

# When Cutting Costs, Costs Health: What You Need to Know about Federal Policy Changes

August 4, 2025



# Housekeeping

- Meeting is being recorded
- Please stay muted
- Feel free to put questions in the Q&A box

# Today's Discussion



Dottie Rosenbaum  
CBPP  
(SNAP)



Allie Gardner, MPP  
CBPP  
(Medicaid)



Nicole Rapfogel, MPH  
CBPP  
(Marketplace)



Liz Scott  
ALA  
(Air & Energy)



Don Hoppert  
APHA  
(Future Directions)

# **When Cutting Costs, Costs Health: What You Need to Know about Federal Policy Changes**

August 4, 2025



# High Level and SNAP

Dottie Rosenbaum  
August 4, 2025  
[Rosenbaum@cbpp.org](mailto:Rosenbaum@cbpp.org)



# Republicans Used Reconciliation Process for the Harmful Republican Megabill

## How Reconciliation Fits Into the Federal Budget Process

- Two kinds of federal spending
- **Mandatory Spending** – the program's authorization and funding are in the same law
  - Examples: Medicaid, Medicare, ACA subsidies, SNAP
  - Spending often is based on program rules and usually continues without additional action from Congress
- **Discretionary Spending** – the authorizing law delineates details of the program but funding comes from an Appropriations Law
  - Examples: NIH, CDC, SAMHSA, WIC
  - Appropriations bills are enacted every year
  - Recissions take away already appropriated money
- **Reconciliation is only used for mandatory programs and revenues**
  - It is a special process that expedites consideration of spending and tax legislation
  - In the Senate the filibuster does not apply so it only requires 50 votes
  - Only Republicans voted for the reconciliation bill

# EXTREME REPUBLICAN AGENDA: BIG WIN FOR THE WEALTHY, DEEPLY HARMFUL FOR EVERYONE ELSE

## ✗ Takes away health coverage and raises health care costs

- Takes health coverage away from about **15 million people** and leaves them uninsured
- Raises costs of coverage for more than **20 million people** in ACA marketplaces
- Cuts Medicaid and ACA marketplaces by over **\$1 trillion**

## ✗ Takes food assistance away from millions, raising grocery costs

- Could end SNAP in some states by forcing unaffordable costs onto states
- Increases poverty and hunger
- Cuts SNAP by **\$187 billion**

## ✗ Gives huge tax cuts to the wealthy and corporations

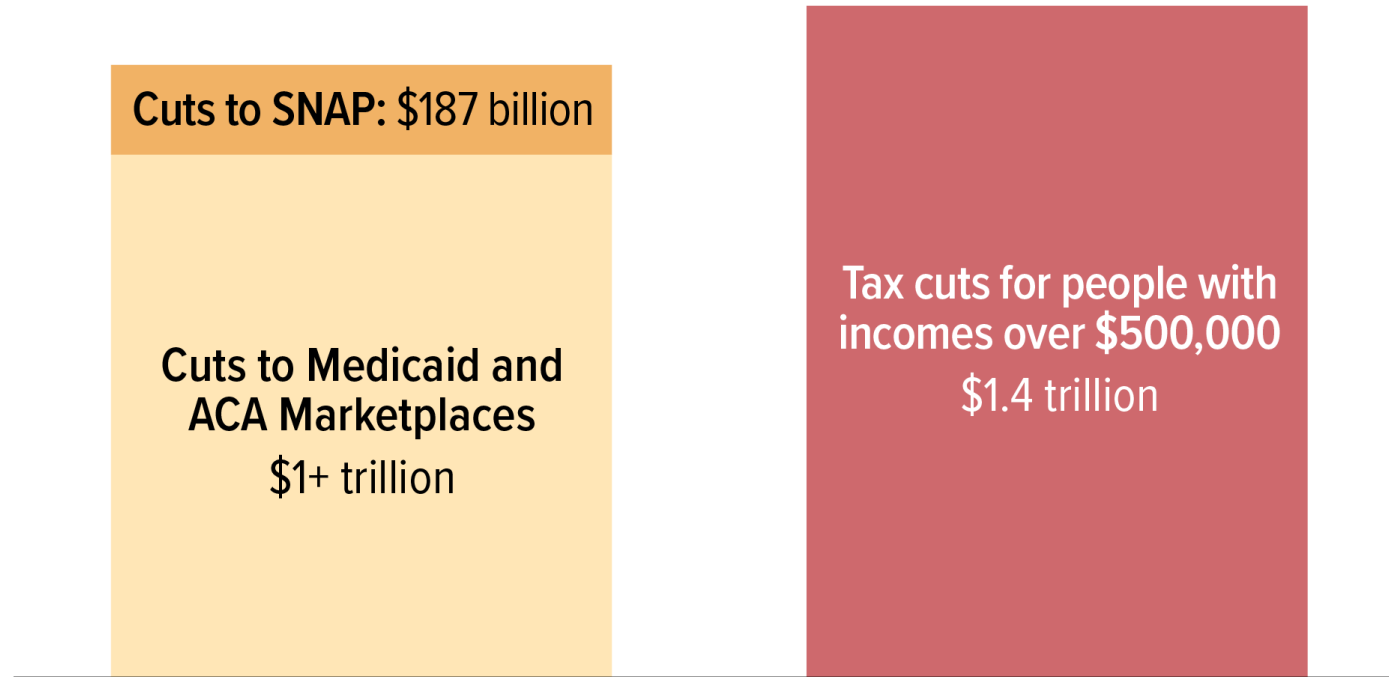
- Includes **\$4.5 trillion** in tax cuts skewed to the wealthy and corporations
- Gives millionaires an average annual tax cut of **roughly \$100,000**

