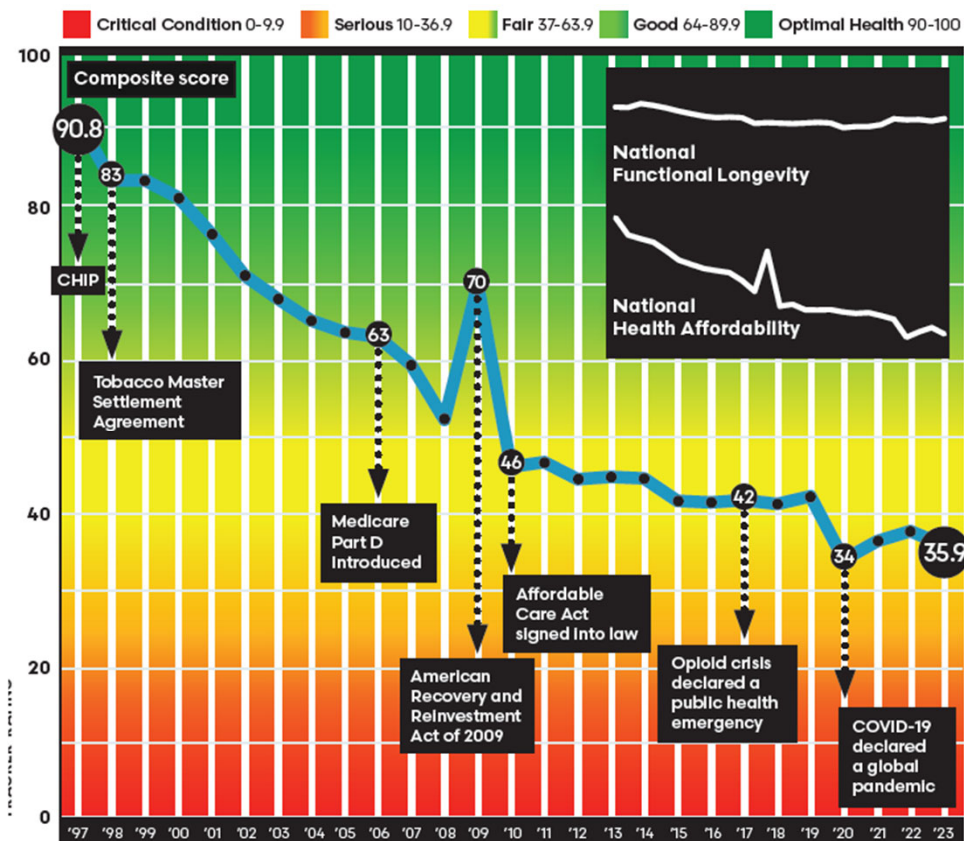


How Federal and State Regulatory Activity Impacts Revenue Cycle

KaLynn Gates
CCO & General Counsel
AccessOne

Federal Policy



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

- **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

HR1 – One Big Beautiful Bill Act – Medicaid Spending



