

Overview and Impact of H.R.1 or the One Big Beautiful Bill Act (OBBBA): Impacts on Coverage, Cost, Care, and Our Communities

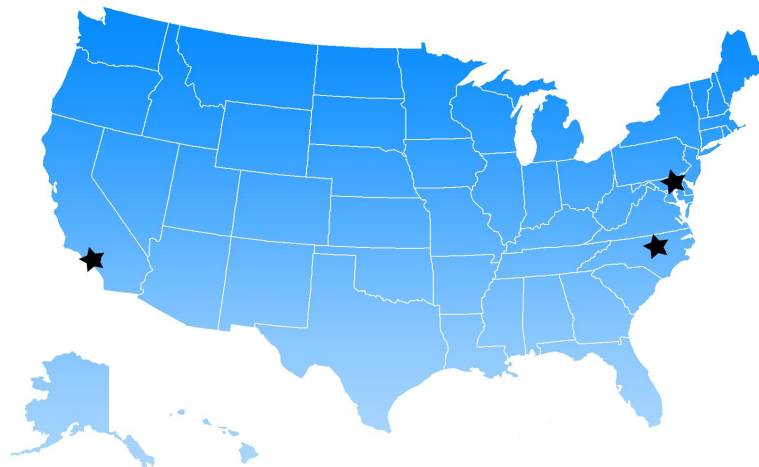
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NHeLP

- For over 55 years, NHeLP has advocated, educated and litigated to improve health access and quality for low-income and underserved people
- State & local partners:
 - Health Law Partnerships
 - Disability rights; Sexual and reproductive health, rights, and justice advocates
 - Poverty & legal aid advocates
- [About Us](#) & [Equity Stance](#)



Families USA, a leading national voice for health care consumers, is dedicated to the achievement of high-quality, affordable health care and improved health for all. We advance our mission through public policy analysis, advocacy, and collaboration with partners to promote a patient-and community centered health system.



HEALTH CARE VALUE



HEALTH EQUITY



COVERAGE



CONSUMER VOICE

Disclaimer

- We cannot provide specific legal advice about implementation or the impacts for individuals or organizations. If you have specific legal questions as to how these changes may apply to you, please consult your organization's or personal attorney.

Today's Agenda

- **Harmful Impacts of H.R. 1**
 - **Terminates coverage for millions of people**, largely by forcing eligible people to drop off coverage due to new bureaucratic burdens in enrollment paperwork.
 - **Increases health care costs** for consumers and families everywhere by reducing benefits, restricting access, and directly increasing premiums and/or cost-sharing.
 - **Forces cuts to care, health services, and benefits** by cutting core Medicaid funding to states and more.
 - **Attacks health and health care for specific communities** and vulnerable populations, including immigrants, women, rural populations, communities of color and other groups who experience significant economic and health insecurity.
- **Specific Impacts on States**
 - **Louisiana particularly impacted**, as the state with the most benefitting from Medicaid/CHIP coverage (over 40%), and facing specific cuts.
- **H.R. 1 Implementation Timeline (through Oct 2027)**
- **The Work Continues: Actions for Advocates!**

Medicaid

- Medicaid is a joint state federal partnership.
- Currently more than 72 million people are enrolled in Medicaid.
- 1 in 5 people in the United States are on Medicaid including 4 in 10 kids.
- Medicaid is by far the biggest source of family planning coverage in the United States. It accounts for 75% of public expenditures on family planning.
- Medicaid is also the largest payer of births in the United States, covering 41% of total births and more than 2/3 among Black and Indigenous people.

Magnitude of the Cuts

- Nearly \$1 trillion in cuts to Medicaid over the next 10 years - Unprecedented!
- Elimination of Medicaid coverage of 10 million people by 2034.
- With expiration of enhanced premium tax credits and other changes, at least 15 million losing health care.
- **Louisiana:**
 - Projected Declines in Medicaid Enrollment by 2034: 317,000 (-16.1%)
 - Projected Medicaid Expenditure Declines by 2034: \$40.3 billion (-16.8%)
- Extra hurt for certain communities:
 - Medicaid expansion states like Louisiana
 - Immigrants
 - Black and brown communities
 - Sexual and reproductive health

Louisiana Has the Most to Lose

Cuts to Medicaid and the ACA Impact Louisianans Most

Population of Louisiana: 4.598 million people
Medicaid Covers 1.856 million (40% of population)
including 703,933 children (36% of Medicaid)

