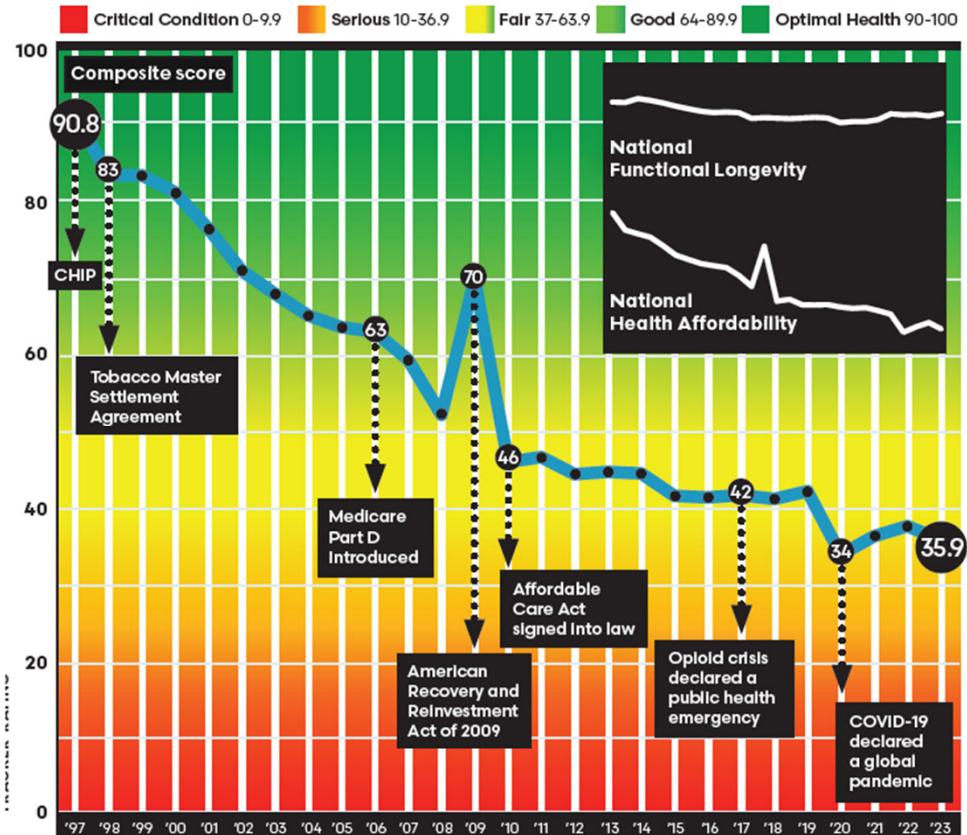


How Federal and State Regulatory Activity Impacts Revenue Cycle

KaLynn Gates
CCO & General Counsel
AccessOne



Federal Policy



- **1997- 2008**
 - Medical inflation outpaced general inflation
 - Intro of Medicare Part D expanded access but didn't control prices
 - Insurance premiums surged 100% as wages stagnated leading to the early rise of HDHP
- **2009-10**
 - Fueled by the recession, enrollment in Medicaid and CHIP temporarily improved affordability
 - American Recovery and Reinvestment Act – COBRA subsidies, Medicaid dollars, and HITECH
- **2011-19**
 - ACA reduced long-term costs with preventative care mandates, Value Based Care models, and Accountable Care Organizations. Cost slowed but premiums increased 55%, deductibles doubled to continue to fuel the shift to HDHP
- **2020-23**
 - \$2.2m in CARES dollars improved affordability slightly.
 - Deferred care spiked demand
 - Inflation drove up cost of supplies, labor and operations.
- **2025+**
 - Tariff policies
 - CMS CY 2026 Proposed Rules
 - HR1 One Big Beautiful Bill Act

HFMA, U.S. Healthcare Vitals Tracker, [Link](#) accessed September 8, 2025

HR1 – One Big Beautiful Bill Act – Medicaid Spending



Medicaid spending cuts from HR1 will be phased in over the 10-year budget window.

