WHITEPAPER

Navigating the One Big Beautiful Bill Act

Implications for the healthcare revenue cycle + actions leaders should take now

WAYSTAR

The **One Big Beautiful Bill Act** (OBBBA) was signed into law in July 2025. This legislation introduced changes to health coverage programs, including nearly **$1 trillion in Medicaid funding cuts** over the next decade and stricter eligibility requirements starting in 2026. Additionally, the OBBBA will affect Medicare reimbursement formulas and ACA insurance subsidies. In short, fewer patients will have public insurance coverage and healthcare organizations should expect payer mix and revenue shifts[1].

For healthcare organizations operating on thin margins, this presents a dual challenge: higher uncompensated care and greater financial volatility.

In this whitepaper, we break down what healthcare organizations are most concerned about regarding OBBBA and the key implications for the healthcare revenue cycle. Learn how leaders plan to adapt to this changing landscape — and yield powerful results.

Read on to learn:

1. What organizations are doing to **prepare for OBBBA**
2. Ways to create clarity amid **Medicaid coverage changes**
3. How to adapt with agility to shifts in **Medicare + ACA marketplaces**
4. Strategies to ensure financial engagement as **patient responsibility increases**

1. Congressional Budget Office. *Estimated Budgetary Effects of Public Law 119-21, to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Relative to CBO's January 2025 Baseline.* July 21, 2025.

ONE

Top implications for health systems

Top OBBBA impacted areas in RCM[2]

Coverage, collections + Medicaid emerge as the greatest strain

79%
Medicaid coverage

42%
ACA marketplace coverage

42%
increase in patient financial responsibility

In the fall of 2025, members of the **Waystar Advisory Board** gathered for a roundtable discussion to explore how OBBBA will impact financial performance and operations across their organizations. The board members represent organizations of varying sizes, from large health systems spanning multiple states to multi-location provider groups.

Developing an action strategy

Members acknowledge that changes are likely to be significant. Many organizations are still in early stages of OBBBA preparation, testing scenarios for 2026. Some have started modeling multi-year approaches, developing 10-year forecasts and management action plans.

Coverage + cash flow challenges

Medicaid and ACA coverage reductions, including state-by-state variations, are top-of-mind for board members, as is rising patient responsibility[2]. Organizations expect OBBBA to create new collections challenges, resulting in a need to prioritize financial assistance and charity care, prioritize automation capabilities, and improve data visibility.

2. Waystar Advisory Board Executive Summary. September 2025.

$1T

reduction in federal healthcare spending between 2025 and 2034 projected.[1]

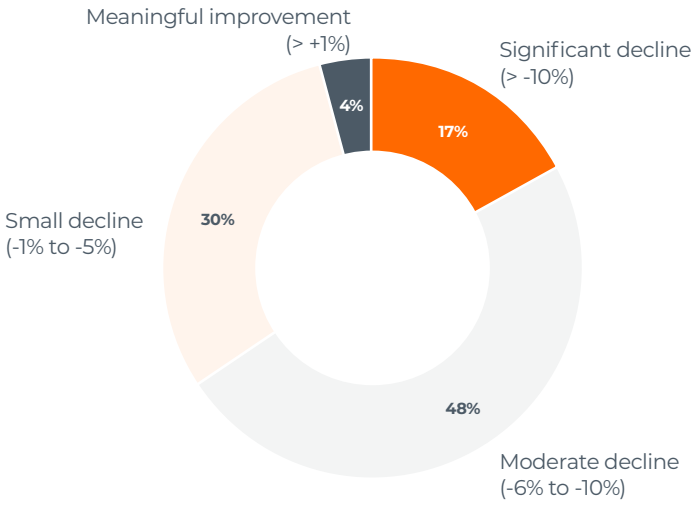
Financial erosion is likely without intervention

When considering the impact of OBBBA on margins, the majority of members expect moderate margin decline of up to 10%[2].

OBBBA margin impact[2]

Majority expect margin declines of 1-10% by FY 2028

Waystar Advisory Board members anticipate financial erosion without intervention.



Note: 0% responded indicating No Impact or Slight Improvement (< +1%)

A handful of organizations are already modeling multi-year impacts and building mitigation playbooks. The overall sentiment reflects uncertainty, with many adopting defensive strategies:

- Prepare for reimbursement cuts
- Anticipate tighter Medicaid rules
- Plan for higher uncompensated care

Participants emphasize the importance of using forecasting tools and identifying near-term opportunities, such as investing in automation and AI innovations to ensure long-term success.