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

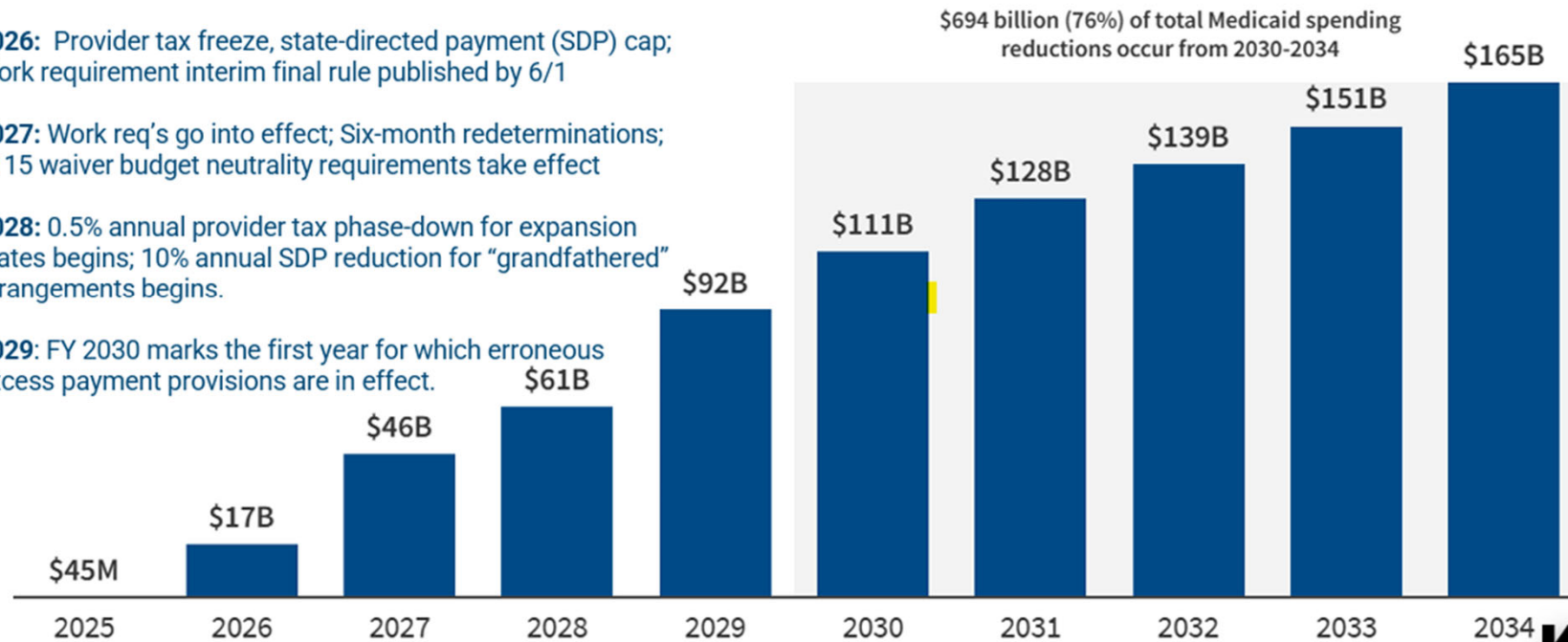
What's Right Around the Corner?

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.

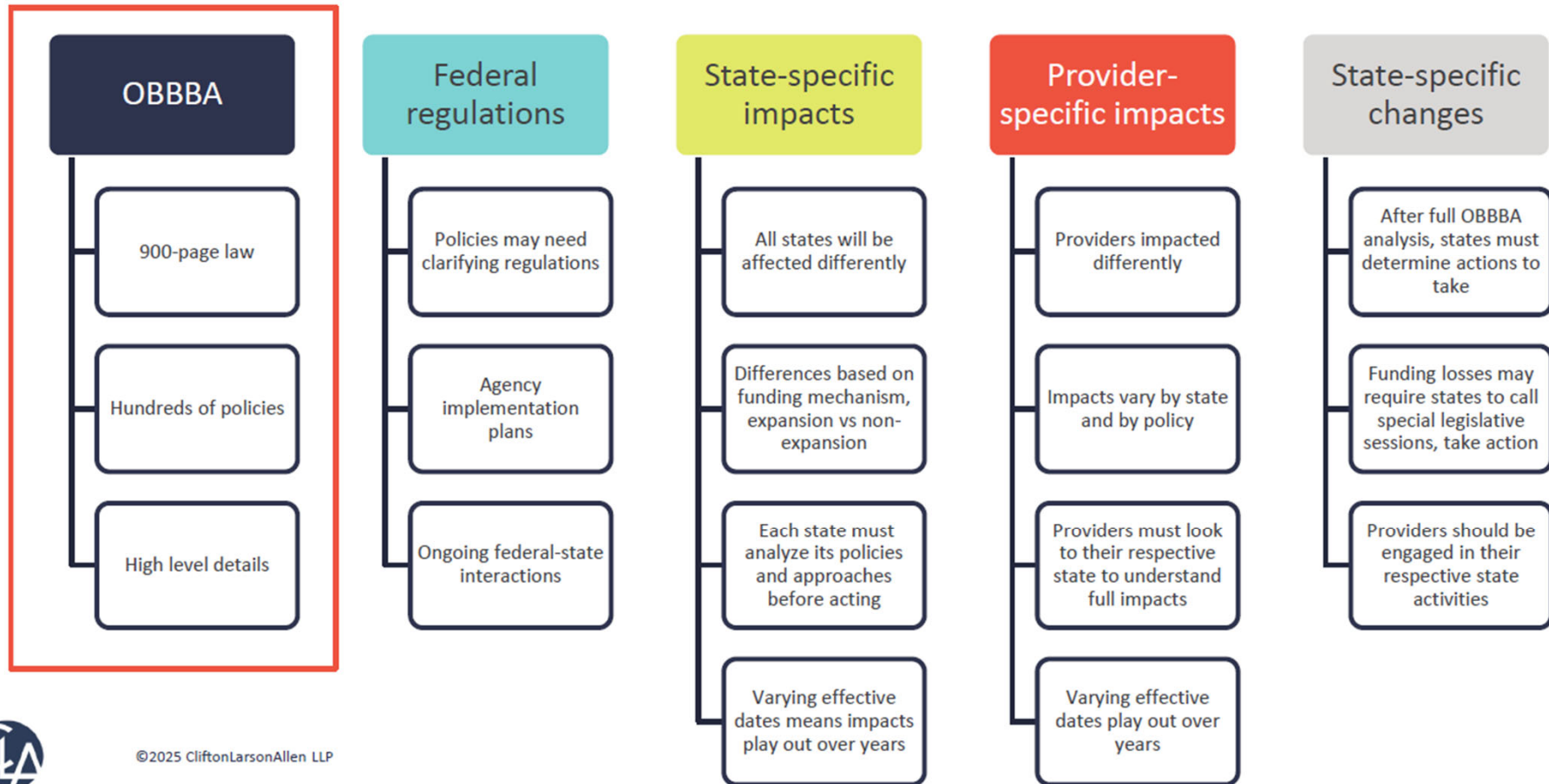
2029: FY 2030 marks the first year for which erroneous excess payment provisions are in effect.