## ✗ Makes our deficit and debt soar

- Increases deficit by **\$3.4 trillion**
- Cost is even higher if they make temporary tax cuts permanent later



# Extreme Republican Agenda Fails Families, Children, and Communities



Note: ACA = Affordable Care Act. All estimates through 2034. Reflects Public Law 119-21.

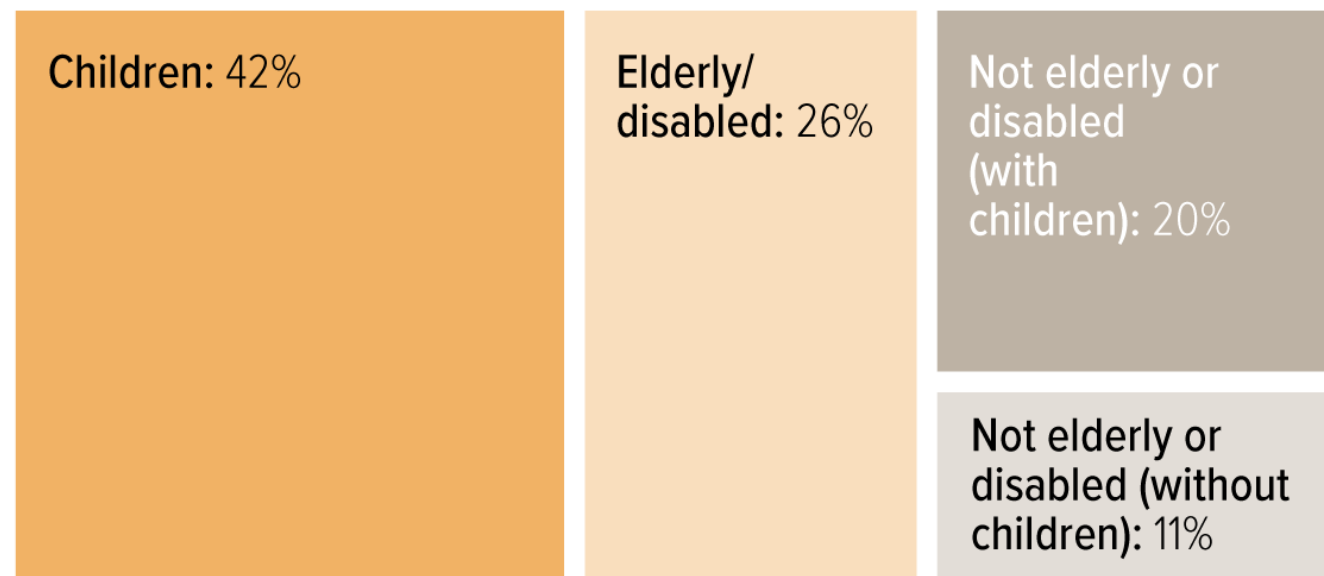
Source: Tax cuts from CBPP calculations using JCT tables JCX-35-25 and JCX-37-25. JCT numbers are adjusted to incorporate the impact of the estate tax cut using TPC tables T25-0042 and T22-0101. SNAP and health coverage numbers from CBO “Estimated Budgetary Effects of Public Law 119-21...Relative to CBO’s January 2025 Baseline” (July 21, 2025).



---

## Over Two-Thirds of SNAP Recipients Are Children, Elderly, or Disabled

Over half of those who aren't care for children at home



Note: Shares may not equal 100 due to rounding. 2020 estimates are for the pre-pandemic period of October 2019 to February 2020 only. SNAP Quality Control Household Characteristics data are not nationally representative for the remainder of fiscal year 2020 (March through September 2020) due to limitations in data collection during the COVID-19 pandemic.

Source: CBPP tabulation of SNAP household characteristics data for pre-pandemic months of FY2020

# SNAP Big Picture: Largest Cut to Food Assistance in US History

- A 20% cut to SNAP, or \$187 billion through 2034.
- **Cost-shift to states:** Cuts federal funding for SNAP benefits (by 5-15% for most state), forcing unaffordable costs to states for first time
  - Some states could seek to cut SNAP deeply or drop out of SNAP, no longer ensuring the lowest-income families with children, older adults, and others have access to food assistance.
- **Expanded Work Requirements:** Significant expansion of SNAP's already harsh, ineffective, and red-tape laden work requirements.
- **Cuts off refugees, people granted asylum, and others admitted for humanitarian reasons**
- **Cuts federal support for state SNAP administrative costs in half** (from 50% to 25%)
- **Eliminates nutritional education** through SNAP-Ed program, starting this October
- **Cuts future food benefits** by preventing SNAP from keeping pace with the cost of a healthy diet, outside of inflation.