TWO

Create clarity amid Medicaid coverage changes

Medicaid changes expected to lead to higher self-pay and bad debt

11.8M

Americans could lose Medicaid coverage as a result of OBBBA[1]

1/5

of healthcare spending is covered by Medicaid[3]

Ready to strengthen your frontend processes? Read *Mastering eligibility: 3 essential strategies for a resilient revenue cycle.*

Read eBook

Medicaid currently accounts for nearly one-fifth (19%) of healthcare and hospital funding[3]. OBBBA's funding reductions and stricter eligibility rules mean fewer patients will qualify for Medicaid, shrinking this revenue stream. Analysts project up to 11.8 million Americans could lose Medicaid coverage as a result of these changes[1]. For healthcare organizations, this will likely translate into a surge in self-pay patients and uninsured visits, since many individuals will have no alternative coverage.

When coverage lapses, patients often delay care or seek care in emergency settings, leading to higher-cost episodes that often go unpaid. Healthcare organizations should prepare for an increase in self-pay accounts and potential cash flow strain.

TAKE ACTION

Mitigate more eligibility-related denials across the revenue cycle

It's no longer sufficient to check eligibility upon registration and assume that the claim will be covered as a patient's coverage is likely to significantly shift often as additional eligibility requirements are implemented. Waystar's software platform uses intelligent automation to continuously check for active insurance across all points of the revenue cycle. It starts with registration, but also checks prior to claim submission, during accounts receivable follow-up, and even after denials occur.

By automatically discovering hidden or updated insurance coverage, organizations can bill the appropriate payer rather than missing potential coverage and considering the patient to be self-pay. Organizations using Waystar's solutions have uncovered correct insurance information for 58% of accounts that initially had incorrect or no coverage listed — in under 30 seconds and with no manual effort[4].

3. KFF. 10 Things to Know About Medicaid. Feb 18, 2025 | 4. Waystar data. 2025.

THREE

Adapt with agility to shifting reimbursements

Proactively adjust to changes in Medicare + the Affordable Care Act

5K+
payer connections in Waystar's network[4]

2.5M+
continuously updated rules + edits[4]

Would it help your organization to simplify Medicare claims? Watch our on-demand webinar: *Navigating Medicare Advantage: How to optimize payments + claims.*

Watch on demand

Beyond Medicaid, the OBBBA contains provisions that may impact Medicare and The Affordable Care Act (ACA) marketplaces. While details are still unfolding, reductions in Medicare reimbursements and changes to ACA plan funding or availability are anticipated. Existing enhanced ACA premium tax credits are set to expire on December 31, 2025. As a result, healthcare organizations could face more volatility in payment streams. For example, if Medicare adjusts certain rates downward or if ACA insurance enrollment drops, there will likely be more uninsured or short-term coverage gaps[5].

This uncertainty makes revenue cycle planning more complex. Hospitals and provider groups must be ready for possible swings in the payer mix — for instance, a higher proportion of Medicare patients at slightly lower reimbursement, or more charity care if ACA patients forgo insurance. Continuous adaptation and strategic foresight will be needed to maintain financial stability. Healthcare organizations should monitor payer policy changes closely and be prepared to tighten revenue cycle efficiencies to offset any reimbursement declines.

TAKE ACTION

Harness innovative + intelligent claim management software

Dealing with reimbursement fluctuations requires maximizing efficiency and accuracy in claim management for all payer types. Waystar's cloud-based revenue cycle software is built to be flexible and data-driven, helping organizations navigate policy shifts with confidence.

Waystar's AI-powered Claim Manager Peak is designed to be flexible and meet the needs of today and tomorrow, ensuring that we offer capabilities to keep claims accurate and denials low — regardless of policy changes

5. Center for American Progress. *When do the One Big Beautiful Bill Act's healthcare provisions go into effect?* August 18, 2025.

FOUR

Ensure financial engagement as patient responsibility increases

Alleviate pressure on patients (and staff) + strengthen collections

60-80%
average Waystar self-service pay rate[4]

30%
increase in point-of-service payments with Waystar[6]

One immediate impact of OBBBA is that more patients will find themselves without insurance or with reduced coverage, especially among vulnerable populations. These patients may delay care or skip treatments due to cost barriers. When they do seek care, a larger portion of the bill will fall to them. Health systems, hospitals, and other providers must anticipate an increase in patient balances and potential difficulty in collecting those funds. Even insured patients could face higher out-of-pocket costs if ACA subsidies are not extended, leading to narrower coverage.

