

## House Budget Reconciliation Provisions Related to Medicaid and SNAP

May 22, 2025

Early in the morning of May 22, the House of Representatives narrowly passed a bill (215-214) including significant changes to the Medicaid program and the Supplemental Nutrition Program (SNAP). The bill was in the form of a [manager's amendment](#) with several amendments to the [Energy & Commerce](#) and [Agriculture Committee-passed bills](#) that were included to garner the votes needed to pass the bill. The vote was along party lines with the exception of two Republicans, Representatives Warren Davidson of Ohio and Thomas Massie of Kentucky, voted against the bill. Representative Andy Harris of Maryland, chairman of the Freedom Caucus, voted “present,” a protest vote. Representatives David Schweikert of Arizona and Andrew Garbarino of New York, did not vote, but both men later said they would have voted “yes.”

### Medicaid

The amended bill includes at least \$715 billion in cuts to Medicaid over ten years that threaten access to health care and essential services. These cuts will impact all people covered by aspects of the Medicaid program, people with disabilities, children, and older adults. Combined with Medicaid cuts, restrictions on Affordable Care Act marketplaces, and the expiration of enhanced premium tax credits, these policies will result in 13.7 million people losing health insurance. See updated KFF [State Fact Sheets](#).

### Work Requirements

- The mandatory work requirements in the bill are more severe than previous federal proposals and are [designed to terminate health care](#) for almost 5 million people. Despite claims to the contrary, many of those individuals will be people with disabilities and older adults between the ages of 50 and 65. Many will be people who are already working, including direct support professionals and home care workers, or people caregiving for people with disabilities. States must require “able-bodied” adults aged 19–64 in the ACA Medicaid expansion group to work or do approved activities for at least 80 hours a month to qualify for Medicaid.
- Exemptions include individuals who are “medically frail” or otherwise have special medical needs (as defined by the Secretary), including individuals with intellectual or developmental disabilities. However, we know that [carve-outs](#)

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[don't work](#) and a large portion of the expansion population are people with disabilities and two-thirds are already working.

- We also know from past experience that people with intellectual and developmental disabilities can get caught up in red tape and the burden imposed on states to administer these requirements. Many family caregivers who receive Medicaid will be subject to work requirements, making it difficult for them to balance work and caregiving.
- [A recent analysis](#) of the enrollees in the Medicaid expansion affected by the new work requirements demonstrates that the vast majority of working-age adults (aged 18-64) are either working, caring for family members, or exempt because of health issues. The remaining Medicaid enrollees classified as “able-bodied” represent **only 15.8% of the total nonworking** Medicaid population ages 18-64. Nearly 80% of these non working adults are extremely poor women on the older end of their work life who have no income of their own and live in very poor households. Most have less than a high school education and have left the workforce to take care of family members, such as elderly parents, or adult children, or spouses with disabilities, or a combination of the three.
- This provision would now take effect sooner (December 31, 2026 instead of 2029) or earlier at state option, increasing coverage losses and adding stress to state systems because of the rushed start. The amended bill mandates guidance for states by December 31, 2025.
- The bill eliminates the discretion of future administrations to waive work requirements for various populations.
- The amended bill adjusts the limits on new state-directed payments for non-expansion states, dis-incentivizing them to expand.

*Effective Date: December 31, 2026*

### **Cost sharing**

- The bill allows states to apply [cost-sharing](#) to some Medicaid expansion enrollees and will impact people with disabilities who are enrolled in Medicaid expansion in significant numbers.
- The bill allows states to impose cost sharing on the individual of up to \$35 per service on expansion adults with incomes 100-138% FPL with a 5% family income cap on out-of-pocket costs.
- Imposing cost-sharing on enrollees earning near the poverty level creates significant hardships for individuals struggling to afford basic health care. This proposal is particularly punitive, allowing states to charge over \$1,000 annually for those earning

just 138% of the federal poverty level, making essential care unaffordable for low-income individuals. Even minimal cost-sharing reduces access to medical services, causing enrollees to delay critical treatments and prescriptions.

*Effective Date: October 1, 2028*

### **Eligibility determinations**

- Requires states to conduct costly eligibility redeterminations at least every 6 months for Medicaid expansion adults.
- People [lose coverage](#) when they miss notifications, steps in the process, or just don't know that they are up for review. This provision will create gaps in coverage for qualified people and changes the rules that currently require review once a year.

