Retroactive Medicaid Coverage Changes under H.R.1

What is retroactive coverage?

Retroactive coverage pays for eligible medical expenses that an individual receives prior to submitting their application for Medicaid. Historically, Medicaid has offered retroactive coverage up to three months prior to application month. Retroactive coverage is relevant in situations in which a person does not file an application for Medicaid until several months after receiving healthcare.

What is changing under H.R.1?

Beginning Jan. 1, 2027, Medicaid retroactive coverage will be limited to two months prior to the application month for non-expansion populations, including people aged 65 and older and people with disabilities, and to one month prior to the application month for the Medicaid expansion population. To note, coverage determinations are based on the application month, rather than the month in which an application is approved.

What do these changes mean for behavioral health providers and their clients?

With reduced retroactive coverage, there will be a higher risk for increased Medicaid debt. Additionally, providers may experience increased uncompensated care.

What providers can do:

- Ensure clients apply for Medicaid promptly to ensure coverage of services retroactively
- Utilize presumptive eligibility where available, particularly by checking which (if any) qualified entities your state has designated for presumptive eligibility.
- Staff should continue documenting retroactive eligibility for every month in which retroactive coverage is sought.
- Ensure that clients are filing applications as quickly as possible following receipt of services. A client's coverage start date is not affected by the amount of time it takes a state to complete an application, meaning that

partially complete applications can still be effective in ensuring a longer window of coverage.

- Have application counselors/navigators onsite to help patients who may have difficulty navigating the application process, particularly when those patients are experiencing a behavioral health crisis or substance use withdrawal.