



Millions to lose Medicaid coverage under new law

President Trump's One Big Beautiful Bill Act makes the largest cuts to Medicaid since its creation, with doctors warning that patients will suffer. Susan Jaffe reports.

Republicans in the US Congress gave President Donald Trump his first major legislative victory, which provides the largest amount of tax and spending cuts in US history. The One Big Beautiful Bill Act (OBBA) slashes nearly \$1 trillion over a decade from Medicaid—the most sweeping cuts since the health insurance programme for people with low incomes was created 60 years ago. The law will hit another historic first by taking health insurance away from more US residents than ever before—nearly 17 million, according to the Congressional Budget Office.

This seismic shift in the US health-care system was opposed by patient advocacy groups and nearly every major health-care provider and industry organisation across the country. Despite their significant collective influence during previous administrations, the groups' arguments failed to deter Republicans eager to implement Trump's domestic agenda.

About 12 million people are expected to lose Medicaid coverage mostly as a result of their failure to document compliance with new work requirements or to renew their coverage at least every 6 months. The law's supporters say that these reporting rules are intended to weed out fraud, waste, and abuse from the programme. But critics say millions of people who are working or meet one of the exemptions will still lose coverage because they can't navigate the arduous reporting process. That's how the work requirement provisions "will generate the most savings to the federal government", said Larry Levitt, Executive Vice President for Health Policy at KFF (a health policy research non-profit

formerly known as the Kaiser Family Foundation).

During the Senate debate, Vermont Independent Bernie Sanders cited estimates by experts at the University of Pennsylvania and Yale University predicting an additional 51 000 annual deaths among people who do not receive timely medical treatment.

Republicans argued that the law closes Medicaid loopholes and makes sure that benefits only go "to those who deserve it", as Representative Ralph Norman, a

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South Carolina Republican, told the news programme PBS NewsHour. Others claim that the law does little to meet that goal.

"Medicaid fraud, and health-care fraud generally, is largely perpetrated by rogue providers, not individual enrollees or patients", said Levitt. "For

all the talk by Republicans of going after Medicaid fraud, there's nothing to speak of in their bill that actually does that." There is a provision that requires additional screening of providers to confirm they have not died, and another that limits states' ability to tax providers, but nothing that targets fraudulent billing or other large-scale attempts to game the system.

In addition to the health insurance losses due to changes in Medicaid eligibility through the OBBA, the law allows subsidies to end this year for people with coverage from the Affordable Care Act's insurance marketplaces. Along with other changes the OBBA makes to the Affordable Care Act, without those subsidies, roughly 5 million people will lose health insurance by 2034, along with the roughly 12 million who will lose Medicaid, according to the Congressional Budget Office.

The House of Representatives approved the legislation by a margin of four votes and with no Democratic support. The Senate was evenly divided after three Republicans joined the Democrats to reject the



Brendon Smialowski/Pool/AFP via Getty Images

bill. Vice President J D Vance cast the deciding vote to pass it.

In addition to making permanent tax cuts enacted during the first Trump Administration, the law also fulfils several other promises from Trump's campaign, including work requirements for healthy Medicaid and food assistance recipients, cuts to funding for Planned Parenthood clinics, and massive funding increases to boost border security, defence programmes, and immigration enforcement. The law also rolls back or eliminates many of the Biden Administration clean energy and climate change initiatives, and provides incentives to expand reliance on the fossil fuels that contribute to global warming.

"We had so much in there", Trump said at the White House signing ceremony, "that no matter who you are, there was something in that bill that would make your congressman or your senator or your congresswoman, much more importantly, raise their hand and support [it], right, Lisa?" Trump was referring to Senator Lisa Murkowski, a Republican from Alaska who attended the ceremony and was one of the last holdouts on the bill.

Senate leaders delayed the final vote tally for hours while they negotiated with Murkowski. She voted in favour only after getting several concessions, including a tax break for Alaskan whaling captains, delaying higher state payments for food stamp assistance, and a doubling of a special fund to cushion Medicaid pay cuts for rural health-care providers. She also won an exemption for Medicaid beneficiaries in Alaska and Hawaii to work requirements during times of high unemployment rates.

Shredding the safety net

Under the new law, the 40 states and District of Columbia that used a provision of the Affordable Care Act to expand traditional Medicaid

coverage to people with incomes up to 138% of the federal poverty level (currently \$21 697 for one person) will be responsible for enforcing new work requirements for these beneficiaries. Healthy individuals aged 19–64 years applying for Medicaid under the expansion must submit documentation showing that they worked at least 80 h during the month before their application. Enrolees must submit documentation at least twice a year to stay covered. The work requirements can also be met by other activities, including community service or job training. People with disabilities who document that they are unable to work are exempt from the work rules, along with people aged 65 years or older and parents with children younger than 14 years.

"People will die sooner of preventable diseases at a higher economic cost"

Of the 26.1 million Medicaid beneficiaries without permanent disabilities in 2023, KFF reported that 44% worked full time, 20% worked part time, and the remainder did not work because they were caregivers, students, ill, or unable to find work.

"It's not necessarily enough to be working", said Adrianna McIntyre, Assistant Professor in the Department of Health Policy and Management at the Harvard T H Chan School of Public Health (Boston, MA, USA). "If the government doesn't know you're working, then the work doesn't count." States have to "be good at getting the paperwork to the right people at the right addresses at the right time", she continued.

States will have to develop these procedures and then notify enrollees fairly quickly, since the law requires states to implement work requirements by Dec 31, 2026. The law provides \$200 million to states to

upgrade their computer systems and make other preparations.