# Who will be Affected by SNAP Benefit Cuts?

- **All of the more than 40 million people** who receive basic food assistance through SNAP each month, will be affected by the cut to future benefits
  - Includes some 16 million children, 8 million seniors, and 4 million non-elderly adults
- **About 4 million people** will have their food assistance taken away or cut substantially, according to the Congressional Budget Office (CBO), including more than 1 million children
- The cuts to SNAP and child nutrition benefits **could be far larger** than CBO's estimates if more states deeply cut or terminate SNAP in response to the reduction in federal funding
- The risk of such cuts will rise during recessions, when state budgets are even more stretched

# Cost-Shift to States

## Major Structural Change

Ends the historic national commitment to guarantee benefits to eligible households regardless of where they live

Most states will be required to pay 5 to 15 percent of food benefits starting in FY2028

States with payment error rates three years earlier:

- below 6 percent would not have to pay for any SNAP benefits,
- between 6 and 7.99 percent would have to pay 5 percent of SNAP benefits ,
- between 8 and 9.99 percent would have to pay 10 percent of benefits
- over 10 percent would have to pay 15 percent of benefits,
- over 13.33 percent could delay any state cost until 2029.

For FY2028, share will be based on error rate that is the lower of FY25 or FY26, after that, based on 3-years prior rate

# No Good Options for States

State options to replace federal funds under cost-shift:

- Tax increases,
- Spending cuts elsewhere in its budget,
- Cutting SNAP program (by restricting eligibility or making it harder for people to enroll) or
- *Opt out of the program altogether*, terminating food assistance entirely in the state.

States also will have to pay higher share of administrative costs starting in FY 2027

- From 50 to 75 percent.

States will try to lower error rates to reduce state costs

- Could adopt restrictive policies and practices that make it harder to access SNAP
- Many options need more, not less funding for administrative costs

Children who lose SNAP will also lose automatic eligibility for free school meals and summer EBT

# Based on 2024 Error Rates

FY2028 share will be based on lower of FY25 or FY26

After that, based on 3-years prior's rate

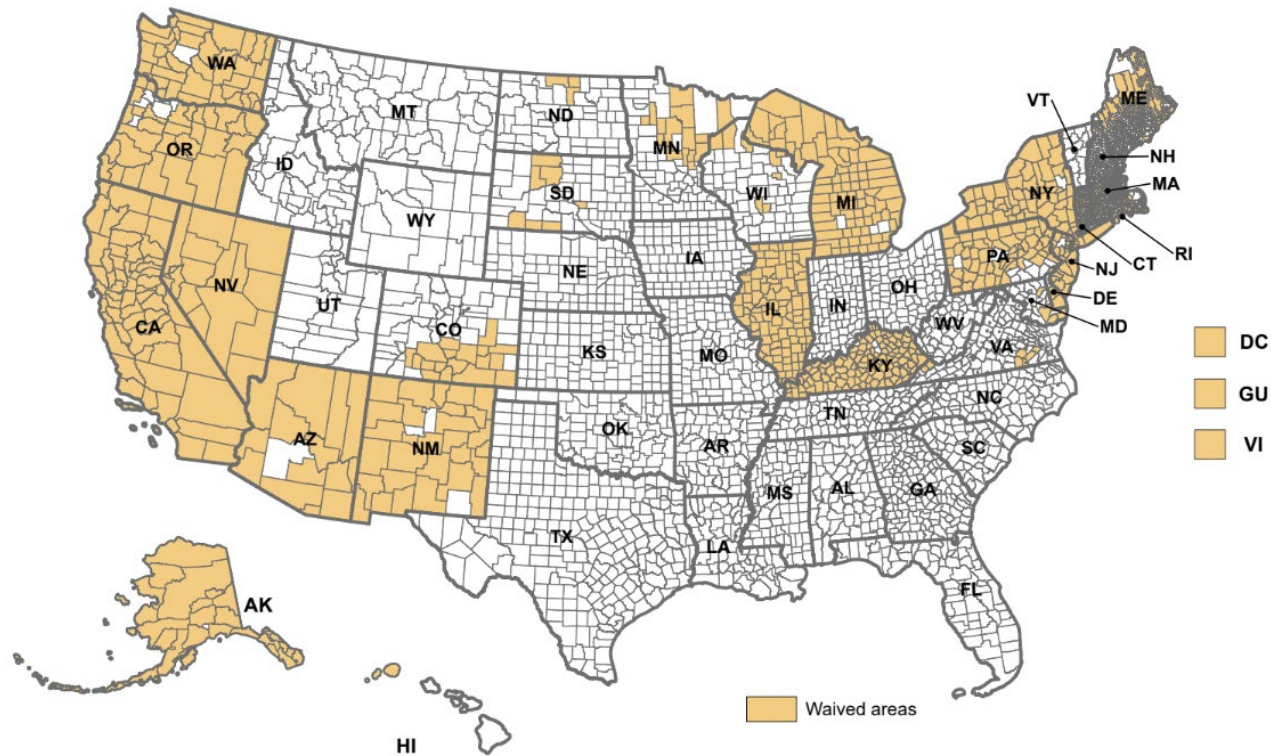
Error Rate	Percent of Benefits Paid by State	State
Below 6 percent	0	ID, SD, NE, NV, UT, VT, WI, WY
Between 6 and 7.99 percent:	5	HI, IA, LA, NH, ND, WA
Between 8 and 9.99 percent:	10	AL, AZ, AR, CO, IN, KS, KY, MI, MN, MO, MT, OH, SC, TN, TX, WV
Over 10 percent	15	CA, CT, DE, IL, ME, MS, NC, OK, PA, RI, VA
*Bonus* over 13.33 percent from last minute "Carve out"	0	AK, DC, FL, GA, MD, MA, NJ, NM, NY, OR