Parishes with high Medicaid coverage:

- Claiborne (plurality 44% Black population, Rural)
- East Carroll (majority 64% Black population, Rural)
- Madison (majority 62% Black population, Rural)
- Tensas (majority 53% Black population, Rural)
- Concordia (majority 56% white population, Rural)

Total ACA Marketplace Enrollment in 2025: 292,994,
with 96% benefitting from tax credits: 281,548
Marketplace Growth since 2020: 234%



Coverage: Red Tape Restricts Eligibility and Enrollment

Millions of People Pushed and Priced Out of Health Coverage In Medicaid and the Marketplaces

- **Work Reporting Requirements for Expansion States** - Drops Medicaid coverage for adults without dependent children (under the age of 14) who do not regularly report 80 hours/month of work, school, or “community engagement” activities, Those who fail to complete paperwork will lose Medicaid coverage AND be locked out from obtaining tax credits for private insurance in the marketplaces.
- **More Frequent Redeterminations** - Requires states to conduct costly eligibility redeterminations every 6 months (rather than once a year) for adults enrolled through the ACA Medicaid expansion.
- **Retroactive Coverage Limitations** - Will impose additional medical bills on eligible Americans seeking care by restricting retroactive coverage from 3 months to 2 months in the non-expansion population, and to 1 month for expansion population.
- **Eligibility/Enrollment Hurdles** - Delays implementation (until Sept. 2034) for portions of two federal rules to make it easier for seniors, adults and children to enroll in Medicare and Medicaid/CHIP programs.
- **Restricts Auto-Enrollment** - Makes it harder to enroll and re-enroll in plans by prohibiting passive and automatic enrollment and renewal, and restricting the use of government data sources to verify enrollment data (i.e. income, place of residence, citizenship status).

Work Requirements (“community engagement”)

Medicaid cuts by another name. CBS predicts 5.3 million people will lose health insurance (about 30% enrollment reduction in Medicaid expansion).

- **Applicability:** Mandatory requirement for Medicaid expansion enrollees/applicants aged 19–64.
- **Qualifying activities:**
 - Any combination that adds up 80 hours per month – paid work, community service, or participation in a work program or student (at least half-time).
 - Or meet monthly income requirements tied to federal minimum wage.
- Must show compliance at application and renewal (**at least every 6 months**).
- Lookback Period – these work requirements need to be satisfied for at least 1 month prior — and up to 3 consecutive months at the option of states.

Medicaid: Work Requirements

Punishing: Individuals who lose or are denied Medicaid due to work requirements are locked out of Marketplace subsidies.

Timeline:

- States must implement by 1/1/2027 (or earlier at state's discretion, up to 12/31/2028 if HHS grants a one-time extension).
- HHS must issue interim final rule (IFR) no later than 6/1/2026, exempt from formal notice and comment.

These penalties will not improve employment. Most working-age Medicaid enrollees who can work already do, and millions of low-wage workers **will lose coverage.**

Medicaid: Work Requirements

- **Exemptions:** pregnancy-related, parents/caregivers with kids 13 and under, “medically frail” or “special medical needs,” etc.
 - Decades of research show that exemptions consistently fail
- Minimal outreach requirements
 - Poor outreach and notices, with frequent errors
- Disproportionate sanctions for people of color and people with physical and mental health conditions
- Processes notoriously confusing, riddled with paperwork and red tape.
 - Wastes millions on needless bureaucracy instead of health care.

Medicaid Cuts: Eligibility and Enrollment

- **More Frequent Redeterminations** - Requires states to conduct costly eligibility redeterminations every 6 months (rather than once every 12 month) for adults enrolled through the ACA Medicaid expansion. (Effective date: 1/1/27; CMS guidance by 12/31/25)
- **Retroactive Coverage Limitations** - Will impose additional medical bills on eligible Americans seeking care by restricting retroactive coverage from 3 months to 2 months in the non-expansion population, and to 1 month for expansion population. (Effective date: 1/1/27)
- **Eligibility/Enrollment Hurdles Will Go Unaddressed** - Delays implementation (until Sept. 2034) for certain portions of two federal rules that were put in place to make it easier for seniors, adults, and children to enroll in Medicare and Medicaid/CHIP programs.

Individuals and families that buy coverage through the [Healthcare.gov](https://www.healthcare.gov) Marketplace will also face new bureaucratic barriers.

