



E-BOOK

The OBBBA Era

How One Bill Reshapes Medicaid and the Future of Safety-Net Care

What Just Happened?

On July 4, the OBBBA was signed into law, cementing **\$1 trillion in cuts to Medicaid and SNAP over the next decade**. This is not a budget tweak. It's a structural transformation.

16 million

people projected to lose insurance

Coverage windows slashed,

churn risk skyrockets

First-ever

federal Medicaid work requirements

State budgets

already cracking under pressure



Medicaid, Rewritten

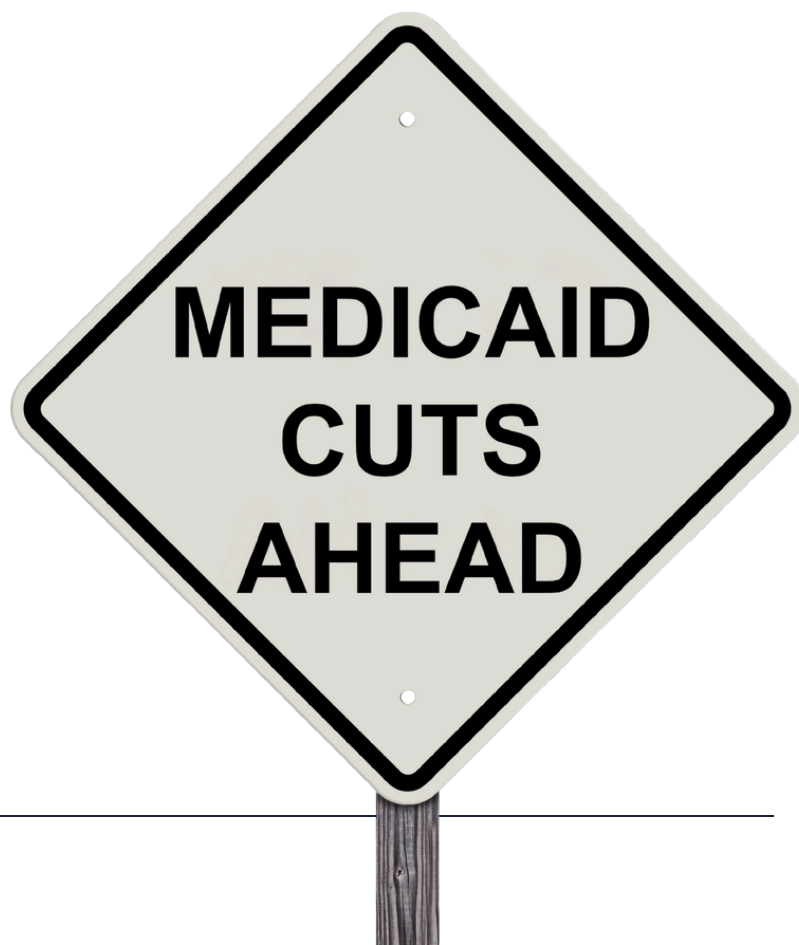
The OBBBA changes who qualifies and how often.

Policy Shift	What It Means
Work Requirements (2026)	Adults must complete 80 hours/month of work or approved activity to stay eligible
Shortened Retroactive Coverage	Coverage may start only from application date—not 90 days prior
Frequent Redeterminations	States must verify eligibility every 6 months or more frequently
Cap on State Funding Mechanisms	Limits states' ability to draw down federal match

7.8M

people are expected to lose Medicaid.

(Congressional Budget Office)



How the OBBBA Will Disrupt Care Delivery and Coverage Access

The most vulnerable will be hit first. Many will technically remain eligible but may not be able to navigate the paperwork.

Providers Will See:

- More coverage gaps and churn mid-treatment
- Increased unpaid services
- Delayed authorizations
- Higher staff burnout from time consuming re-verifications

Patients Will Face:

- Lost coverage for technical reasons (missed deadlines, incomplete paperwork, or returned mail)
- Broadband or literacy barriers to compliance
- Disruptions in long-term behavioral health care



