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Subject: USAging Legislative Update: House Passes Reconciliation Bill With More Changes to Medicaid, Senate to Vote Next

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**FOR MEMBERS ONLY** 

MAY 23, 2025

House Passes Reconciliation Bill With More Changes to Medicaid, Senate to Vote Next

- Yesterday, the House narrowly passed their reconciliation bill with last-minute changes, sending to the Senate a filibuster-proof legislative package that would make major cuts to Medicaid and SNAP, should it become law.
- Senate Republicans intend to rewrite the bill, with some eyeing more generous tax breaks and others expressing concern about the size of Medicaid cuts.
- What's Next? The Senate is up next to vote on this bill, and Republicans have a goal of sending it to President Trump's desk by the Fourth of July. When the Senate plans to vote is unclear, however, so time is of the essence and advocacy is critical to prevent major detrimental cuts and policy changes to Medicaid and SNAP.

Yesterday, the House passed their reconciliation bill, titled the "One Big Beautiful Bill Act." The bill passed narrowly, 215–214, with only Republican votes, putting Congress one step closer to cutting more than a trillion dollars from Medicaid and SNAP combined. House Republicans made several surprise revisions to the Medicaid portion of the bill before bringing it to the House floor, giving USAging even more concern about the changes' impact on low-income older adults and people with disabilities.

## What's New in the Reconciliation Bill?

Since our May 15 <u>Legislative Update</u>, the reconciliation bill was modified in the following ways via several last-minute amendments:

- A timeline for implementing new work requirements for Medicaid recipients is now more aggressive—instead of requirements taking effect in early 2029, the changes call for the requirements to be implemented no later than the end of 2026.
- Medicaid expansion would be disincentivized by letting non-expansion states pay doctors and hospitals more than expansion states would be allowed to pay

- providers.
- Instead of blocking Medicaid funding for genderaffirming care for minors only, the new changes extend that prohibition to adults as well. The bill further prohibits states from including such care as an Essential Health Benefit in the ACA exchanges.
- A measure aimed at denying insurance to immigrants has been broadened. The previous version called for penalizing states that provide state-paid-only Medicaid or Medicaid-like coverage to undocumented immigrants. Now it would also penalize states that use a federal option available in Medicaid and CHIP to expand coverage for lawfully residing children and pregnant people.
- The bill now proposes that states pay at least 5 percent of SNAP benefits starting in 2028. Previously, the federal government paid 100 percent. That 5 percent would increase, depending on a state's error payment rate based on a sliding scale, which could result in a state paying a high of 25 percent of benefits.

In addition to Medicaid beneficiaries who are older adults or people with disabilities, the near-future generation of older adults, those age 50 to 64, are also at grave risk of losing coverage. The loss of health insurance coverage and access to food through SNAP for this age group, from either imposing work requirements or reducing support for the Medicaid expansion population, will be costly and result in reduced access to care and, ultimately, poorer health outcomes. It is also expected that reductions in coverage among those age 50 to 64 would result in higher Medicare spending when they turn 65.

## **Next Steps**

The bill now heads to the Senate, with Republicans having a goal of sending it to President Trump's desk by the Fourth of July. As the reconciliation process only requires a majority vote (51) instead of the full 60 votes, the next few weeks will be critical as Senate Republicans work to amend the bill to gain enough votes to pass the Senate. We will soon be sending an *Advocacy Alert* with more details about how you

can engage your Members of Congress on these critical issues in the coming weeks.

This Legislative Update is a USAging membership benefit. For more information about these and other federal aging policy issues, please contact USAging's policy team: Amy Gotwals, Olivia Umoren and Seth Ickes at policy@usaging.org, 202.872.0888.



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