- **Restricts Auto-Enrollment** - Makes it harder to enroll and re-enroll in plans by prohibiting passive and automatic enrollment and renewal, and restricting the use of government data sources to verify enrollment data (i.e. income, place of residence, citizenship status).
- **Eliminates premium tax credit assistance during income-based special enrollment period** - As a result, people who lose Medicaid mid-year and don't act within a narrow time window, who experience an income decrease, or who miss the annual open enrollment period will be barred from affordability assistance for marketplace coverage until the next calendar year.

Cost

H.R. 1 Impacts: Overview of Increased Health Care Costs

- **Spikes premiums by allowing enhanced tax credit to expire.**
 - Would lead to an average 75% premium increase—and additional costs of hundreds or thousands of dollars.
- **Increases cost-sharing for people covered by the Medicaid expansion** - Adds mandatory cost-sharing for adults with incomes just over 100% FPL:
 - up to \$35/visit and total cost sharing may not exceed 5% of the family's income.
- **Increases prescription drug costs** - Expands the list of “orphan” drug exceptions in the Medicare Drug Negotiation Program, weakening the power of Medicare to negotiate for better prices for people with rare diseases or conditions.
- **Penalizes people to pay more if income changes mid-year** - Requires people with incomes less than 400% FPL who underestimate their annual income due to unpredictable job-based income changes (i.e. seasonal workers, contractors) to repay the total amount received in excess of advanced premium tax credits rather than repayment based on a dollar limit adjusted for their income.

Healthcare.gov premiums spike on December 31, 2025 if Congress doesn't act.

HEALTHCARE
FAMILIESUSA

Health Premiums To Spike for American Workers and Small Business Owners if Enhanced Health Care Tax Credits Are Not Made Permanent

Millions of Americans will see their health insurance premiums skyrocket — over 25 percent higher on average — with many paying out of pocket for health care if Congress fails to extend the tax credits from expiring in December 2025.

Nearly 22 million Americans benefit from premium tax credits that help them afford comprehensive health coverage from the federal or state health insurance marketplaces. These tax credits are a lifeline for workers and their families, including those with serious and chronic health conditions like diabetes, heart disease, and cancer, who need access to regular care to stay healthy and keep working when they don't get insurance through their job. But if Congress does not reauthorize these credits, workers will enter the annual open enrollment period for health coverage on December 15 with no guarantee that they can afford to trade what they need for pay, with no guarantee that any open enrollment will be available to them later. This report offers an overview, commentary, and local resources will be developing.

Congress Must Protect American Workers and Families
Congress failed to take the necessary steps to extend this critical, federal funding that is so critical to our general health care system and millions are still looking for ways to pay for the care they need. The report provides the data and analysis that Congress needs to take the right action to ensure that the health care system remains open to all Americans who need it. **Democrats cannot afford to wait any longer — Congress must act NOW to permanently extend the enhanced premium tax credits.**

October 14, 2024



Nearly 22 million Americans get premium tax credits to help them purchase health coverage in state or federal marketplaces.

- Helps them cap premiums at 8.5% of income, or less for lower-income, on a sliding scale.
- Over 5 million new enrollees—4 million projected to lose coverage

Who uses these tax credits?

- People w/household income of at least \$15,060 for an individual or \$31,200 for a family of four, who have no other options for affordable health coverage.
- Includes small business owners and their employees; retail and restaurant workers; child care and home care aides; ride share and food delivery drivers; independent contractors; people working in seasonal or time-limited jobs like tourism, entertainment, and farming.
- Enhanced tax credits have helped reduce the uninsured rates, especially among Black and Latino individuals and lower income families, leading to record marketplace enrollment numbers.

- **The double-down impact of losing the enhanced tax credits**
 - The bill's authors extended tax cuts for corporations and the wealthiest Americans, but repeatedly rejected efforts to extend expiring tax credits that help people afford coverage.
 - Specific provisions in the HR1 and a new “marketplace integrity” regulation would make it harder to get on and stay on coverage.
 - Coverage loss estimates do not fully account for potential impacts to the individual market risk pool:
 - Healthier enrollees are more likely to drop coverage
 - Sicker enrollees will retain coverage as long as possible
 - Insurers will continue to increase premium costs, leading to sharp increases in costs when combined with expiration of ePTCs
 - The loss of the tax credits drive higher base premiums, and then don't protect people from those same increases.