# More Participants to Lose SNAP due to Work Requirement

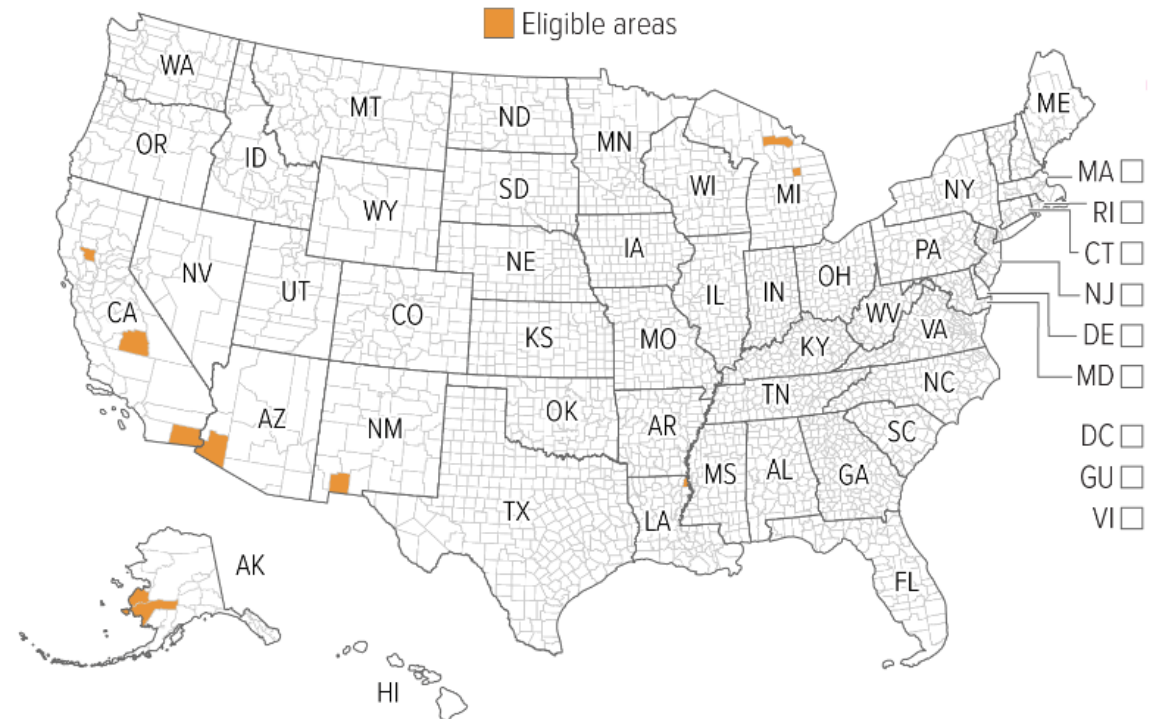
- Significantly expands SNAP's harsh, ineffective and red tape-laden work requirement to:
  - Adults with youngest child in the household 14 or older
  - People age 55-64
  - Veterans, people experiencing homelessness, young adults recently aged out of foster care
- Only areas with unemployment over 10 percent are eligible for area waivers. Previously many more areas could qualify.
- More than 5 million people – about 1 in 8 SNAP participants – live in a household that would be *at risk* of losing at least some of their food assistance under the new rules including:
  - 800,000 children
  - over half a million adults who are aged 65 or older or have a disability,
  - 270,000 veterans, people experiencing homelessness, and former foster youth.
  - 1.1 million adults in areas without sufficient jobs.
- CBO estimates \$69 billion in cuts through 2034 from more than 2 million people losing eligibility.
- Evidence: SNAP's work requirements do little to nothing to improve employment. They instead result in many people who already work or should be exempt losing food assistance due to red tape.

# Impact of Work Requirement Waiver Changes

U.S. Counties and New England Towns and Cities Waived as of April 1, 2025



Only 10 Counties in the U.S. Would Be Eligible for a Time Limit Waiver Based on Unemployment Rates Over 10 Percent



Note: The map shows the counties with 12-month average unemployment rates that are above 10 percent, in line with current policy on the timeframe for determining waiver eligibility.



# Ends Longstanding Bipartisan Commitment to Support People Granted Humanitarian Protections

- Ends vital food assistance that helps people granted humanitarian protections establish their lives in the U.S.
- The law **strips eligibility for SNAP** from:
  - refugees,
  - people granted asylum,
  - certain victims of labor or sex trafficking,
  - certain victims of domestic violence,
  - and others living lawfully in the U.S.
- These cuts would result in **increased poverty and hunger and poorer health outcomes** for groups that have already demonstrated to the U.S. government that they need humanitarian protection or would face harm if returned to their home countries.