All of this puts additional pressure on healthcare teams to provide strong patient financial care. More effort will be required to help patients understand their bills and offer options to pay over time or find financial assistance. Simply put, delivering compassionate financial care will be essential for securing revenue, avoiding bad debt in the wake of OBBBA — and providing a better financial experience to patients.

TAKE ACTION

Drive collections with patient-friendly software solutions

Waystar's software enables revenue cycle professionals to help patients understand their bills and have flexible payment options. For patients facing larger bills or loss of coverage, Waystar's solutions can:

- **Screen for charity care eligibility:** Waystar automates Charity Screening to instantly identify patients who qualify for financial assistance programs. This ensures those patients are enrolled in charity care or discounted programs early, maintaining goodwill and compliance while preventing futile billing efforts.
- **Predict propensity to pay:** Waystar's Advanced Propensity-to-Pay modeling uses AltitudeAI™ to segment patients by their likelihood and capacity to pay. This insight allows more tailored outreach — for instance, offering extended payment plans to families who need them, while pursuing prompt payment from those who can afford it.

6. Waystar. *Success story: Piedmont's way forward.* 2023.

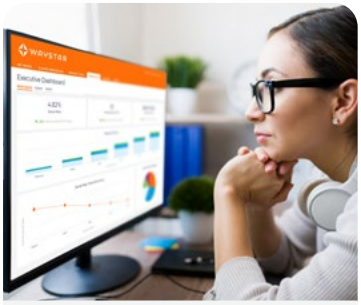
Ready to alleviate the pressure on your patients and staff? Check out our blog, *4 do's and don'ts of uncompensated care: Improving charity care for providers + patients.*

Read now

- **Offer flexible, self-service payment options:** In an age of digital convenience, Waystar enables a seamless, self-service billing experience. Patients receive clear, easy-to-understand statements and have access to modern payment tools like mobile pay, text-to-pay, online pay, and automated phone payments. Adopting these conveniences has proven results.

Implementing patient-focused strategies, empathy, and tools to make paying more manageable are important steps to take toward mitigating OBBBA's impact.

The bottom line



See AI in action. Learn more from this popular webinar, *How 1 organization used AI to increase revenue + reduce denials.*

Watch on demand

As the One Big Beautiful Bill Act goes into effect, healthcare finance leaders will face challenges including Medicaid funding reductions, shifting ACA dynamics, and increased patient financial responsibility.

However, these obstacles also present an opportunity for organizations to harness innovation and propel their financial health forward. With proactive strategies and the right software partner and solutions, healthcare organizations can successfully navigate this shifting landscape while continuing to deliver high-quality care to their patients.

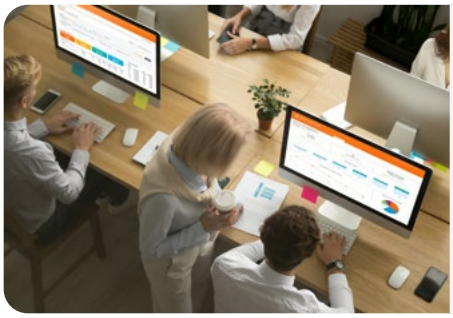
Waystar's AI-powered software platform streamlines the revenue cycle from end to end so hospitals, health systems, and provider groups can meet these challenges head-on.

Curious which unproductive tasks may be slowing your staff down? Find out the top five in one of our most popular blog posts — and what you can do to change everything.

Read blog

By applying the latest innovations to the revenue cycle, teams that use Waystar ensure active coverage is identified and billed, avoidable denials are prevented, appeals are automatically and effectively managed, and patients are empowered to pay.

By investing in these capabilities now, healthcare organizations can proactively manage the impact of the One Big Beautiful Bill Act, maintain financial stability, and focus on what matters most — caring for their patients and communities.



Thriving post-OBBBA

Innovative revenue cycle software can bolster your organization's financial health during challenging times. Learn how to get powerful results on Waystar's end-to-end platform. We integrate with existing EHR, HIS, or PM systems to maximize financial results behind the scenes.

Request demo

EXPLORE THE WAYSTAR SOFTWARE PLATFORM

- **Financial Clearance** — Learn more
- **Patient Financial Care** — Learn more
- **Clinical Integrity + Revenue Capture** — Learn more
- **Claim + Payer Payment Management** — Learn more
- **Denial Prevention + Recovery** — Learn more
- **Analytics + Reporting** — Learn more

Discover the way forward

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WAYSTAR

ABOUT WAYSTAR

Waystar's mission-critical software is purpose-built to simplify healthcare payments so providers can prioritize patient care and optimize their financial performance.