“Double-Whammy” of health plan premiums increases

In Louisiana, on average:

- Monthly premium without tax credits: \$773
- Monthly premium tax credit: \$666
- **Monthly premium after tax credits: \$107**

Louisianians facing steep premium hikes:

- Final Rate Increase for 2026, marketplace premiums (weighted average): 23.7%
(but much more with loss of tax credits)

Impact will hit older, rural, and other populations especially hard:

- Annual Premium Increase for 2026 for a person in their 40s making \$31,300 per year: \$1,344.
- Annual Premium Increase for 2026 for a 64-year old couple making \$90,000 per year: \$25,258.

Care: Forces cuts to care, health services, and benefits

Medicaid Cuts: State Financing

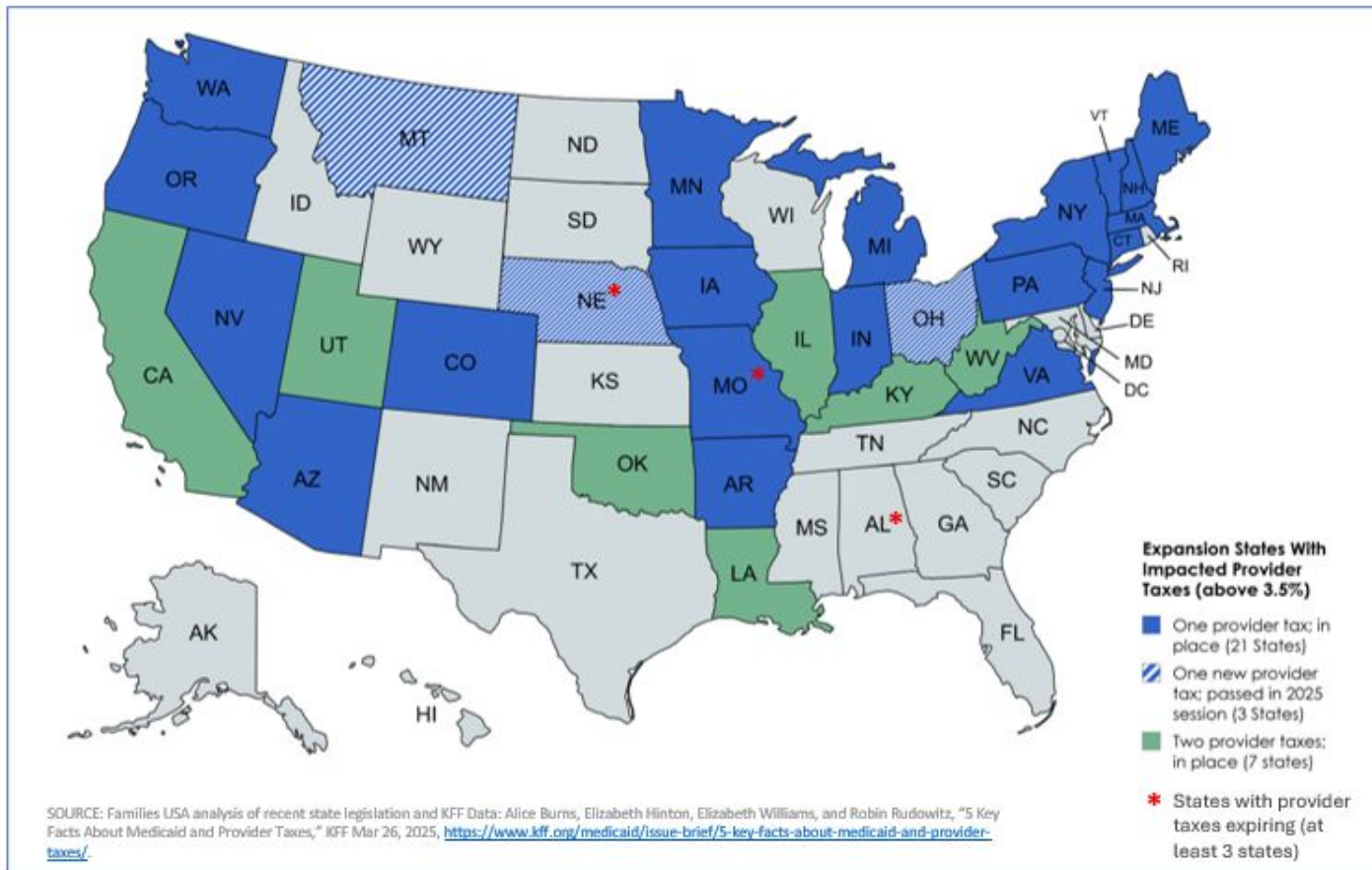
Cuts billions to state funding mechanisms for Medicaid, forcing states to make major cuts to benefits, services, and more.

