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One Big Health Care Disaster: 10 Ways Republicans Cut Health Care



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The 870-page Republican reconciliation bill that Republicans recently signed into law will fundamentally impact the US economy, and no sector is impacted more than health care. While headlines have rightfully focused on the more than one trillion dollars cut from Medicaid, there are a raft of changes in the bill that would affect costs and access for millions of families across the health care system.

Below, we break down the key health care provisions in the bill:

Major Medicaid Cuts

The Republican bill would fundamentally change Medicaid. Major provisions include:

1. **Work reporting requirements:** The bill imposes new “community engagement” requirements—commonly known as work requirements—on adults enrolled in Medicaid expansion. These rules, which are burdensome and do not increase employment, would force people to document 80 hours a month spent working, volunteering, or participating in job training programs in order to keep their coverage. This would also place additional burdens on states, as the bill requires states to set up this reporting infrastructure.
2. **Limits on state provider taxes:** The legislation severely weakens states’ ability to use provider taxes to fund their state Medicaid program. It would significantly reduce provider taxes in states that expanded Medicaid as well as ban states from raising existing provider taxes or enacting new ones in those that did not expand Medicaid. This would tie the hands of state legislatures and governors, limiting their flexibility to maintain coverage levels or respond to rising health care costs.
3. **Red tape in Medicaid:** The bill would create new requirements for states to conduct eligibility verifications every six months rather than every year. Frequent eligibility checks increase administrative costs for states and create more opportunities for eligible individuals to lose coverage simply because they missed a piece of mail, failed to meet an arbitrary deadline, made a mistake in their paperwork, or even because of a glitch in the system through no fault of their own.
4. **Delayed rules:** The bill places a moratorium on key Biden Administration rules designed to simplify and modernize enrollment in Medicaid and the Children’s Health Insurance Program (CHIP). These rules streamlined the application and renewal process, reduced paperwork barriers, and aligned eligibility systems across programs. These rules would have made it easier for families, especially children, to get and stay covered.
5. **Increased costs for patients:** The bill imposes new patient cost-sharing of up to \$35 per service on people in the Medicaid expansion population—many of whom already live paycheck to paycheck. On average, enrollees will face \$542 a year in higher costs, while people with several chronic conditions could face over \$1,200 in additional costs.

The bill also contains other provisions affecting Medicaid, such as ending incentives for states to expand Medicaid who have not yet done so.

Weakening the Affordable Care Act

In addition to slashing Medicaid, Republicans are targeting the Affordable Care Act. Major provisions include:

1. **Cuts to premium support for middle-class families:** The enhanced ACA premium tax credits, originally expanded under the American Rescue Plan and extended in the Inflation Reduction Act, cap premiums at 8.5% of a household's income. This makes coverage substantially more affordable for middle-income families. However, the credits expire at the end of 2025, and the Republican bill does not extend them. Without these credits, over 4 million people will lose coverage, and millions more will face premium hikes of hundreds—even thousands—of dollars a year.
2. **Shortened enrollment:** The bill significantly shortens the open enrollment period and eliminates the special enrollment period for people under 150% of the poverty line. It also prohibits access to the tax credits which lower premiums for ACA coverage for anyone who loses Medicaid coverage due to not meeting Medicaid work requirements.
3. **Increased red tape:** Provisions in the bill would add new reporting and documentation requirements for ACA marketplace enrollees—creating administrative burdens that could result in fewer people enrolling or remaining covered. These changes would make the enrollment system more complex and difficult for low-income and working-class families to get the coverage they qualify for.

Cuts to Medicare

Despite President Trump's pledge to not cut Medicare, the Republican bill would trigger an automatic \$490 billion cut. Here's how:

1. **Undermining Medicare Savings Programs:** In 2023, the Biden Administration enacted a rule to reduce barriers for enrollment in the Medicare Savings Programs, which supports low-income seniors by covering premiums and cost-sharing. The bill delays implementation of this rule until 2034.
2. **Triggering Sequestration:** Because the bill increases deficits by \$3.4 trillion, the Statutory Pay-As-You-Go Act of 2010 requires an automatic cut across the federal budget to make up the difference. While the cuts to Medicare are limited at 4%, that's \$490 billion over the decade. While Republicans could have included a stop to these cuts in their legislation, they chose not to do so.

Conclusion

This bill will bankrupt millions of Americans, roll back vital protections, and deepen health inequities—all to fund tax breaks for the wealthy. Congress should do all it can to reverse this assault on health care and working families.