



# DIVERSE ELDERS COALITION

## Health Care

### Medicaid Factsheet on House Reconciliation Bill

House Republicans recently passed a sweeping budget reconciliation bill, enacting major portions of President Trump's agenda, including tax cuts, border security, and lifting the borrowing limit. The bill also makes substantial changes to the Medicaid program by reducing federal funding, altering eligibility, and imperiling coverage for millions of older Americans and those with disabilities. This factsheet highlights the most impactful changes.

#### Topline Takeaways

- The Congressional Budget Office (CBO) estimates find that the bill would institute **\$792 billion Medicaid cuts over ten years**. These are the deepest cuts to Medicaid in the program's history.
- The combined changes to Medicaid and health insurance marketplaces would increase the number of people without health insurance **by 16 million in 2034**.
- **78.5 million people** rely on Medicaid and the Children's Health Insurance Program (CHIP) for their health insurance for both immediate and long-term care.

#### Funding Changes

- The bill cuts the current 90 percent federal contribution for Medicaid expansion by 10% for the 14 states and the District of Columbia currently providing coverage to undocumented children and some undocumented adults, **even though the coverage is financed solely by state funds**.
- The bill would effectively eliminate most of the Secretary's authority to grant "good faith" waivers, which allows for states to avoid financial penalties when honest mistakes are made.
- The bill would prohibit states from increasing provider taxes or expanding their provider tax base to additional health care provider categories. This change affects states' ability to raise revenue to finance Medicaid coverage, **even as cost pressures go up** (all states except for Vermont have some form of balanced budget requirement). States may ultimately be forced to cut benefits for millions of people.
- The bill would end a provision from the American Rescue Plan Act that offered a 5% Federal Medical Assistance Percentage (FMAP) increase, to 95%, for 2 years to any state newly adopting ACA Medicaid expansion. This boosted funding helped states expand Medicaid but would no longer be available to the 10 remaining non-expansion states.

## Eligibility Changes

- The Congressional Budget Office (CBO) **estimated that 1.3 million “dual eligibles”—all over 65 or disabled—would lose Medicaid coverage**, including its assistance with Medicare premiums and co-pays.
- The bill would end coverage for adults without dependent children (age 19-64 in the ACA Medicaid expansion) who do not regularly report on their work, school, or “community engagement” activities that total 80 hours a month. Those who lose a job, or fail to fulfill the paperwork, **would lose Medicaid coverage**, and be locked out from obtaining tax credits for private insurance in the marketplaces, which help with affordability
- The bill would require states to conduct costly eligibility redeterminations every six months for adults enrolled through the ACA Medicaid expansion. This would increase paperwork requirements to kick people off coverage.
- The bill would **impose additional hospital and medical bills** on eligible Americans by only reimbursing care for one month prior to enrollment, as opposed to three months currently allowed. This would increase uncompensated care in clinics, hospitals, and emergency rooms, and force vulnerable people, including pregnant women and older adults into medical debt.

## Coverage Changes

- The bill would **reduce benefits, narrow eligibility, impose barriers to enrollment, and increase premiums and cost sharing** for people who purchase health insurance through the federal or state-based marketplaces, by codifying most of the Trump Administration’s regulatory proposals for “Marketplace Integrity” into law.
- The bill would stop CMS from implementing a federal rule increasing the number of staff in nursing homes, jeopardizing the safety and health outcomes for our nation’s older adults.

## Community Impact Snapshot

- **Over half (57 percent) of Medicaid and CHIP enrollees – about 54.9 million people – are people of color**, including **more than a quarter (+25%)** of older adults of color who rely on Medicaid for care:
  - Hispanic and Latinx (27 million)
  - Black and African American (20 million)
  - Asian American, Pacific Islander, and Native Hawaiian (5.3 million)
  - American Indian and Alaska Native (1.3 million)
  - LGBTQ adults (1.8 million)
- Older enrollees with a non-English primary language – especially **Hispanic and AANHPI** individuals – are more likely to qualify for Medicaid through age-based eligibility.
- **About 10 million enrollees** – 11 percent of the Medicaid enrollees – qualify based on disability; they are most often low-income and living with long-term health conditions. These enrollees are disproportionately non-Hispanic White and Black.