- Provider Tax Cuts
 - No new or increased provider taxes in any state (7/4/25)
 - Current expansion states taxes reduced from 6 to 3.5% (FY2028 on)
- New caps on State Directed Payments
 - 100% Medicare rate in expansion states, 110% in non-expansion states
 - Caps apply to new SDPs (7/4/25)
 - Existing SDPs reduced by 10% per year (1/1/28 and beyond)
 - Opportunity for public comment→HHS Secretary sets standard in regs

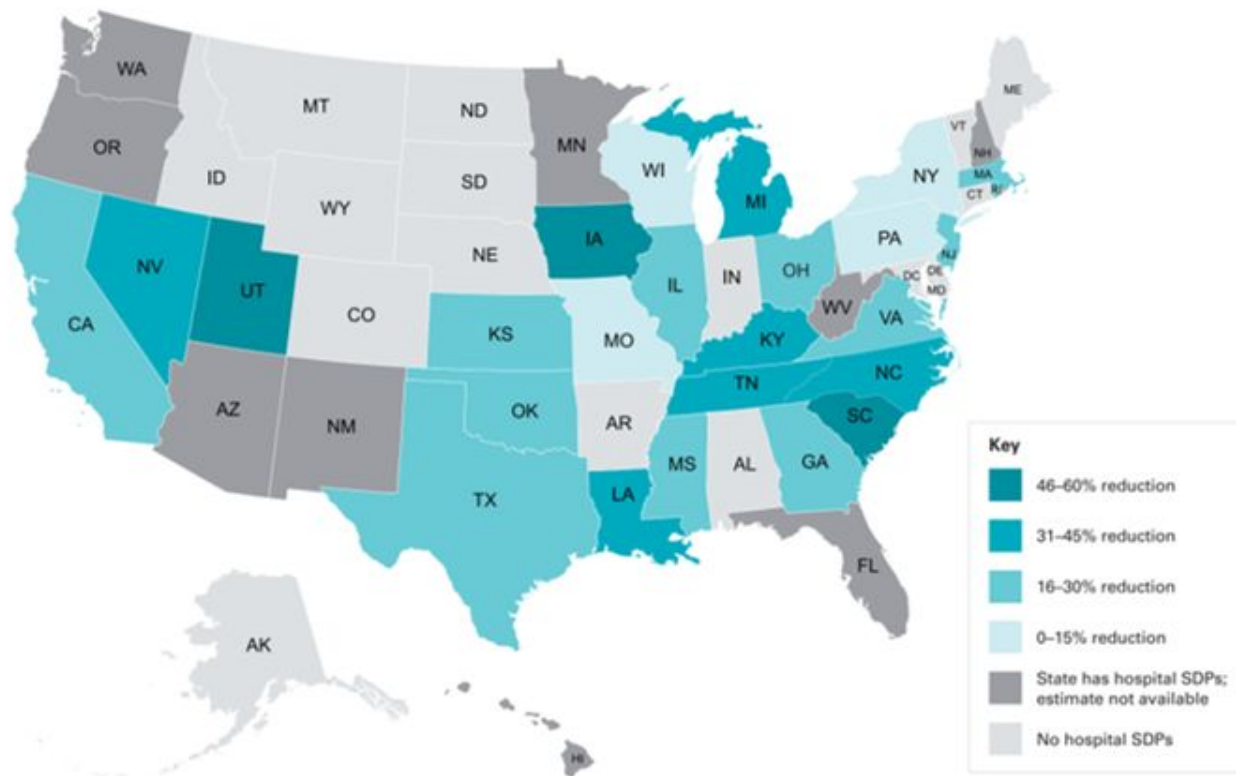
Financing

- Temporary “Rural Hospital Transformation Fund” (FY 2026-FY 2030)
 - Equivalent to roughly 5% of \$1 trillion in cuts
 - \$50 Billion temporary, while broader Medicaid cuts are permanent
 - Subject to significant HHS discretion
 - First round to be distributed by end of year in December
 - Just a drop in the bucket
 - Won't be enough to stem the tide of rural hospital closures

