G.O.P. Bill Has \$1.1 Trillion in Health Cuts and 11.8 Million Losing Care, C.B.O. Says

Analysis from the nonpartisan Congressional Budget Office found that Republicans' new version of the legislation would make far deeper cuts and lead to more people becoming uninsured than previous proposals.

By Margot Sanger-Katz

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Republicans' marquee domestic policy bill that is making its way through the Senate would result in deeper cuts and more Americans losing health insurance coverage than the original measure that passed the House last month, according to new <u>estimates</u> from the Congressional Budget Office.

According to a report published late Saturday night, the legislation would mean 11.8 million more Americans would become uninsured by 2034. Federal spending on Medicaid, Medicare and Obamacare would be reduced by more than \$1.1 trillion over that period — with more than \$1 trillion of those cuts coming from Medicaid alone.

The fresh estimates make official what many analysts had already predicted and some Republican lawmakers had feared. The size and scope of the health care cuts in the bill, particularly from Medicaid, have been hotly debated, with fiscal hawks pressing for bigger reductions and other Republicans resisting them as they consider the impact on their constituents and health providers in their districts and states.

They are also at odds with President Trump's vow not to touch Medicaid except to do away with waste and fraud.

The scale of the proposed reductions in Medicaid is unprecedented in the history of the program, which has tended to expand coverage over time since its creation in 1965.

The cuts in the bill are achieved through numerous provisions, but the bulk of the Medicaid savings come from two big features.

One would establish a new, <u>strict national work requirement</u> for some people on the program, who would need to demonstrate they had worked at least 80 hours the month before they sign up, or qualified for an exemption. The Senate version applies this provision to the poor parents of children older than 14 in addition to childless adults without disabilities, the group targeted by the House version. The budget office estimated that that provision alone would reduce federal spending by more than \$325 billion over the decade.

The second big source of savings comes from new restrictions on a strategy many states use to finance Medicaid, by imposing <u>taxes on medical providers</u> to leverage a larger federal contribution. The bill's restrictions on provider taxes and a related mechanism known as state directed payments would cut spending by a combined \$375 billion, according to the report. The House bill would freeze the tax rate for most states, but the Senate version <u>would require many states to lower their existing taxes</u>, beginning in 2027.

The provider tax provisions are controversial among senators. Several who represent states with poor, rural populations have objected to the scale of the cuts, including Senators Susan Collins of Maine, Josh Hawley of Missouri, and Thom Tillis of North Carolina. Senate leaders added a last-minute provision Saturday to try to alleviate that concern — a \$25 billion fund to support rural health care providers. But Mr. Tillis voted against a procedural move to advance the bill on Saturday, citing the Medicaid effects as too extreme for his state, and said he would oppose the bill.

Mr. Hawley, who voted in favor of taking up the bill, said he would back the measure even as he denounced the Medicaid cuts as "bad."

The specifics of the legislation remain in flux. The Senate's parliamentarian, who is reviewing provisions to ensure they comply with the chamber's rules, is continuing to evaluate a few health care provisions.

Just Sunday morning, she ruled that several health care provisions violated the rules. Her ruling included two that would <u>cause more spending on Medicare and Medicaid in Alaska and Hawaii</u>, according to the Senate Budget Committee. Republicans had added them in part to win over Senator Lisa Murkowski of Alaska, who had raised concerns about the Medicaid cuts and who voted on Saturday night to take up the bill.

The parliamentarian also identified problems with several provisions that would increase paperwork requirements for people enrolling in Medicaid, and the repeal of a regulation that would require a minimum staffing ratio in nursing homes paid by Medicaid.

Just after the late-night procedural vote to bring up the bill, Senator Ron Johnson of Wisconsin, who had initially voted to block it but then switched at the last moment, told reporters that he would propose an amendment that would cut Medicaid even further. His proposal would slowly reduce federal spending on people who have become eligible for Medicaid because of an expansion created by the Affordable Care Act. That change, if it were added, would likely increase the size of the cuts substantially and add to the number of Americans who would lose Medicaid coverage.

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