It might be difficult for people with part-time or seasonal jobs to prove compliance with work requirements or show that they qualify for an exemption. Some people might have a combination of part-time or seasonal jobs and volunteer work. "We know from experience that lots of people end up slipping through the cracks, and then they may not learn that they've lost their coverage until they tried to seek care", McIntyre said.

Another OBBB provision adds work requirements for healthy adults without dependants who receive financial assistance to purchase food under the Supplemental Nutrition Assistance Program (SNAP), also known as food stamps. It also adjusts the work requirement ages for other recipients to begin at age 17 and end at age 65. And another change denies SNAP benefits for lawfully present non-citizens. Starting in 2028, some states will have to pay as much as 15% of the cost.

"A disaster"

The impact of providing care without compensation will cascade throughout the health-care system, experts say.

"People are going to suffer unnecessarily and die from things that they shouldn't be dying of and wouldn't be dying of if they had had health insurance", said Bobby Mukkamala, an otolaryngologist in Flint, MI, USA, and President of the American Medical Association. "In my own practice, I see people all the time who come in with an early oral cancer", he said. They need chemotherapy and radiation, but could lose insurance if they do not have a job or volunteer, he said.

Delaying treatment—especially at an early stage of the disease—means that "in a matter of days, they can go from something small

to something so big that they can't breathe", Mukkamala continued. Increasing demands on hospital emergency departments that are required to treat patients regardless of their insurance status or ability to pay will create more delays for sicker patients. "That's a disaster, and I don't see how the people who were in favour of this legislation can see that any differently."

The law also eliminates a federal loan programme for medical, law, and other students pursuing post-college professional careers, forcing students to rely on more costly private loans or even choose another career. At a time when the USA faces a growing shortage of doctors, the law "will also harm our members' ability to train the next generation of physicians", said Leonard Marquez, Senior Director of Government Relations and Legislative Advocacy at the Association of American Medical Colleges, which represents academic medical centres and teaching hospitals.

The Medicaid work requirements and other changes will not only harm patients, Marquez continued. "Everybody's going to feel the impact", he said, as hospitals absorb the cost of treating more patients without insurance. "We won't be able to support the same level of medical research or train the same number of providers."

While hospitals bear an increasing cost of clinical care, another provision of the law cuts reimbursements for patients who still have Medicaid coverage. This provision limits the taxes that health-care providers pay to help states reduce their share of Medicaid costs. Medicaid is funded by state and federal governments, with the federal government providing another 50–90% for every dollar the state spends. Restricting the tax will lower the amount the state can afford to pay Medicaid providers, which in turn cuts the federal government's contribution.

Hospitals in rural areas will be disproportionately affected because one in every four residents receives Medicaid, said Alan Morgan, Chief Executive Officer at the National Rural Health Association (Leawood, KS, USA). Compared with the rest of the US population, "they are older, sicker and poorer", he said. The state tax limits mandated under the law will eliminate about \$150 billion over the next 10 years in payments to rural hospitals, clinics, and community health centres.

At the same time, patients who lose Medicaid "are not magically going to be healthy", Morgan said. "They're still going to be sick and they're still going to show up at clinics and hospitals and they're still going to be treated. But these facilities will be left paying the bill."

Of the roughly 1800 rural hospitals in the USA, 46% were operating at a loss as of February, 2025, with 432 at risk of closure, Morgan said. To cushion the effects of Medicaid cuts, the law creates a 5-year \$50 billion rural assistance fund. However, it falls short of the \$150 billion that health-care providers are estimated to lose over a decade. Nevertheless, some rural health-care providers welcome the help.

"This is really a strong signal of support for rural and underserved communities", said Nick Olson, Executive Vice President and Chief Financial Officer at Sanford Health, the largest not-for-profit rural health-care organisation in the USA. It includes 56 hospitals serving sparsely populated areas of six Upper Midwest states. Last year, more than 300 000 of its patients had Medicaid coverage. "We're conducting a comprehensive analysis to understand the full financial and operational implications of this law across our health system", he said. The fund "is going to be at least a partial offset to some of the potential negative impacts of unreimbursed care".

Environmental health

While access to health care will be more difficult for millions of uninsured Americans, the OBBB could increase the health risks posed by air pollution, severe weather, and other environmental threats. The law rescinds much of the Biden Administration's clean energy and climate change initiatives that aim to reduce reliance on fossil fuels. The law removes tax credits for the purchase of electric vehicles and ends tax credits for solar and wind projects unless construction begins within a year after the law was passed. It contains financial support for coal-burning electric facilities and other fossil fuels linked to global warming. These and other measures will increase greenhouse gas emissions by about 190 million tonnes by 2030, according to climate scientists at Princeton University and the consulting firm Evolved Energy Research.

"Tragically, the Trump Administration is really trying to take us back to the Dark Ages", said Georges Benjamin, Executive Director of the American Public Health Association (Washington, DC, USA). "We know that climate change is here, is impacting every aspect of our society, and it's certainly impacting our health." In addition to the fatalities caused by extreme weather events, Benjamin said that particulate matter and other toxic exposures have exacerbated asthma attacks and cardiovascular disease, with a disproportionate effect on minority and underserved communities with lower incomes, less green space, and less access to safe, affordable food.

"People will die sooner of preventable diseases at a higher economic cost", Benjamin said. "Our capacity to rescue them is limited because we don't have the money. Making those tax cuts permanent undermines our social safety net."

Susan Jaffe