TEXAS PRIMARY CARE CONSORTIUM

Primary Care at a Crossroads: Navigating Recent Policy, Budget, and Regulatory Changes

October 8, 2025 | 11:00 a.m. – 12:00 p.m. CT

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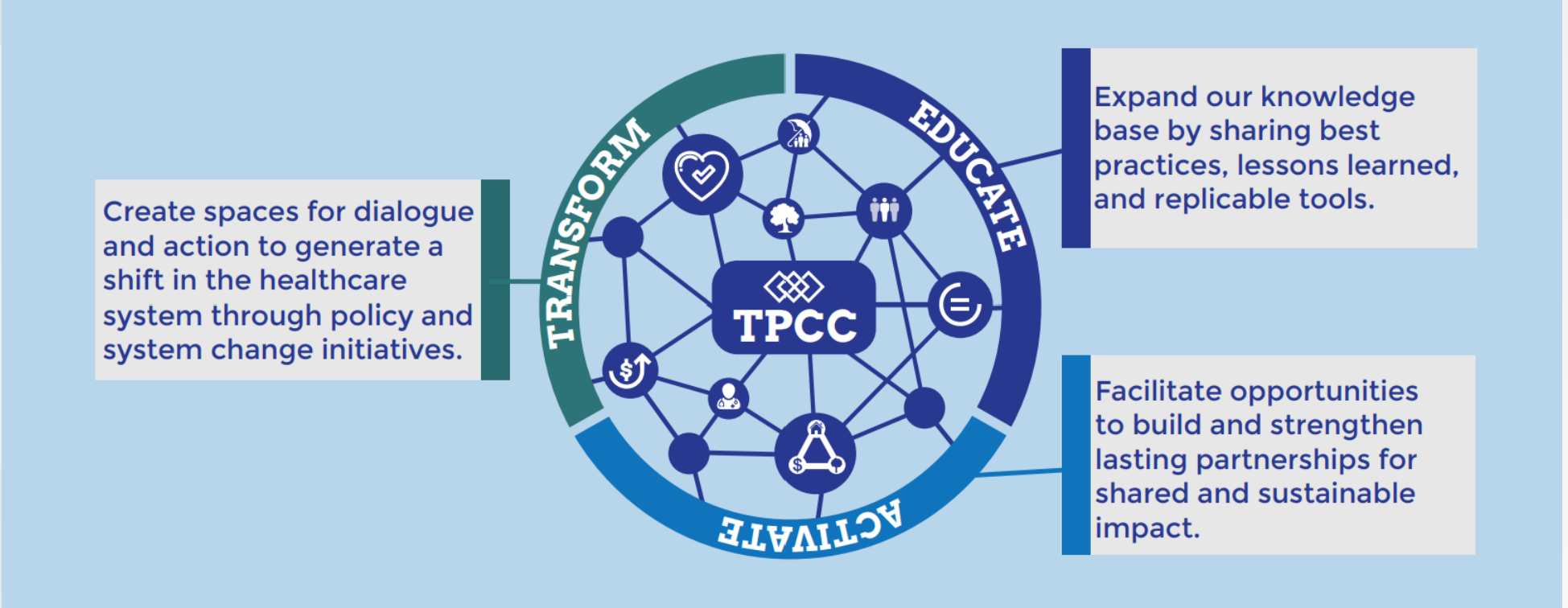
The Texas Primary Care Consortium is a statewide collaborative with a mission to **advance high-quality primary care for all Texans,** co-led by the Texas Health Institute and the Texas Medical Home Initiative.

TEXAS HEALTH INSTITUTE

TEXAS MEDICAL HOME INITIATIVE

Texas Primary Care Consortium leads with the following framework:



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Texas Primary Care Consortium's Goals

- Increase access to high-quality, cost-effective health care
- Improve the financial stability and vitality of Texas' primary care system
- Strengthen the primary care system

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EPISCOPAL HEALTH FOUNDATION

TEXAS ACADEMY OF FAMILY PHYSICIANS

TAHP
Texas Association of Health Plans

TMF
Health Quality Institute

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Federal Updates

One Big Beautiful Bill (OB3)