KFF

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

But Enactment Is Just First Step of Long Process



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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

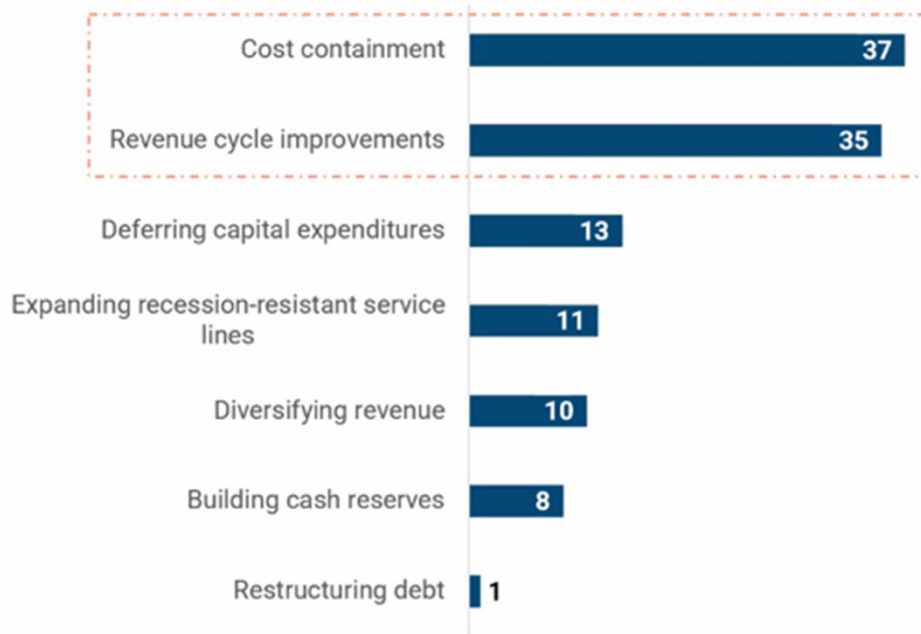
- Staffing strain and burnout
- Higher administrative overhead to process eligibility
- Reduction in force due to budget cuts

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)

