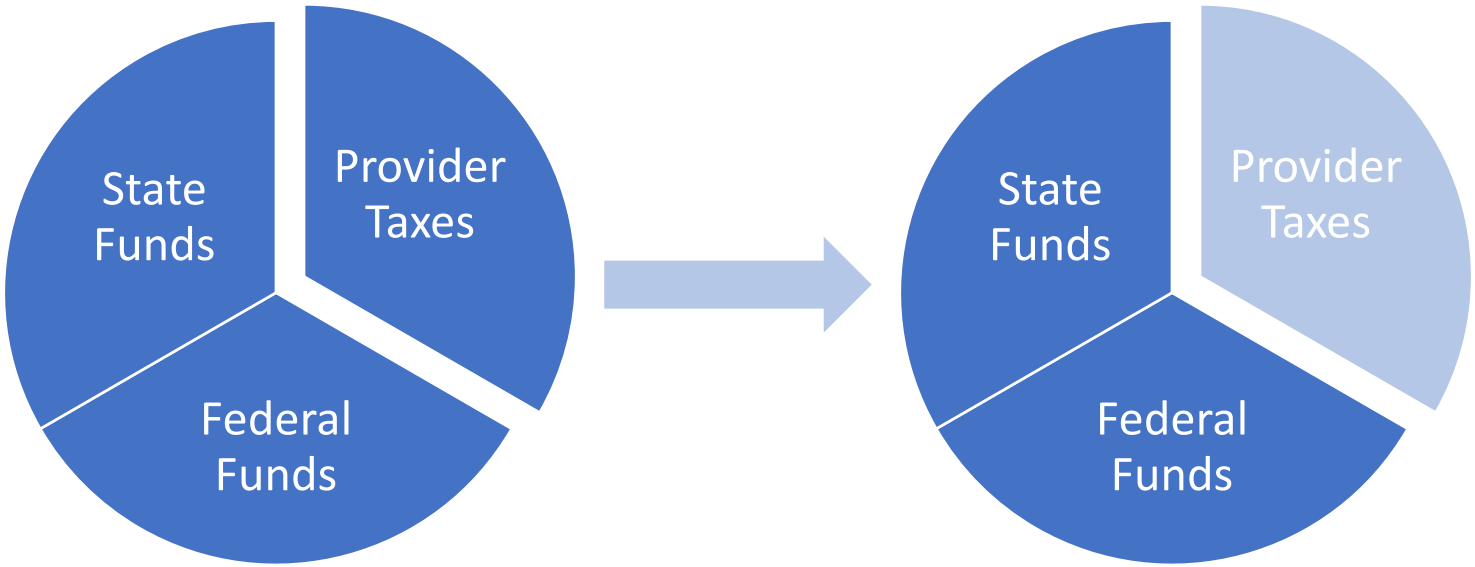
The One Big Beautiful Bill Act - Medicaid

- The bill limits states' ability to levy provider taxes.
  - The bill phases down provider taxes by 0.5% annually in states that have expanded Medicaid until it reaches 3.5% in 2031.
  - States that have not expanded Medicaid would have their provider taxes frozen at current rates.