## Final Reconciliation Bill: Key SNAP Provisions' Effective Dates

Effective As Of...	Policy
<b>No date specified; awaiting implementation guidance from USDA</b>	Expands SNAP's work requirements
	Restricts waivers for areas with high unemployment
	Eliminates SNAP eligibility for people granted refugee, asylum, or certain other immigration statuses.
	Ends the Standard Utility Allowance simplification for households receiving energy assistance, except for households with elderly or disabled members.
<b>Fiscal Year 2026 (October 2025)</b>	Blocks inclusion of internet costs in state Standard Utility Allowances.
	Ends funding for the SNAP Nutrition Education and Obesity Prevention Program (SNAP-Ed).
<b>Fiscal Year 2027 (October 2026)</b>	Cuts future SNAP benefits by restricting updates to the Thrifty Food Plan to account only for food inflation.
	Requires states to pay 75% of SNAP administrative costs instead of 50%.
<b>Fiscal Year 2028 (October 2027)</b>	Cost Shift - Most states must pay 5 to 15% of SNAP food benefit costs, based on either the 2025 or 2026 error rate at the option of the state. <ul style="list-style-type: none"> <li>- 2025 error rates will be published by June 30, 2026</li> <li>- 2026 error rates will be published by June 30, 2027</li> </ul>
<b>Subsequent Fiscal Years</b>	Most states must pay 5 to 15% of SNAP food benefit costs, based on their error rate from 3 years prior. So fiscal year 2029 will also be based on fiscal year 2026 error rates.

# Medicaid

Allie Gardner – [agardner@cbpp.org](mailto:agardner@cbpp.org)  
August 4, 2025



# Overview: How Does P.L. 119-21 Impact Medicaid?

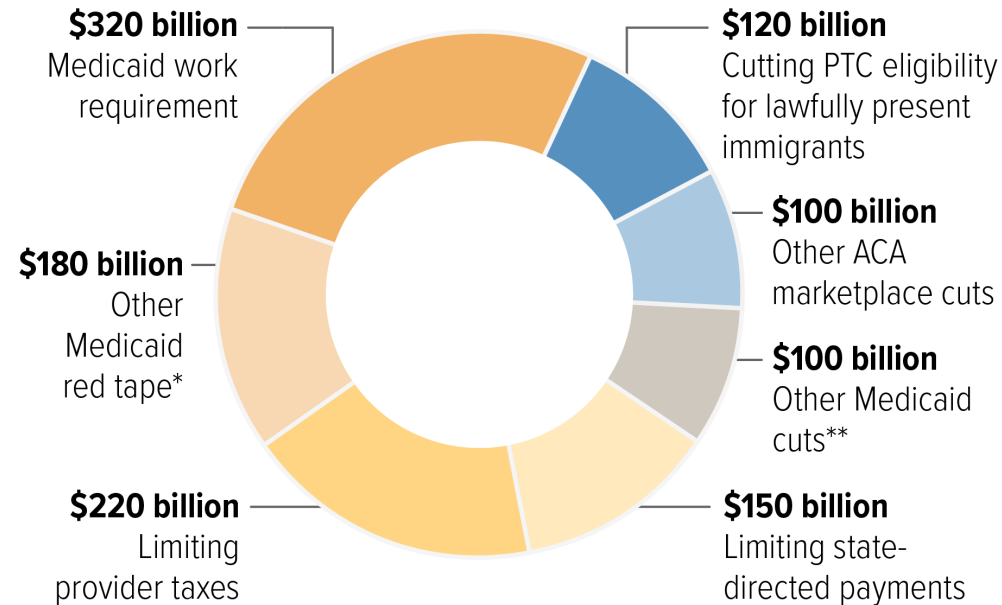
- P.L. 119-21 cuts Medicaid by more than \$900 billion between 2025 and 2034
- Medicaid coverage losses account for the vast majority of the 10 million people CBO projects will be uninsured by 2034
  - Medicaid coverage losses will be driven by work requirements, more frequent eligibility determinations, and immigration-related funding restrictions, among other policies
  - Estimates also don't account for individuals who maintain Medicaid coverage but **lose access to providers or services**
- Nationwide estimates reflect CBO's best assessment of how individual states will respond to provisions in the law
  - Coverage losses could be even higher due to red tape barriers causing more people to lose coverage than projected
  - States also have an opportunity to mitigate coverage losses. This will require funding, programmatic and policy choices that ease access, and sound implementation decisions

[By the Numbers: Republican Reconciliation Law Will Take Health Coverage Away From Millions of People and Raise Families' Costs](#)

# Cutting Over a Trillion Dollars from Health Care

## Harmful Republican Megabill Cuts Medicaid and ACA Marketplaces by Over \$1 Trillion

Net cuts to federal funding through 2034



Note: ACA = Affordable Care Act; PTC = premium tax credit. Estimates are rounded to tens of billions and do not include interactions between provisions.