- Reduces federal health care spending by $1.1 trillion over ten years and initiates significant new health policy direction across all federally funded health care programs
- Uses an array of administrative, eligibility, and programmatic financing restrictions to curtail health coverage and costs
- The bulk of OB3 reductions will be achieved by requiring Medicaid expansion states to enact stricter Medicaid eligibility and enrollment policies in addition to tighter financing limits
  - Mandatory work requirements, among other restrictions, will not apply here
- Texas will be most impacted by changes to ACA Marketplace eligibility, enrollment and costs as well as anticipated Medicare cuts prompted by mandatory sequestration
- OB3 staggers implementation over multiple years

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OB3 Major Provisions Impacting Texas

Health Care Transformation

- Invests $50 Billion toward rural health transformation over 5 years
- Redefines certain Direct Primary Care (DPC) arrangements not to be health insurance; makes compatible with Health Savings Accounts (HSAs)
- Permits HSA pairings with ACA Bronze & catastrophic plans
- Caps federal student loans for professional degrees at $200k; total borrowing at $257k

ACA

- Omits extension of enhanced premium tax credits*
- Discontinues APTCs for certain lawfully present immigrants and DACA recipients
- Bars PTC and cost-sharing limits for people enrolling via the low-income special enrollment period
- Eliminates auto enrollment for enrollees receiving PTC
- Expands HSA options for select ACA plans
- ***Parallel ACA regulations change the actuarial value for plans and further tighten eligibility & enrollment***

Medicaid & CHIP

- Halts rules on eligibility & enrollment simplification (Texas must still implement CHIP patient protections including eliminating the 90-day waiting period)
- Reduces Medicaid retroactive coverage to 2 months
- Restricts Medicaid financing strategies by freezing Medicaid provider taxes and limiting supplemental directed payment programs for hospital, rural health clinics, and other entities

Medicare

- Provides temporary, one year, physician payment increase
- Permits additional Medicare 4% sequestration cuts due to deficit spending*
- Eliminates eligibility for certain lawfully present refugees and asylum seekers
- Delays for 10 years rules to streamline Medicare Savings Program enrollment processes

absent Congressional action

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OB3: Timeline of Major Provisions

2025

- Moratorium on new rules re: Medicaid Eligibility & Enrollment and Medicare Savings Program (2025 to 2034)
- Freeze on Medicaid provider taxes
- Termination of ACA Enhanced Premium Tax Credits (12.31.25)*
- Disallow Medicare coverage for specified ***newly*** applying lawfully present immigrants

2026

- Rural health transformation grants (2026 to 2030)
- Reclassification of DPC as not insurance (1.1.26)
- Cap on federal professional/ graduate student loans (7.1.26)
- Shorter ACA open enrollment (via rule)
- Elimination of PTCs for low-income special enrollment
- Temporary Medicare physician payment increase (1.1.26 to 12.31.26)
- Medicare sequestration cuts (2026 to 2034)*

2027 & beyond

- Phase down of Medicaid Directed Payments to Medicare limit (2028)
- Restrictions on Medicaid retroactive coverage
- Discontinuation of ACA tax credits for certain lawful immigrants
- Elimination of auto enrollment
- End of Medicare eligibility for certain lawfully present immigrants enrolled on/before 7.1.25

