

Senate Democrats Unveil Bill To Reverse 'Trumpcare,' Extend ACA Subsidies In 2026 Midterm Messaging War

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Senate Democrats introduced legislation Wednesday (July 30) that would reverse the \$1 trillion Medicaid cuts passed in the reconciliation bill and permanently extend the expiring Affordable Care Act (ACA) premium tax credits, setting the stage for a 2026 midterms political messaging battle as Republicans tout the law's \$50 billion rural health fund and Medicaid work requirements as key wins for their constituents.

During Wednesday's press conference for what's largely a messaging bill for Democrats, Senate Finance Committee ranking Democrat Ron Wyden (OR) accused congressional Republicans of misleading the public about the true impact of their bill, warning it would not only gut Medicaid but destabilize the country's entire health care system, including private insurance markets, hospitals and nursing homes.

America is experiencing the steepest rise in insurance premiums in nearly a decade and hospitals are reportedly cutting essential services or closing altogether due to the Medicaid cuts in the GOP's reconciliation bill, Wyden said. These cuts will also slash nursing home staffing and diminish care quality for all patients, not just those on Medicaid, he said.

"Americans were never told their flawed bill will punch a hole that's a lot deeper than Medicaid. Americans who have private health coverage like through an employer, a lot of them think they're safe. That's just not true," Wyden said at Wednesday's press conference unveiling the Democrats' bill. "So that's why Democrats are here today with a simple message: let's scrap Trumpcare. Let's scrap these cuts."

Senate Budget Committee Ranking Democrat Jeff Merkley (R) also warned during the presser that failing to reverse the GOP's Medicaid cuts and extend the expiring ACA premium tax credits would devastate rural hospitals and force rural residents to travel extreme distances for care, which he said would cost lives.

But shortly after Democrats' press conference, Senate Finance Committee Republicans issued a press release defending the One Big Beautiful Bill Act, arguing the \$50 billion rural health fund included in the bill protects rural communities.

"This legislation makes the largest investment in decades in rural health care, ensuring states have the resources they need to address the unique challenges facing their rural

hospitals,” Finance Committee Chair Mike Crapo (R-ID) said in a statement. “This is an efficient way to ensure the sustainability of our rural health care facilities while protecting taxpayer dollars from waste, fraud and abuse.”

House Budget Committee Republicans also sent out a press release Wednesday highlighting an op-ed that committee vice chair Rep. Lloyd Smucker (R-PA) wrote this week for the *York Daily Record* to defend the bill’s national Medicaid work requirements and counter claims that it would force rural hospitals to close or cause nursing homes to cut back services.

“This is a reasonable expectation that aligns with the dignity of work -- and it’s what taxpayers expect,” Smucker said about the new work requirements. “It is disingenuous to say that rural hospitals will be closing. The OBBB includes targeted funds to support rural hospitals.”

“Regarding seniors -- no senior in a nursing home is losing Medicaid benefits because of the OBBB. In fact, there is no change to senior Medicaid eligibility,” Smucker added. “Nursing homes are specifically exempted from changes to state provider tax structures, and medical providers in nursing homes will not see any changes to their reimbursement rates.”

Democrats pointedly held their press conference on the 60th anniversary of Medicaid, underscoring what’s becoming a central theme of their 2026 midterm campaign strategy: The GOP’s bill will devastate rural hospitals and communities. While Democrats have been hammering Republicans for weeks over the law’s massive Medicaid cuts, the campaign is escalating into a full-blown political messaging battle with Republicans now going on the defensive and highlighting provisions like the \$50 billion rural health fund.

Still, Democrats and health policy experts warn the \$50 billion rural health fund falls far short of offsetting the nearly \$1 trillion in Medicaid cuts included in the GOP’s reconciliation bill. In the midst of that growing criticism, House Republicans held a hearing earlier this month focused on rural health legislation, which Rep. Kim Schrier (D-WA) told *Inside Health Policy* at the time was an attempt by Republicans at playing “damage control” because they’re feeling guilty about the harm their bill is expected to inflict on rural health care.

Even Sen. Josh Hawley (R-MO) introduced legislation a few weeks ago to roll back key provisions of the GOP’s bill, despite him voting for it. Hawley’s bill would repeal the cap on states’ provider taxes, lift restrictions on state-directed payments, and increase funding for the Rural Health Transformation Program by \$10 billion annually from 2031 to 2035, bringing the total rural health investment to \$100 billion over 10 years.

Sen. Patty Murray (D-WA) held a separate press conference Wednesday afternoon warning that health care costs will surge nationwide if Republicans refuse to extend the expiring ACA tax credits, calling the potential fallout “catastrophic” amid expected hospital closures and rising uninsurance triggered by the GOP’s reconciliation bill.

Advocates at the event echoed her concerns, citing projections that roughly 4.2 million people could lose coverage, premiums would spike across the board, and rural communities would be hit hardest with disproportionately higher premium increases if Republicans don't move to extend the subsidies, which are set to expire at the end of this year.

"You [GOP] are the ones who put American health care on this collision course," Murray said. "You may try to ignore the warnings, and you may try to ignore the voices back home speaking out to avoid responsibility. But when premiums rise up next year, I'm going to make sure everyone knows it's because Republicans chose to make health care more expensive."

"Not on accident, not for reasons unknown, but because Republicans decided to do nothing and let costs skyrocket, and because Republicans decided we can afford to shovel trillions of dollars towards tax breaks for billionaires," Murray added. -- *Jalen Brown*(jbrown@iwpnews.com)