\*Includes repeal of eligibility & enrollment rules and more frequent eligibility redeterminations for expansion enrollees.

\*\*Includes a \$6 billion cut to federal Medicaid/CHIP funding for most categories of “qualified” immigrants.

Source: Congressional Budget Office estimates of P.L. 119-21 (July 21, 2025)

# Key Medicaid Provisions and Effective Dates

Policy	Effective Date	State Applicability
Prohibition on new/increased provider taxes in all states; prohibits provider taxes in select states that relied on “uniformity waivers” (with optional 3-year transition)	Date of enactment	All states
Limits on new SDP rates	Date of enactment	All states (limit differs by expansion status)
Moratorium on provisions of eligibility and enrollment (E&E) rules	Date of enactment	All states
Prohibit Medicaid funds for Planned Parenthood for one year	Date of enactment	All states
Rural Health Fund funding allotments available for states	October 1, 2025*	All states
Eliminate federal funding for Medicaid/CHIP for most categories of immigrants living lawfully in the U.S.	October 1, 2026	All states
Cut Medicaid matching rate for emergency services provided to individuals otherwise eligible for Medicaid expansion if not for immigration status	October 1, 2026	Expansion states

Full implementation timeline of P.L. 119-21 (Medicaid, SNAP, and other provisions): <https://www.cbpp.org/research/federal-budget/implementing-the-harmful-republican-megabill-a-timeline>

\*States would have to submit and the CMS Administrator must approve all applications for allotments from the \$50 billion “Rural Health Transformation Fund” by December 31, 2025. Funding would be available from October 1, 2025 and September 30, 2030.

# Key Medicaid Provisions and Effective Dates (Cont'd)

Policy	Effective Date	State Applicability
Decrease retroactive coverage from 90 to 30 days for expansion enrollees; 60 days for others	January 1, 2027	All states (limit differs on expansion status)
Provider tax hold harmless rate phase down	October 1, 2027	Expansion states
Work requirements for expansion enrollees	No later than January 1, 2027	Expansion states (and WI & GA)
Renewals every 6 months for expansion enrollees	January 1, 2027	Expansion states
Mandatory cost-sharing for expansion enrollees over 100%	October 1, 2028	Expansion states
Phase down of existing SDP rates begins	January 1, 2028	All states (limit differs by expansion status)

# Federal Changes to ACA Marketplace Policy

Nicole Rapfogel, MPH  
August 4, 2025  
[nrapfogel@cbpp.org](mailto:nrapfogel@cbpp.org)

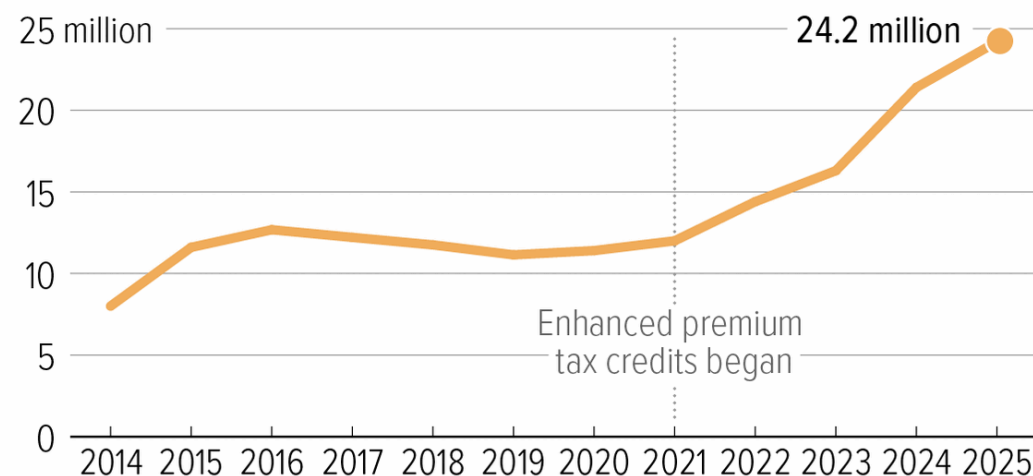




# Marketplace Coverage: Where Are We Now?

## Five Consecutive Years of ACA Marketplace Enrollment Growth, Spurred by Affordability and Outreach Efforts

Affordable Care Act (ACA) marketplace open enrollment plan selections



Source: Health Insurance Marketplace Open Enrollment Reports for 2014, 2015, and 2016, Office of the Assistant Secretary for Planning and Evaluation (ASPE), Department of Health and Human Services (HHS); Marketplace Open Enrollment Period Public Use Files for 2017, 2018, 2019, 2020, 2021, 2022, 2023, and 2024; and 2025 Marketplace Enrollment Snapshot, Centers for Medicare and Medicaid Services, HHS.