Medicaid

ACA

Medicare

Other

*Absent action by Congress

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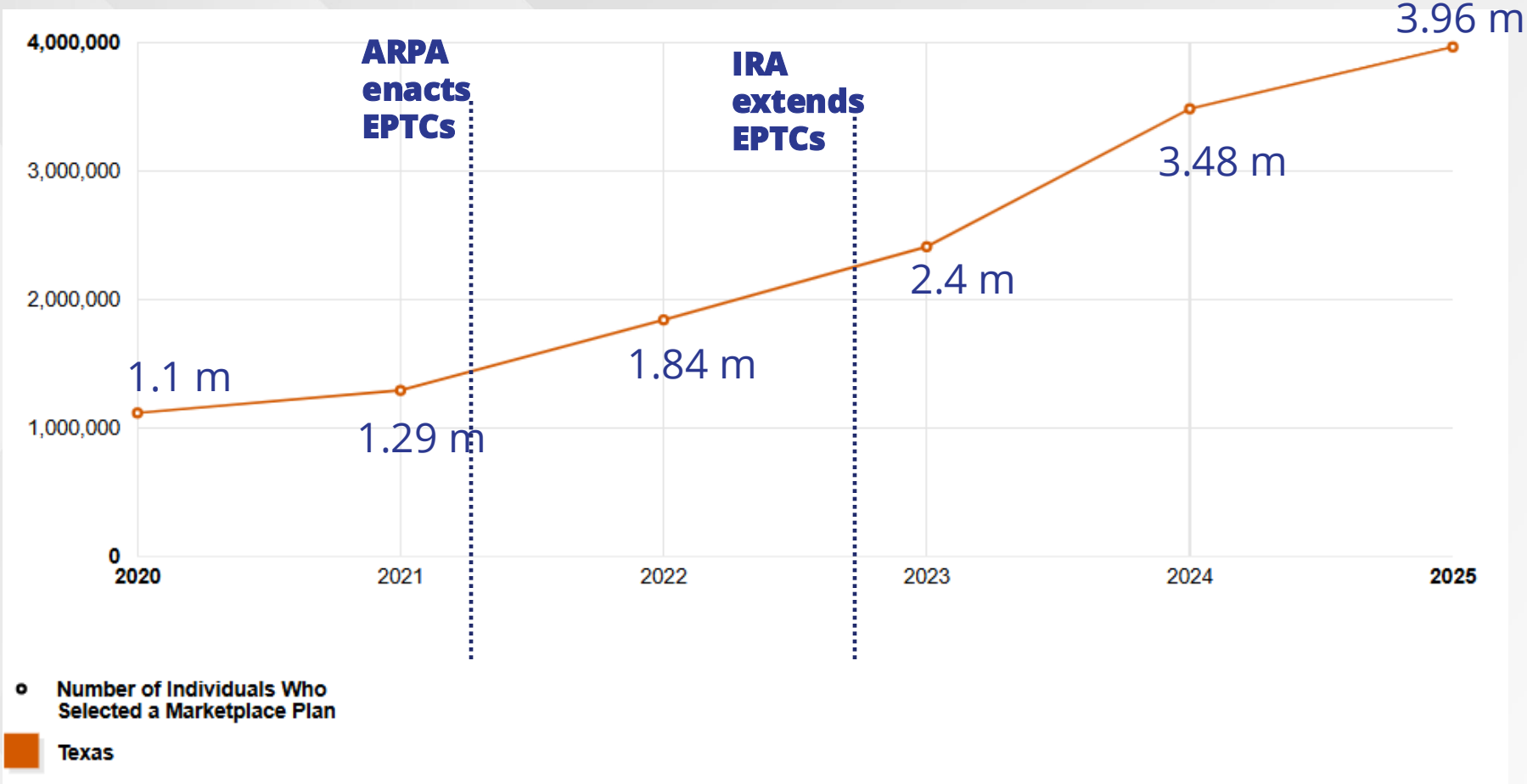
Texas ACA Enrollment Growth 2020-25

255% Increase (2.85 Million)



Source: [Marketplace Enrollment, 2014-2025 | KFF State Health Facts]

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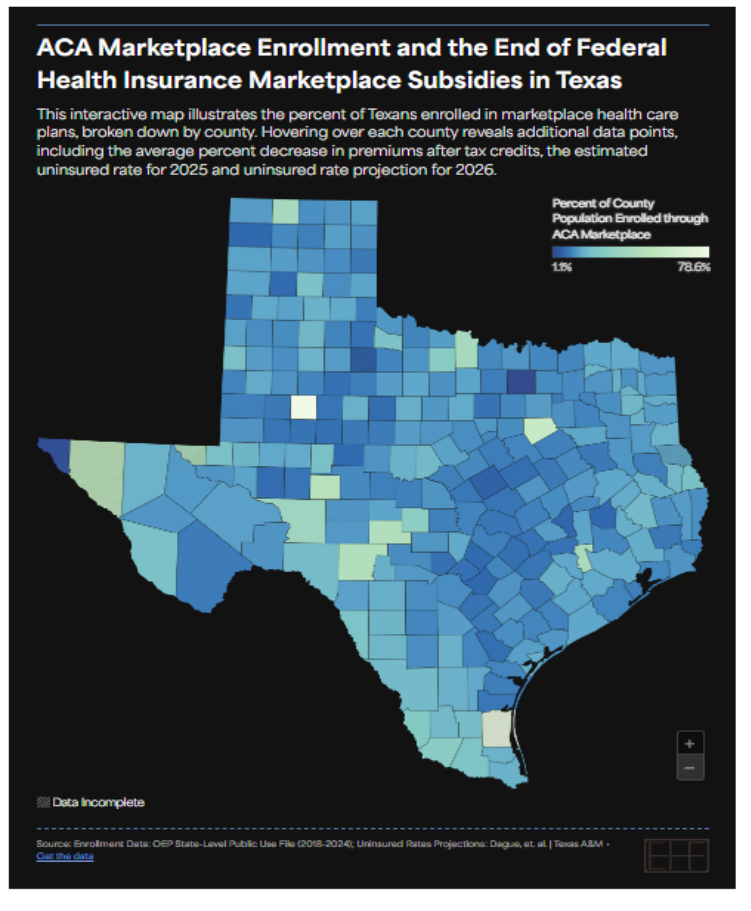
Expiration of ACA Enhanced Premium Tax Credits