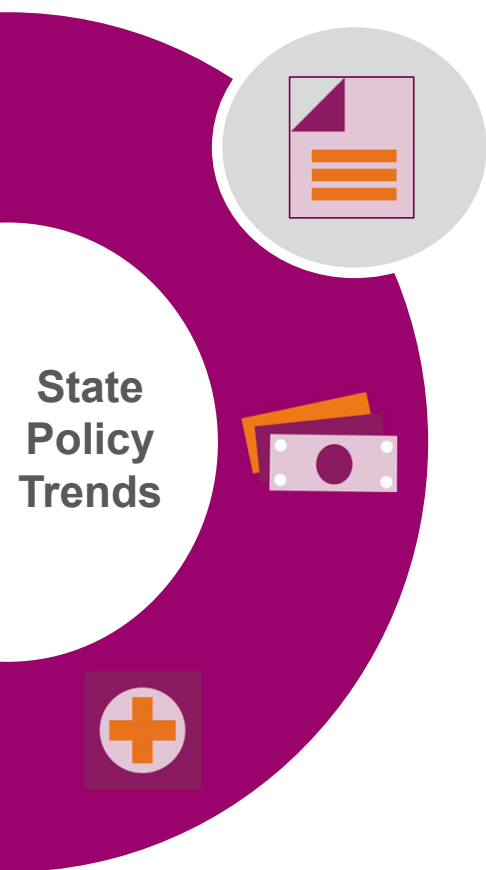


The Healthcare Management Academy Market Pulse Survey Q3 2025

- 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

State Policy Trends

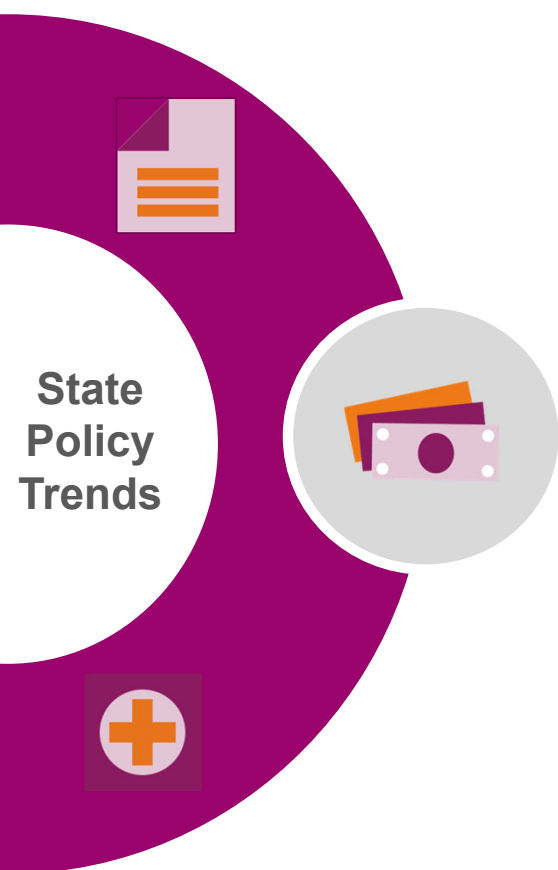
Evolving Regulations & Patient Financial Impact



Transparency

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

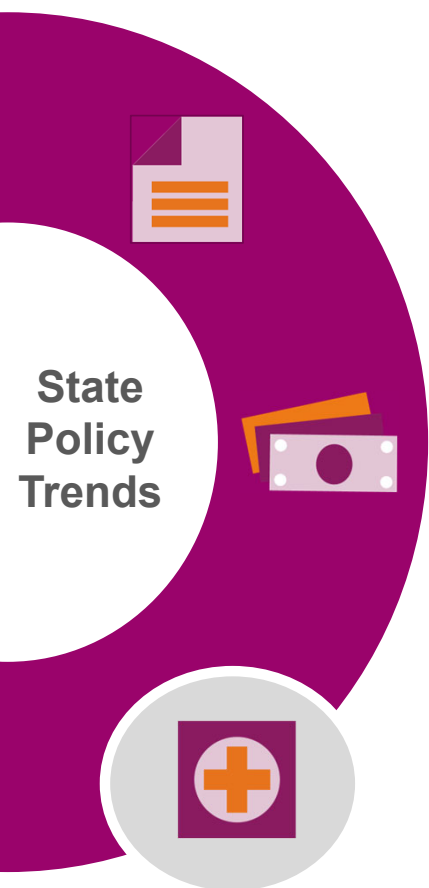
Evolving Regulations & Patient Financial Impact



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?



Challenges

Leading through uncertainty

Implementing policies that lack detail or are ill-tailored to the complexity of healthcare

Navigating a patchwork of Federal and State requirements

Engagement & advocacy



Recommendations

Seek to understand the “why” behind the policy making or regulatory enforcement.

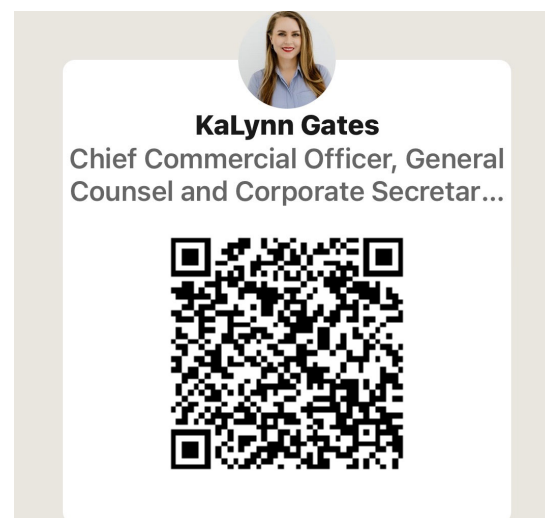
Enact policies that are responsive but put yourself in a position to be nimble and flexible to respond to continued change.

Lean on your experienced vendor partners.
Engage in industry trade groups and prioritize covering regulatory topics.

Engage early not only in enforcement



Questions



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