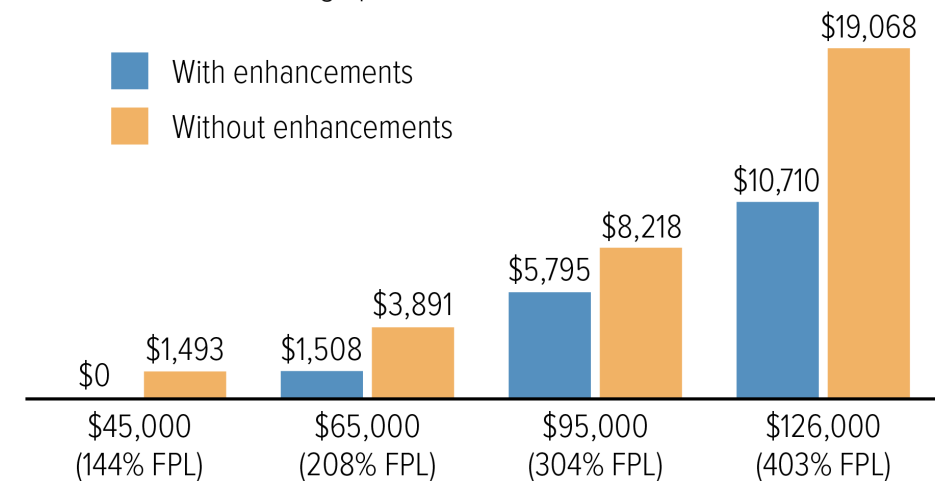
CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

# Enhanced Premium Tax Credits Are Set to End in 2025

- Passed in ARPA (2021) and extended in IRA (2022)
- Congress failed to extend ePTCs in the harmful Republican megabill
- Without Congressional action, ePTCs are set to expire at the end of 2025
- 4.2M people could become uninsured

## Families Would Face High Premium Increases if Tax Credit Enhancements Expire

Annual premium for benchmark marketplace coverage for a family of four, based on national average premium



Annual income for a family of four, \$ and % of federal poverty level (FPL)

Note: The example family includes two 40-year-old adults, a 10-year-old child, and a 5-year-old child. Premium costs differ for states with different poverty level standards than the national standard (Alaska and Hawai'i) and for states that provide additional financial help beyond federal subsidies. In certain states, some children and/or their parents with incomes above 138% of the federal poverty level are eligible for Medicaid, CHIP, or a Basic Health Plan, making them ineligible for premium tax credits.

Source: CBPP calculations and Congressional Budget Office estimates of applicable percentages without enhancements in 2025.

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

# Both the new law and regulation make harmful marketplace changes

The Harmful Republican Megabill (P.L. 119-21)	The Marketplace Program Integrity Final Rule
Provisions take effect in 2026, 2027, and 2028	Some provisions take effect 8/25/25; others for PY2026 and 2027. Some provisions sunset 12/31/26.
Fails to extend ePTCs	Shortens open enrollment period and ends low-income special enrollment period
Makes changes that sharply reduce PTC eligibility (particularly for immigrants who are in the country legally)	Eliminates marketplace eligibility for DACA recipients
Adds new red tape barriers that will make it more difficult for people to get and retain ACA marketplace coverage	Adds new red tape barriers that will make it more difficult for people to get and retain ACA marketplace coverage
Removes protections that prevented people from owing back large amounts of money when they reconcile Advance Premium Tax Credits (APTC)	Enables plans to be less generous and limits consumer protections

# Impact of Administrative Barriers



People are asked to provide more documentation

Documentation can be difficult to obtain  
Uploading or mailing in documentation can be cumbersome and complicated



People with health care needs are more likely to submit the paperwork and jump through the hoops