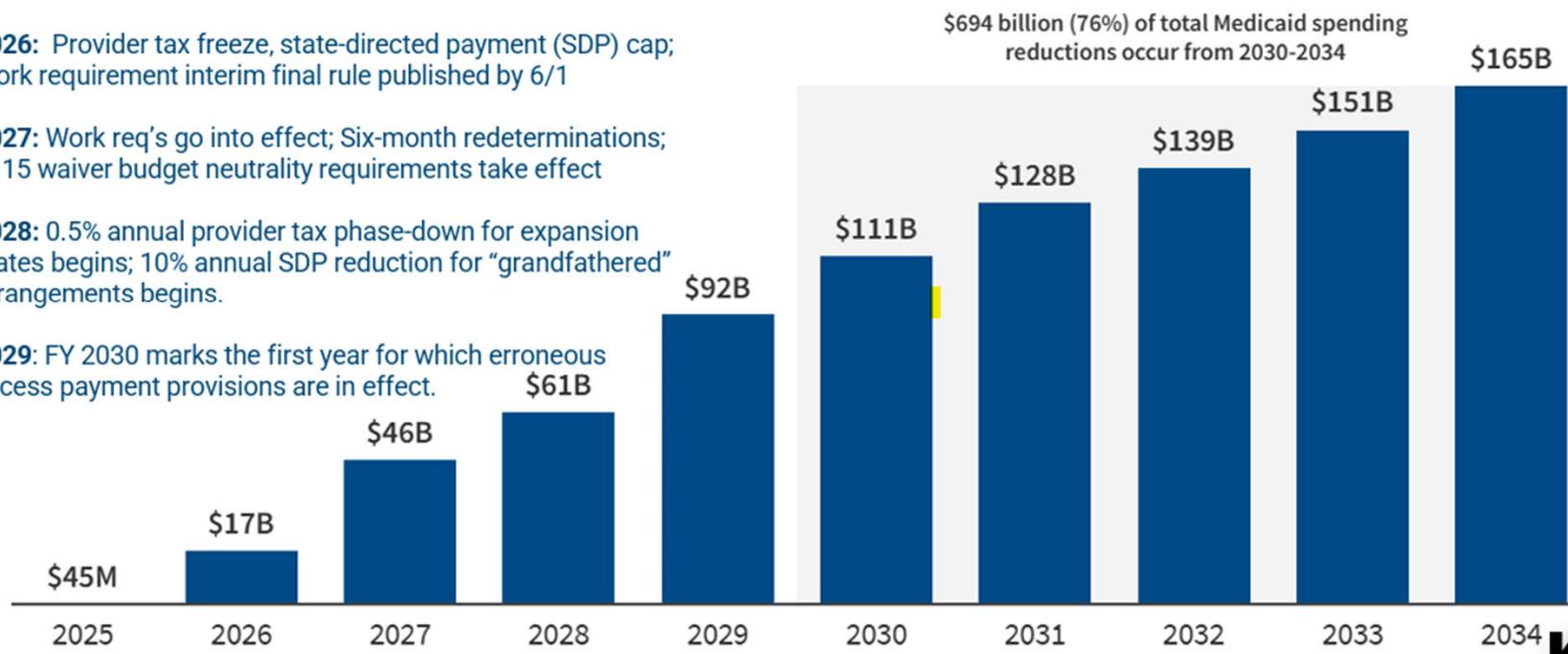
What's Right Around the Corner?

2026: Provider tax freeze, state-directed payment (SDP) cap; Work requirement interim final rule published by 6/1

2027: Work req's go into effect; Six-month redeterminations; 1115 waiver budget neutrality requirements take effect

2028: 0.5% annual provider tax phase-down for expansion states begins; 10% annual SDP reduction for "grandfathered" arrangements begins.