Between 665,000 and 1.45 million Marketplace enrollees will not continue individual Marketplace coverage in Texas in 2026, representing declines of 17- 37% from 2025, or 797,747 newly uninsured people

Source: [Projected Uninsurance Increases from the End of Federal Health Insurance Marketplace Subsidies in Texas](), Episcopal Health Foundation, Sept. 18, 2025

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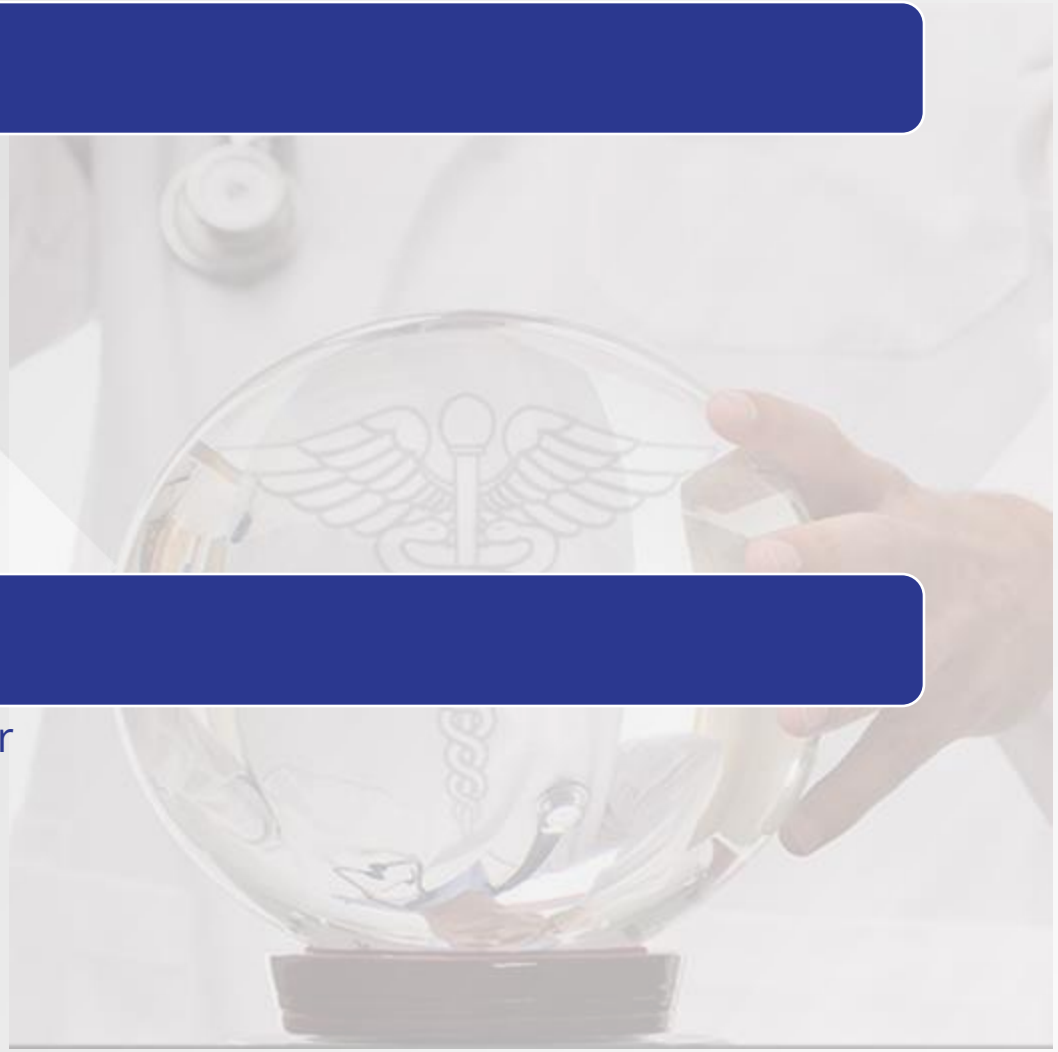
OB3: Projected Impact, Possible Outcomes