*Effective Date: October 1, 2027*

### **State funded coverage of undocumented immigrants**

- Reduces the expansion match rate from 90% to 80% for [states](#) that use their own funds to provide health coverage or financial assistance to purchase health coverage for individuals who are not lawfully residing in the United States. People with disabilities and families that live in states that choose to use their own funds to in this manner will have fewer resources in the overall system for their care and services, which could lead to states reducing home and community-based services. In addition, many [direct service providers](#) are immigrants. This could exacerbate the current severe [shortage](#) of direct support provisional,

*Effective Date: October 1, 2027*

### **Eligibility and Enrollment Final Rule**

- Delays implementation of both rules until January 1, 2035.
- These [two Rules](#) finalized during the previous administration collectively reduce barriers to enrollment and modernize renewal policies in the Medicaid, CHIP program, and for individuals dually eligible for Medicaid and Medicare.

*Effective Date: Upon enactment.*

### **Provider taxes**

- Prohibits states from establishing any new [provider taxes](#) or from increasing the rates of existing taxes. This is an effective cut year over year. This does not allow for states to modify their provider taxes to best address their state's needs, nor does it keep up with inflation. This shift of cost to states over time will mean that states may need to restrict eligibility, cut provider payments, or reduce benefits to maintain their programs. This is similar to what states would face if the federal government had

made a change to the federal match rate or instituted a per capita cap with a fixed growth rate.

- Revises the conditions under which states may receive a waiver of the requirement that taxes be broad-based and uniform such that some currently permissible arrangements taxes, such as those on managed care plans, will not be permissible in future years. These changes to the currently allowed methods that states use to meet their match will affect their ability to finance the program. Every state uses one or more provider taxes except Alaska which doesn't have them. Reducing what is allowable will force states to make up the difference in other ways including cutting optional eligibility and services.
- Provision overlaps with a [proposed rule](#) released May 12, 2025.

*Effective Date: Upon enactment, but states may have at most 3 fiscal years to transition existing arrangements that are no longer permissible.*

### **Supplemental Nutrition Assistance Program**

- The House reconciliation bill would dramatically raise costs and reduce food assistance for millions of people by cutting federal funding for the Supplemental Nutrition Assistance Program (SNAP) by \$300 billion through 2034 -- about 30 percent. SNAP provides basic food assistance for more than 40 million people, including some 16 million children, 8 million seniors, and 4 million non-elderly adults with disabilities.
- The largest cut within the \$300 billion comes from cutting federal funding for basic food benefits by between 5 and 25 percent and then telling states to backfill for the federal cut. If a state can't make up for these massive federal cuts, it will either have to find ways to cut its program (such as cutting eligibility or making it harder for people to enroll) or it could opt out of the program altogether, terminating food assistance entirely in that state.

*Effective in 2028 – State data can be found [here](#).*

- The bill expands work requirements that are estimated to result in nearly 11 million people, including 4 million children and more than half a million adults who are 65 or older or have a disability, live in households that would be at risk of losing their food assistance.
- Similar to Medicaid reporting requirements, this new red tape would have [little effect](#) on the number of people working, but would hurt working families, including children.
- Under current SNAP rules, most non-elderly, non-disabled adults without children in their homes can't receive benefits for more than three months out of every three years if they don't



document they are working at least 20 hours per week or prove they qualify for an exemption. The new bill would expand this restriction to older adults aged 55-64 and to parents with children over the age of 6, while also significantly limiting waivers for areas with poor economic conditions.

*Effective in 2029--See state and congressional district data [here](#).*

Taken together these actions will result in people losing health care coverage, states being limited in how they are able to finance their state match for Medicaid, and children and families losing food assistance. This level of cuts to Medicaid will require states to make difficult choices about their programs. With home and community-based services being “optional” under the Medicaid program, they are likely to look at cutting these optional services. We have seen this in the past when the federal government cut back on its share (see [History Repeats? Faced with Medicaid Cuts, States Reduced Support for Older Adults and Disabled People](#)).

For more details and additional resources on Medicaid, see the Kaiser Family Foundation’s updated [Medicaid provision tracker](#). For more information regarding the changes to SNAP, see the Center on Budget and Policy [analysis](#).

The Arc has updated its [Action Alert](#). Please share widely!