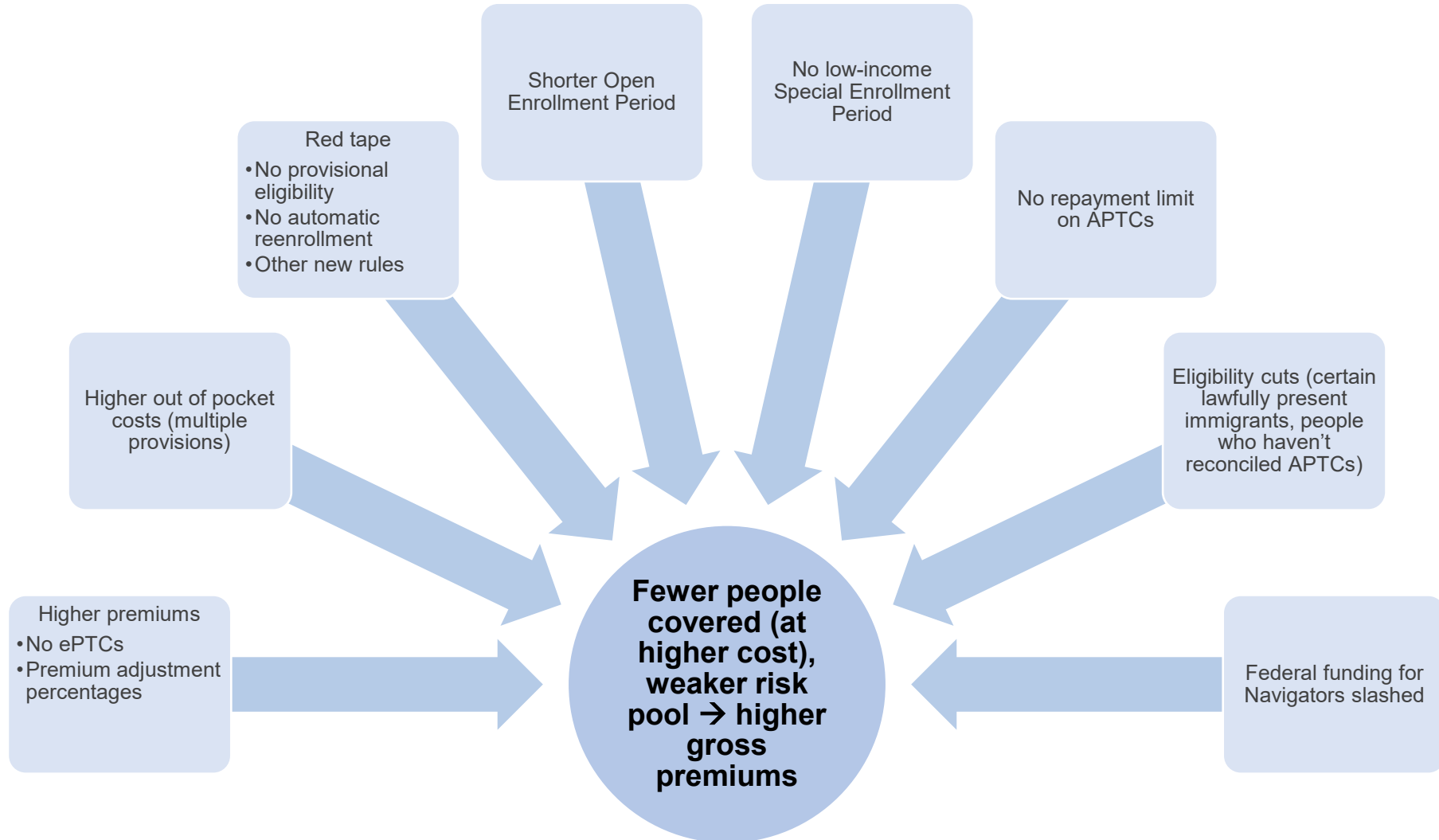


People without immediate health care needs may decide it isn't worth the effort and won't enroll/reenroll

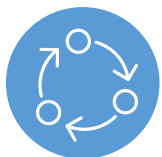


Marketplace case mix is riskier → issuers raise premiums

# Marketplace Cuts in New Regulation and Law Add Up



# The Big Picture



Marketplace enrollees often depend on Medicaid, CHIP, SNAP at other points in time



These policies make it harder for people to get and stay covered



Fewer people covered  
↓  
Higher costs



People can't get the care they need



Intersects with social determinants of health



# H.R. 1, 119<sup>th</sup> Congress

Air Pollution & Energy Provisions



# The Inflation Reduction Act, 2022

- **Largest investment in climate change mitigation in history.**
- Provided tax credits to increase the manufacturing of more efficient vehicles and the production of renewable energy sources.
- Gave consumer's tax credits for the purchase of new and used electric vehicles/plug-in hybrids and to make energy efficiency upgrades to their homes.
- Billions in grant funding to reduce climate pollution – including from port and heavy-duty vehicles like buses.
- Funding for farmers and other business to purchase more efficient equipment.
- Funding to monitor and reduce air pollution.
- A program to reduce methane emissions, levying a charge on oil and gas companies that fail to comply with limits



# H.R. 1 Includes (but not limited to):

- Accelerated the phase out of tax credits passed under IRA
  - Termination of credits for new and used EVs/Plug-in Hybrids – Sep 30, 2025
  - Termination of credits for energy efficiency home upgrades – Dec 31, 2025
  - Restrictions on clean energy manufacturing credits – Jan 1, 2026
  - Termination of credits for EV charging install – Jun 30, 2026
  - Termination of energy efficiency credits for builders – Jun 30, 2026
  - Termination of credits for wind/solar – Dec 31, 2027
- Rescinds Unspent Funds Under IRA
  - Air pollution in schools; clean heavy-duty program; air quality monitoring; clean ports; Greenhouse Gas Reduction Fund\*; Climate Pollution Reduction Grants
- 10-year delay of Methane Emissions Reduction Program Under IRA
- Eliminates of Corporate Average Fuel Economy (CAFE) civil penalties
- Expands oil and gas drilling on public lands
- Expedites permitting processes like environmental reviews for companies that pay for it

# H.R. 1 – what was *not* included

- Fee levied on users of electric vehicles
- Excise tax on wind and solar
- Statutory repeals of IRA air pollution programs
- Elimination of EPA regulations on light-duty vehicles
- Limits on judicial review of permitted projects

# What Now?

- Accountability –
  - Similar to ‘red lines’ on Medicaid, there were members who were public about desires to keep clean energy tax credits (and some EV manufacturing)
  - Wind and solar credit expirations particular sore point
  - Politico Analysis - \$565 billion investments and 662,000 clean energy jobs are at risk because of the law
- State-Level Work –
  - How can states continue to provide programs that reduce air and climate pollution?
- Messaging & Advocacy –
  - Mobilize the health community on administrative rollbacks
  - Galvanize champions to message health-focused, science-based solutions

**Thank You & Questions**