State Systems Are Already Predicting Strains

Arizona

55% of hospitals expected to be operating in the red

\$6 billion in projected losses over 7 years

Medicaid expansion protections at risk

New York

\$15.4 billion in annual federal losses

1.5 million residents expected to lose coverage

Impact concentrated in behavioral health and Medicaid-managed care

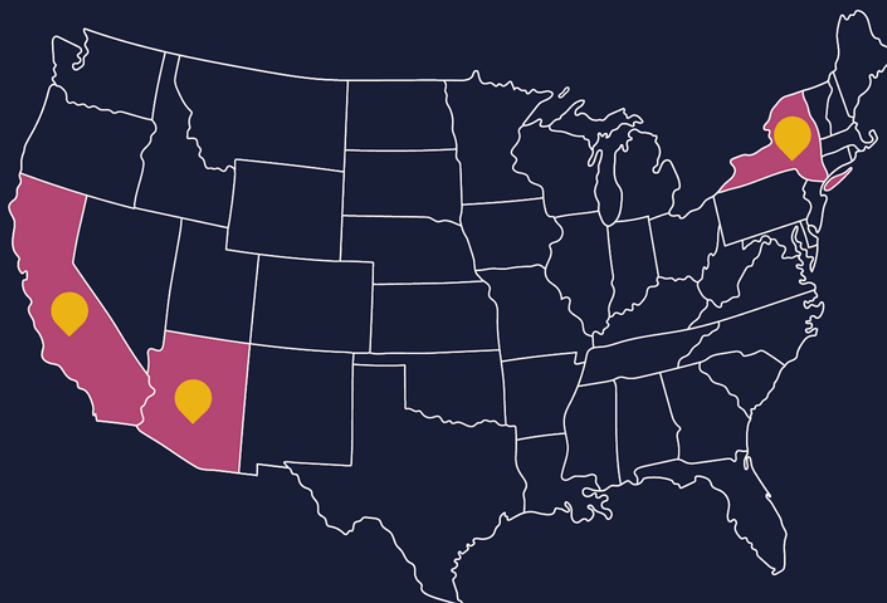
California

Medicaid eligibility loss projected for up to **5** million people

2.4 million losing ACA subsidies

Rural areas facing hospital and crisis team closures

These are breaking points. Especially in rural areas, where a paused grant or reduced FMAP means crisis teams disappear and emergency departments close.



Behavioral Health in the Crosshairs

OBBBA consolidates HRSA, SAMHSA, and more under the **new Administration for a Healthy America (AHA)**. This new body will oversee a **Behavioral Health Innovation Block Grant**, which combines multiple previous funding streams. While funding levels may remain stable in the short-term, operational realities are uncertain.

Key Provider Considerations:

- Definitions of eligibility and "medically necessary" care are being revised
- Waiver-funded services like housing stabilization may lose coverage pathways
- Programs supporting re-entry, substance-use disorder treatment, and integrated care face disruption



Behavioral health providers who depend on braided funding or waiver flexibility will be among the first affected.

Other OBBBA Cuts:

SNAP, Medicare, and HUD

While most of the attention has been focused on the Medicaid cuts in the bill, it's important to understand there's more to the picture. Other systems like SNAP, Medicare, and HUD, were also significantly impacted, and they all intersect with Medicaid-funded care.

Without Medicare access, providers deliver more care that won't be reimbursed. Without housing support, integrated care systems fall apart. Without SNAP, food insecurity grows.

System	What Changed
SNAP	Expanded work requirements to age 64; and increased error penalties for states
Medicare	Quietly narrowed eligibility for immigrants and dual-eligibles
HUD	\$935M funding cut; HMIS facing reductions; Half of staff terminated

What's Coming Next

The most vulnerable will be hit first. Many will technically remain eligible but may not be able to navigate the paperwork.

Key Milestones

- **Jan 2026:** ACA premium subsidies expire
- **Oct 2026:** Eligibility restrictions for non-citizens take effect
- **Dec 2026:** Medicaid work requirements go live
- **2027+:** SNAP changes, co-pays, and state-level enforcement begin

States are already writing new policies. Eligibility rules will tighten. Audit definitions will expand. For those who rely on Medicaid to deliver care, the next 18 months will require operational focus, staff alignment, and system-level awareness.



We recommend starting with the area's most at risk:

Review how your team tracks Medicaid eligibility

Most coverage losses will be technical—missed deadlines, incomplete documentation, or late re-verification. These are preventable with the right systems and workflows in place.

Audit where you rely on retroactive coverage or provisional enrollment

These protections are being sharply limited. Any gaps in documentation or backdated coverage will create financial and compliance risk.

Identify services supported by 1115 or 1915 waivers

States may revise how these waivers operate. Providers using them for behavioral health, housing-linked care, or re-entry support should prepare for change.

Build internal awareness around churn

Even eligible clients may lose coverage. Equip your teams to recognize the signs early and respond quickly.

The OBBBA puts more administrative weight on providers, and the timeline to adapt is short.

Implementation begins in 2026. We'll keep following what states do next and share what it means for the way care is delivered. That includes tracking waiver changes, eligibility enforcement, and how new federal rules take shape in day-to-day operations.

**Good providers adapt.
Great providers stay ahead.**

Follow Radicle to understand what's coming next and how to keep showing up for your community.



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