Projected Impact

- Higher rates of uninsured
- Increased use of emergency departments
- Higher uncompensated care costs
- Escalate health insurance premiums
- Decrease revenue for mission-driven initiatives
- Flatten or reduce health care workforce
- Diminish health care capacity



Possible Outcomes

- Increase collaboration across health care sector
- Spark care coordination reforms
- Boost adoption of value-based care
- Quell consolidation
- Fuel development of new provider types
- Promote efficiency and paperwork reduction
- Spur creation of new health insurance models
- Prompt public discussion about tackling health care access, quality and affordability

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CMS Regulatory Initiatives

Health Advisory Committee

- Promote chronic disease prevention and management
- Reduce unnecessary red tape
- Advance use of real-time data systems
- Improve Medicaid quality
- Strengthen Medicare Advantage sustainability
  - ***Appointees to be named by CMS by end of 2025***

WISeR: Wasteful and Inappropriate Service Reduction Model

- Detect and prevent waste and fraud
- Apply commercial payer processes that may be faster, easier and more accurate;
- Increase transparency on existing Medicare coverage policy; and
- De-incentivize and reduce use of medically unnecessary care.
  - ***Texas included in pilot, which will begin January 2026***

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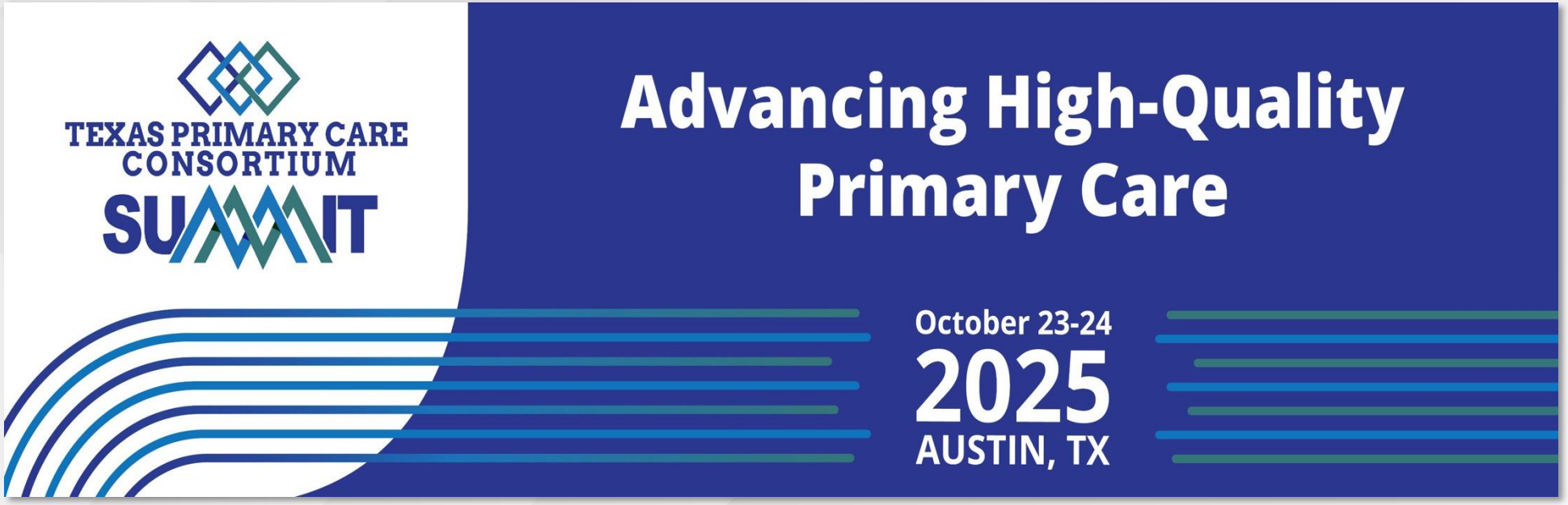

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