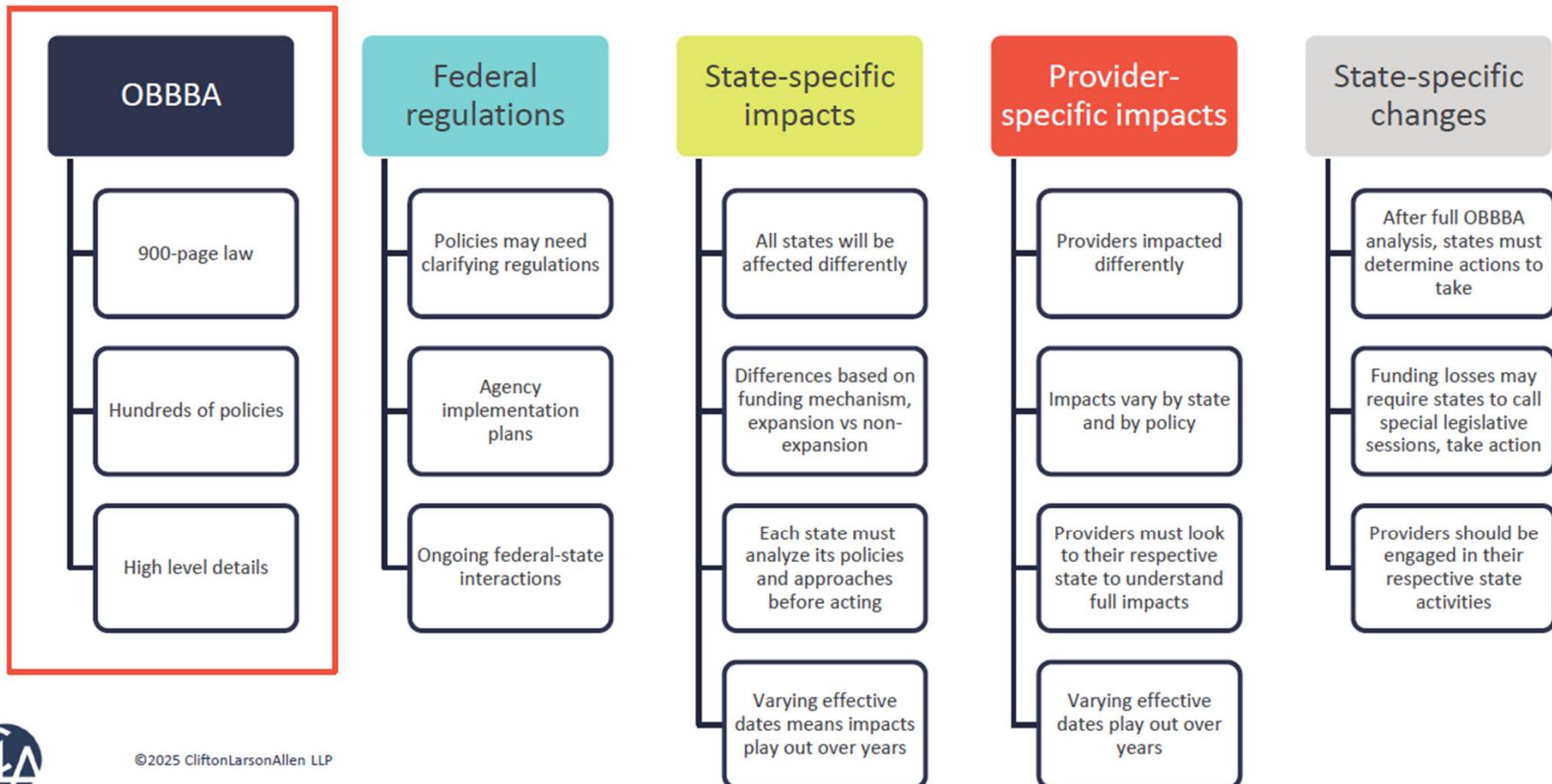
2029: FY 2030 marks the first year for which erroneous excess payment provisions are in effect.



KFF

The Health Management Academy, Healthcare Policy Pulse: Midyear Strategic Update, August 28, 2025

But Enactment Is Just First Step of Long Process



©2025 CliftonLarsonAllen LLP

New realities of recent policies and economic trends?



Access

- Increased uninsured patient load
- Increased ED crowding and wait time
- Closure or scaling back services
- Delayed or denied access to post acute care

Revenue

- Loss of Medicaid reimbursements
- Decline in supplemental payments
- Greater bad debt and charity care

Cost

- Increased uncompensated care
- Higher case acuity and complexity
- Administrative burden (e.g., managing eligibility checks, charity care documentation)

