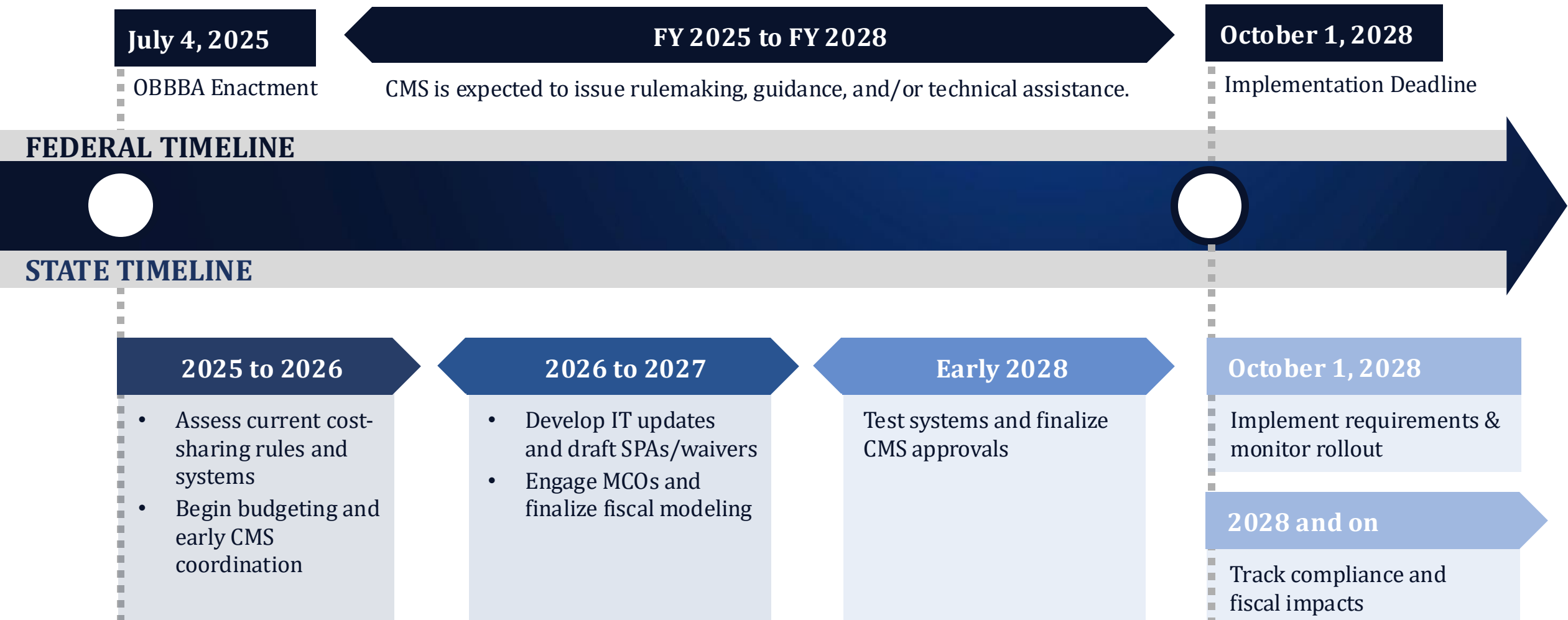


STATE ROADMAP FOR OBBBA COST SHARING PROVISION

TRP’s roadmap outlines how states may prepare for the implementation of the OBBBA’s cost-sharing requirements in Medicaid ahead of the October 1, 2028, compliance deadline.



STATE ROADMAP FOR OBBBA COST SHARING PROVISIONS

Federal Deadline

Implementation of Cost Sharing Requirements

Effective October 1, 2028

The OBBBA's cost-sharing provision takes effect, capping Medicaid copayments and deductibles for expansion adults with incomes between 100 percent and 138 percent of the FPL at \$35 per item or service, with a family cost-sharing limit of 5% of income. Federal standards define allowable exemptions (e.g., pregnancy, children, emergency, and certain outpatient care) and collection procedures. States must update eligibility and payment systems and secure CMS approval for SPAs, waivers, and managed care rates.

State Roadmap

Early Planning

2025 to 2026

States should assess existing cost-sharing policies, exemptions, and systems; identify gaps in eligibility rules; and begin fiscal modeling to estimate potential budget and financing impacts. States should also begin early coordination with CMS and stakeholder outreach, including preliminary discussions with providers and managed care organizations on future operational and reimbursement implications.

System Design & CMS Engagement

2026 to 2027

States should develop IT and eligibility system updates, draft SPAs or waiver amendments, and align with MCOs and providers on benefit and payment changes. Fiscal modeling and rate-setting should be refined, with continued CMS coordination on policy design, approval, and implementation guidance. During this phase, states should also begin drafting provider guidance and updating billing manuals to clarify how cost-sharing amounts are calculated, collected, and reported.

Readiness & Communication

Early 2028

States should finalize CMS approvals, complete internal testing, and conduct staff and provider training to ensure readiness. States should release final provider guidance, FAQs, and technical assistance materials outlining cost-sharing rules, exemptions, collection procedures, and safeguards for individuals unable to pay.

STATE ROADMAP FOR OBBBA COST SHARING PROVISIONS

Implementation & Evaluation: *October 1, 2028 and Beyond*

Under OBBBA's cost-sharing framework, providers apply the new requirements at the point of care, while states are responsible for overseeing implementation, issuing guidance, and ensuring compliance through system and policy support.

Provider's Role

- **Eligibility and Exemption Verification.** Confirm each patient's Medicaid category and exemption status before collecting cost sharing.
- **Patient Communication.** Notify beneficiaries of applicable copayments or coinsurance at the point of service and explain exemptions.
- **Compliance with Cost-Sharing Limits.** Apply federal and state limits — \$35 per item or service, as set by the state, and 5% monthly income cap — while ensuring pregnancy, pediatric, preventive, and emergency care remain exempt.
- **Billing, Claims, and Nonpayment Protections.** Update billing systems to accurately reflect cost-sharing amounts, exemptions, and unpaid balances, ensuring claims distinguish the beneficiary's share from the Medicaid payment. Follow state rules for care provision when individuals cannot pay at the time of service, and document collection efforts as directed.
- **Coordination with States and MCOs.** Engage with Medicaid agencies and managed care plans for updated policies, training, billing codes, and dispute resolution support.

State's Role

- **Oversight and Monitoring.** States should oversee rollout beginning October 1, 2028, resolving system or beneficiary issues in real time and coordinating with CMS to ensure compliance. Oversight should include evaluating provider implementation of cost-sharing rules, monitoring fiscal and utilization impacts, and identifying whether reimbursement or billing adjustments are needed to maintain provider participation and beneficiary access.
- **Provider Guidance and Training.** States should develop and distribute clear guidance and training materials for providers. This includes FAQs, billing manuals, policy bulletins, and webinars explaining cost-sharing application, exemption verification, and claims reporting. States should clarify how cost-sharing expectations interact with provider reimbursement and reinforce that rates should not assume full patient payment.