H.R. 1 Will Decrease Revenues from Provider Taxes in 31 Medicaid Expansion States



Impact of Reducing State-Directed Payments on Hospital Funding



SOURCE: Estimated Reduction in Medicaid Hospital Spending if SDPs Were Limited to 100% of Medicare Rates, By State (FY 2026-2034), "Lifelines in Jeopardy: How Medicaid State Directed Payments Support Critical Health Care Providers Lifelines in Jeopardy: How Medicaid State Directed Payments Support Critical Health Care Providers," Manatt Health, May 16, 2025, https://assets-us-01.kc-usercontent.com/9fd8e81d-74db-00ef-d0b1-5d17c12fdda9/37f7f928-c3db-4455-bef5-6d5b7dc5fb6b/CMWF%20SDP%20Brief_2025-05_b%20Rd9.pdf

The cumulative impacts on Louisiana and its health system:

- Projected Declines in Medicaid enrollment by 2034: **317,000 (-16.1%)**
- Projected Medicaid expenditure declines by 2034: **\$40.3 billion (-16.8%)**

With the highest percent of Medicaid enrollment in the nation, Louisiana will be especially impacted by the bill's changes:



- Louisiana must decrease managed care organization and ambulance providers' tax by 0.5% each year until 2032.
- Starting in early 2027, Louisiana's Medicaid expansion population will need to be reverified for eligibility every six months instead of annually.
- Louisiana must implement Medicaid work requirements for the Medicaid expansion population by December 31, 2026

Fewer paying patients, more uncompensated care, direct cuts to the Medicaid.

- 33 Louisiana hospitals will become financially vulnerable, driving reductions in services and staff and risk closure as a result of the Medicaid cuts

Communities: Attacks on health and health care for specific communities and underserved populations

Cuts to Health Care Access for Immigrant Families

- **Eligible** for Medicaid, CHIP, Medicare & marketplace tax credits:
 - Lawful permanent residents (green card holders)
 - Certain Cuban & Haitian nationals (“entrants”)
 - COFA (Compact of Free Association) migrants from Micronesia, Palau or the Marshall Islands
 - State Plan Amendment options to cover lawfully present pregnant women and children remain
- Newly **locked out** from Medicaid, CHIP, Medicare & marketplace tax credit eligibility:
 - Individuals granted asylum or withholding of removal
 - Refugees
 - Survivors of domestic violence with pending/approved application for lawful status under VAWA
 - Survivors of trafficking with a pending/approved T visa
 - People with Temporary Protected Status and valid visa holders
 - States retain flexibility to cover lawfully present pregnant women and children
- Effective dates: Medicaid/CHIP – 10/1/2026; Medicare – 7/4/2025 (although those already enrolled as of 7/4/2025 may remain for 18 months)

More Cuts to Access for Immigrants

- **Eliminates premium tax credit eligibility** for recent immigrants who are not yet eligible for Medicaid benefits under the current “5-year bar” in federal law.
- Terminates premium tax credits for many lawfully present immigrants in the ACA marketplaces including people with incomes under 100% FPL who are not eligible for Medicaid due to current federal law, refugees, and victims of trafficking, domestic violence and other crimes.
- **Lowers federal matching funds for emergency services provided to immigrants** - Medicaid expansion states will receive a lower FMAP (based on state’s baseline FMAP) for emergency-only Medicaid, not the current 90% match, for individuals who would have been enrolled in Medicaid expansion but for their immigration status.

“Defunding” Abortion Providers

Bans “prohibited entities” from receiving Medicaid funding for 1 year

“Prohibited Entities” are:

- 501(c)(3) tax-exempt,
- [Essential community providers](#) [45 CFR 156.235] that are primarily engaged in family planning services, reproductive health, and related medical care,
- Provide abortions beyond the narrow Hyde exceptions, **AND**
- Received over \$800,000 in Medicaid funding in FY 2023

“Entity” includes “affiliates, subsidiaries, successors, and clinics.”

Planned Parenthood [filed suit](#), but First Circuit Court of Appeals stayed a preliminary injunction. Maine Family Planning also [filed suit](#) but did not receive any relief. And 22 attorneys general filed suit alleging that the Defund Provision violates the rights of the states.