Workforce

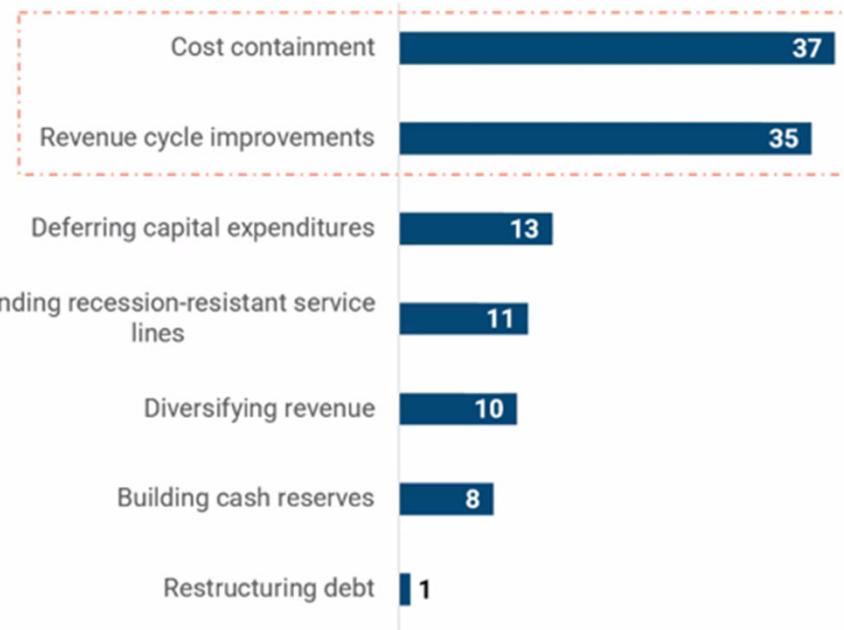
- Staffing strain and burnout
- Higher administrative overhead to process eligibility
- Reduction in force due to budget cuts

Source: The Health Management Academy, Healthcare Policy Pulse: Midyear Strategic Update, August 28, 2025

Health System Priorities - 2025



Which of the following proactive financial measures has your organization identified as most important to preparing for potential economic headwinds?
Percent of respondents (n=40)



- 93% of respondents listed **cost containment** as a top priority
- **Revenue Cycle Improvements** was a close 2nd underscoring the need to optimize cash flow
 - Prior authorization automation
 - Coding accuracy
 - Reduce denials

The Healthcare Management Academy Market Pulse Survey Q3 2025

State Policy Trends

Evolving Regulations & Patient Financial Impact



Transparency

- ✓ Price Transparency
 - ✓ MI SB 95; prohibits collections if not in compliance
- ✓ Availability of Financial Assistance
- ✓ Legal protections available to the patient



Preventing the Accumulation of Medical Debt

- ✓ Additional charity care requirements and expanding thresholds
 - ✓ MI SB 449 (sliding scale FAP) & MI SB 450 (posting/reporting)
- ✓ Requiring availability of payment plans
- ✓ Dictating payment plan program features
- ✓ Restricting bad debt collection practices and expanding legal protections for patients
 - ✓ MI SB 451; credit reporting

Evolving Regulations & Patient Financial Impact



FOR IMMEDIATE RELEASE

July 17, 2025

Contact: press@michigan.gov

Governor Whitmer Announces First Round of Medical Debt Forgiveness, Erasing Over \$144 Million for Nearly 210,000 Michiganders Across the State

Money back in people's pockets delivered as a result of state partnership with nonprofit Undue Medical Debt

Bad Debt Relief

- ✓ Non-profits and third parties leveraging public funds and grant money to purchase and forgive medical debt.
- ✓ Entities prioritizing earlier write-off of patient debt