The One Big Beautiful Bill Act - Medicaid

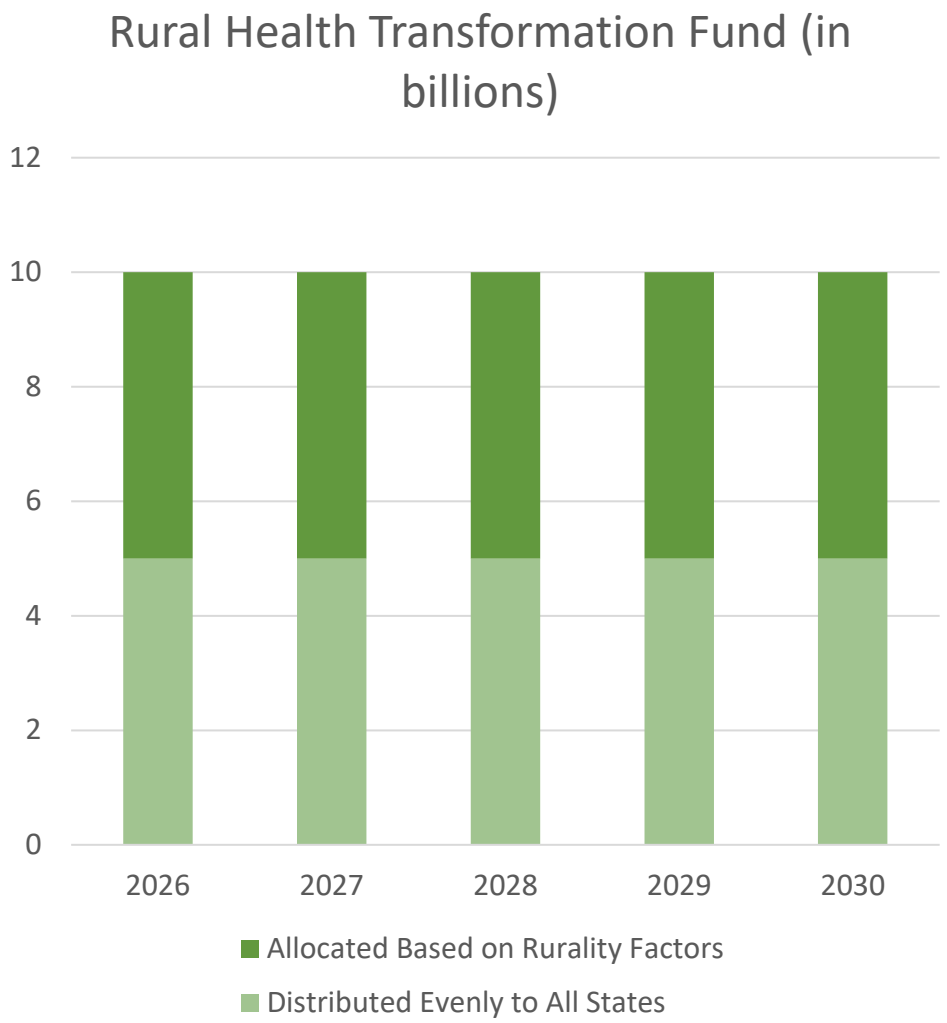
- States have used provider taxes to increase their revenue and expand the services they can cover.
- By capping the ability to tax providers, States may be forced to reduce the services or populations they cover. This could then limit the services that Tribal facilities can bill Medicaid for.



This is not a to-scale representation of a state's Medicaid budget.

The Rural Health Transformation Fund

- The One Big Beautiful Bill also establishes the Rural Health Transformation Fund of $50 billion over five years.
  - $25 billion will be distributed evenly among states with approved applications.
  - $25 billion will be allocated based on factors such as rurality, application initiatives, state policies, and quality.



The Rural Health Transformation Fund

- States are the only entities eligible to apply for the program.
- There was only one opportunity to apply, and the deadline was November 5, 2025.
- All 50 states have applied.
  - Major amendments to a state's application, in general, cannot be made going forward.

CMS.gov Centers for Medicare & Medicaid Services

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All 50 States Seek to Transform Rural Health with CMS