Impact of the Defund

Leaving the most vulnerable people with nowhere to access care

- Family planning clinics are often the only source of care for people with low incomes.
- 76% of Planned Parenthood health centers are located in rural or medically underserved areas.
 - The 2 PP clinics in Louisiana will close on September 30.
- Over 42% of women of reproductive age already live in areas with provider shortages; almost half of all U.S. counties have no OB/GYN.

Onslaught of attacks to SRH care

- *Dobbs* - exacerbated care shortages; states with abortion bans have seen a sharp drop in the rate of prescriptions for contraceptives.
- Title X flat funded for 10 years; current funding freeze
- *Medina v. Planned Parenthood of South Atlantic*

Impact

What Health Care Cuts Mean

- More uninsured – Medicaid & Marketplace but also Medicare
- Higher costs for marketplace coverage
- More lawfully present immigrants uninsured & without other options
- Fewer services provided in Medicaid & fewer providers
- Increased uncompensated care costs
 - Closure of hospitals/clinics/maternity wards, particularly in rural and underserved areas, further compounding access issues

What Medicaid Cuts Mean for Enrollees

Massive cuts to Medicaid will force states to fill huge budget holes by making harmful changes, such as:

- Backsliding on Medicaid expansion
- Cutting eligibility
- Cutting optional benefits and supplemental programs
- Not increasing reimbursement rates → deepening workforce shortages

The Work Isn't Done: The Urgency for Action

Fighting for the Future of Our Health Care

- ✓ **These impacts are not inevitable!**
- ✓ Build the backlash to rebuild and reimagine our health system
- ✓ Accountability: Ensure people understand these issues are intentional decisions by policymakers, that can be undone at the federal level.
 - ✓ Starting with premiums spikes, but also bureaucratic barriers, cuts to Medicaid..
- ✓ Educate the public to understand the harm coming from HR1 and who is responsible for it
 - ✓ Education: Meet with members of Congress, key partners, and the public on the importance of extending the enhanced premium tax credits.
 - ✓ Lift up local voices and data: Find people, hospitals, medical professionals who will be impacted by cuts and closures and have them speak with media and policymakers
 - ✓ Storytelling campaigns (If you have a story you want to share contact stories@familiesusa.org)
 - ✓ Other media: Op-eds, Press conferences

TAKE ACTION!

Get in the fight to extend the
tax credits

<https://familiesusa.org/lower-health-care-costs-now/>



H.R. 1 Accountability:
Tell Congress these Health Cuts
are Unacceptable



- Share your stories by emailing us at stories@familiesusa.org
- Make sure you're signed up to our Health Action Network:
<https://familiesusa.org/act/>



Fighting for the Future of Our Health Care

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Ways to Engage

States

- Create special mechanisms for funding
- [Medicaid Advisory Committees \(MAC\) and Beneficiary Advisory Councils \(BAC\)](#)
- [Interested Parties Advisory Groups \(IPAGs\) re rate setting for certain HCBS](#)

Administrative Advocacy Strategies

- Building a robust administrative record
- Tracking and responding to forthcoming guidance and rulemaking

Litigation Strategies

- Ensuring that due process rights are protected during implementation
- Ensuring notices are appropriate

Accountability Measures

- Op-eds, story collection, tracking coverage losses, hospital closures, service and rate cuts

Community outreach

Story collection and story telling - your voice matters and is needed

- Need to inform public:
 - Upcoming eligibility changes (what are the work requirements)?
 - Exemption application processes, troubleshooting (administratively, interpersonally)
 - Ensure accessibility (disability, LEP) know your rights materials
 - Nondiscrimination rights
- Template fact sheets
 - Budget for plain language, top spoken non-English languages in state

Resources on HR1 health care cuts

NHeLP

- [How OBBBA Punishes Medicaid Expansion States](#)
- [OBBBA Slashes Retroactive Coverage for Medicaid Beneficiaries](#)
- [Celebrating 35 Years of the ADA in the Face of the OBBBA Barriers to Care](#)
- [ACA Marketplace Rule Rolls Back Progress on Marketplace Access and Affordability](#)
- [Quick Reference on OBBBA Cuts: Medicaid Expansion vs. Non-Expansion States](#)
- [Implementation Dates, Funding, and Administrative Authorities](#)

FUSA

- [One-Big-Beautiful-Bill-Act-Provisions-Related-to-Medicaid-ACA-and-Medicare.pdf](#)
- <https://www.familiesusa.org/defending-medicaid/>
- <https://familiesusa.org/lower-health-care-costs-now/>