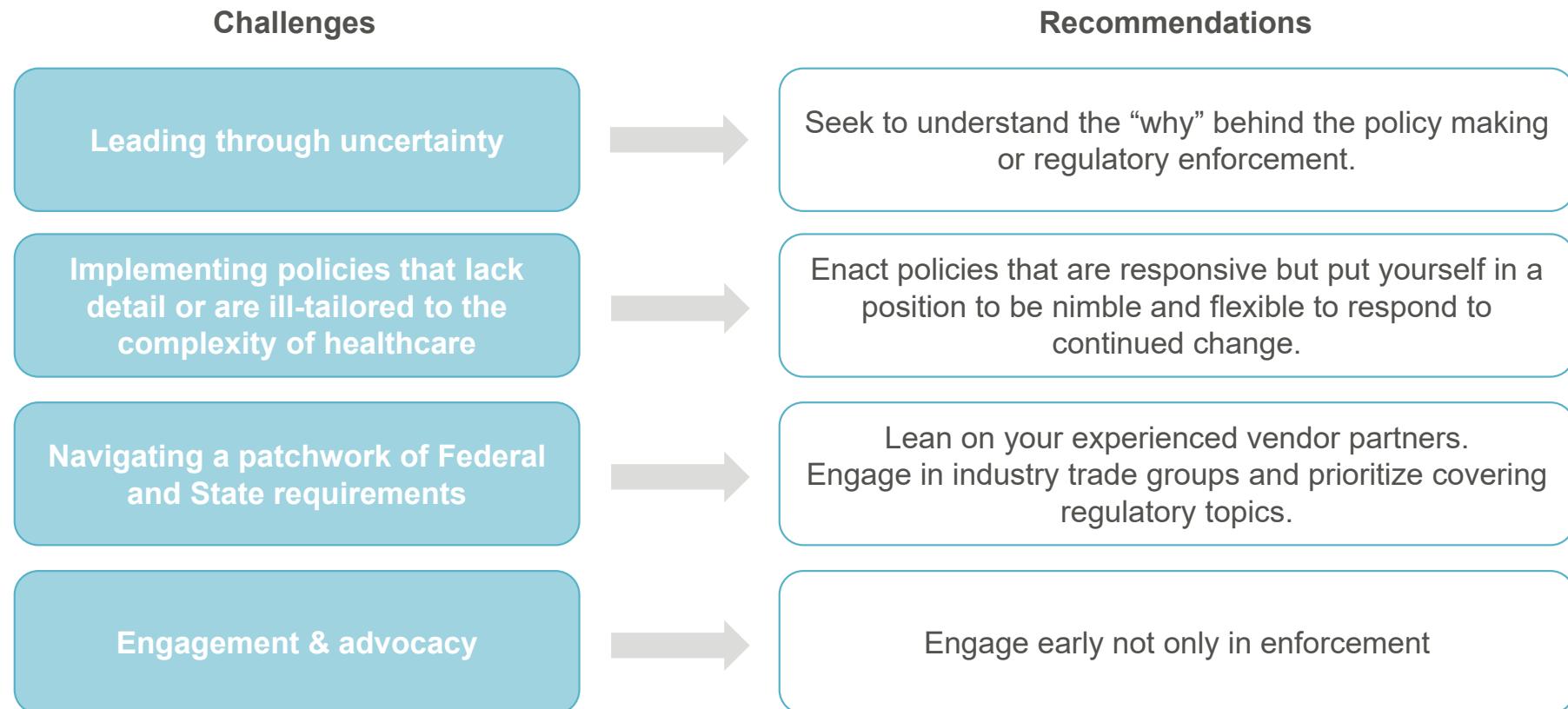
Discussion Topics

Discussion (pick 1 or 2)



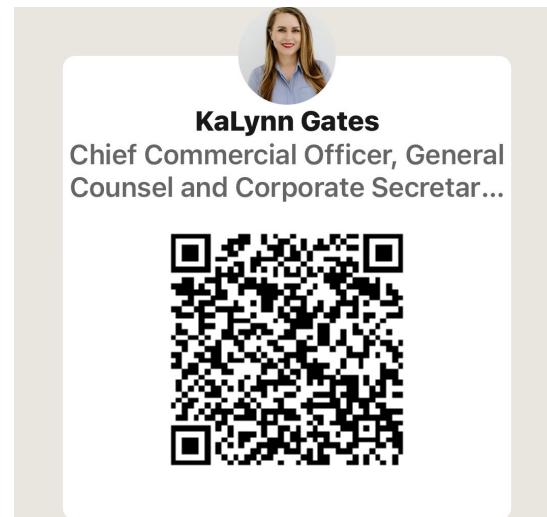
- What is the top *financial* measure you're focused on going into 2026? Is it cost containment or revenue cycle improvements? If so, what does that look in practice for your department or facility?
- Rather than only viewing OBBBA and Medicaid changes as a threat, are there ways these shifts could encourage more innovation in patient access, payment models, and hospital operations?
- Is your facility/company predicting or seeing an increase in charity care and/or uncompensated care? If so, what changes are you making to people, policy, and process in response?
- What strategy or tactic are you most excited about to expand patient access?
- How could modifications in Medicaid eligibility, expanded charity care mandates, or medical debt forgiveness programs alter how providers design and communicate financial assistance policies?
- What opportunities exist for revenue cycle leaders to be proactive in policy discussions at the state and federal level? How have you got engaged?
- What types of partners have the most potential to improve financial sustainability and patient access?
- What do healthcare providers need from their technology and business partners currently?

What now?





Questions



KaLynn Gates
kgates@myaccessone.com
www.linkedin.com/in/kalynngates