Rural health

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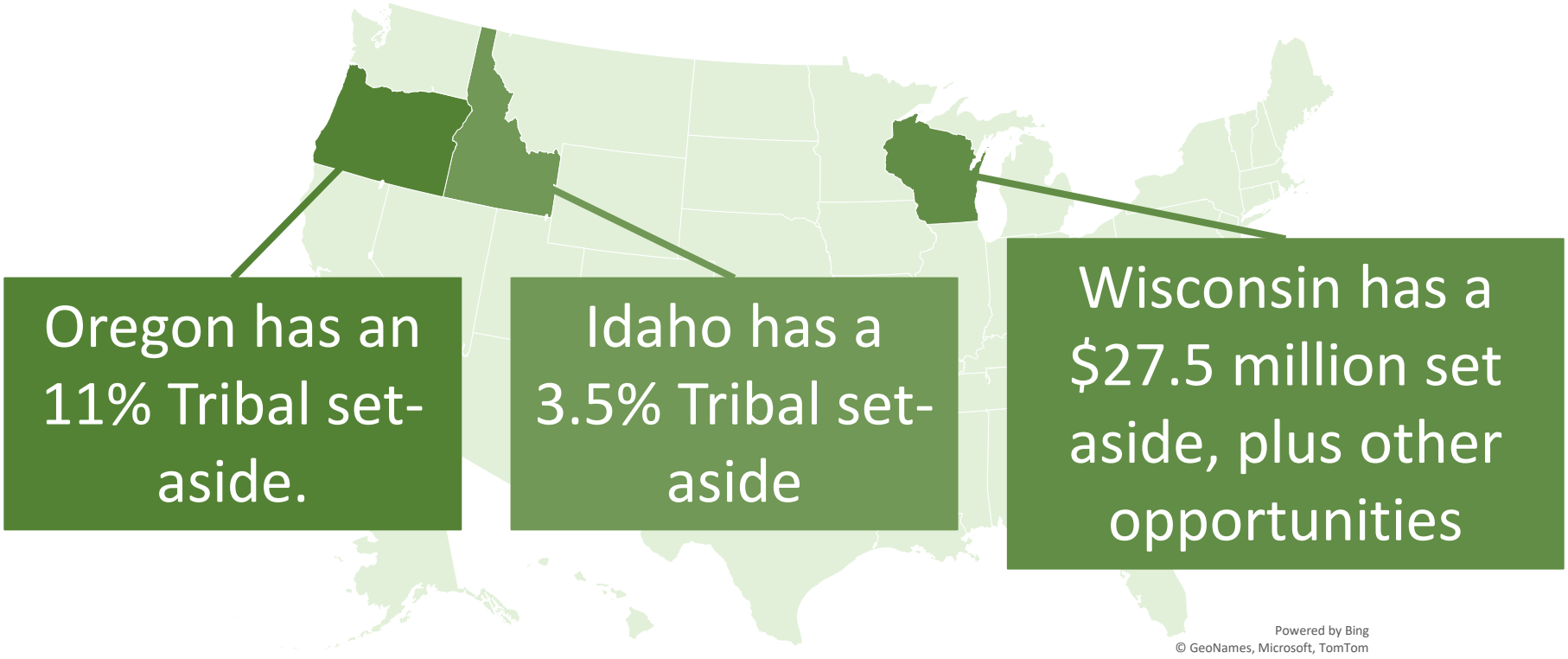
All 50 States Seek to Transform Rural Health with CMS

The Centers for Medicare & Medicaid Services (CMS) today announced that all 50 states submitted applications for the $50 billion Rural Health Transformation Program—a landmark initiative created under the *Working Families Tax Cuts legislation* [Public Law 119-21] to strengthen health care across rural America.

The Rural Health Transformation Fund

- Some states have established set-asides for Tribal Health programs:
- There is still an opportunity to engage with States



Medicaid Community Engagement Requirements – Interim Final Rule

- Issued June 3, 2026 – effective July 31, 2026
- Implements OBBBA's community engagement requirements
- Several proposed regulations helpful for AI/AN beneficiaries:
  - AI/ANs are "specified excluded individuals," exempt from community engagement
  - Broad definition of "Indian" from existing Medicaid regulations
  - States must use existing sources of information, including eligibility systems, to verify AI/AN identify before requesting information from beneficiaries
- Also contains helpful guidance:
  - States should use existing Medicaid verification processes to verify AI/AN identity for community engagement requirements
  - States should refrain from reverifying AI/AN identity once established
- States required to conduct significant outreach to beneficiaries

Questions?

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For more information on the TSGAC Affordable Care Act/IHCIA Project, please visit the Health Reform website at: Health Reform - Tribal Self-Governance (tribalselfgov.org)

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