Potential Impact of Policy Changes

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Federal Threats to Medicaid

Pres. Trump and Congress considering major changes to Medicaid and other programs as part of effort to extend 2017 tax cuts

Congress using “budget reconciliation” process – a legislative maneuver that requires only a simple majority vote

Narrow Republican majorities in U.S. House and Senate complicate path to consensus

Overview of U.S. House's Medicaid Proposals

Bill: After rapid bill writing process, the U.S. House passed the *One Big Beautiful Bill Act* on May 22, making major changes to Medicaid and other programs.

The bill does NOT include previously rumored provisions, such as:

- Converting Medicaid into a per capita cap or block grant financing structure
- Reducing the enhanced federal match on Medicaid expansion below 90%

However, the bill does include the following changes to Medicaid and Medicaid expansion:

Medicaid Work Reporting Requirements by Dec. 31, 2026	Medicaid eligibility checks every six ~~12~~ months	Patient cost-sharing for more Medicaid services	Moratorium on state provider taxes	Others: No Medicaid coverage for gender-affirming care, ACA Marketplace restrictions, restricting ACA & Medicare eligibility for lawfully present immigrants

Work Requirements in House Bill

How it would work *on paper*: Work Requirements

- Requires states to condition Medicaid eligibility for individuals ages 19-64 applying for coverage or enrolled in Medicaid expansion on:
  - Working or participating in qualifying activities for at least 80 hours per month.

How it would work *on paper*: Exemptions from Work Requirements

- Mandates that states exempt certain adults from the requirements, incl. but not limited to:
  - Pregnant women.
  - Parents or caregivers of a dependent child or an individual with a disability.
  - Medically frail persons, including, but not limited to, those who have disabilities, have a chronic substance use disorder, or have a serious and complex medical condition.
  - Foster youth and former foster youth under the age of 26.
  - Individuals who already comply with TANF or SNAP work requirements.
  - Persons who were released from incarceration within the past 90 days.

Work Requirements in House Bill, cont'd

Problems in Practice

- House bill would require implementation *by Dec. 31, 2026*
- States would need significant new $$$ to invest in systems to automate processes
- Without time, money, and technology, this will require manual proof and verification of eligibility and exemptions → red tape
  - NC Medicaid has access to income and disability status through electronic databases
  - But there are no electronic databases for individuals who may be enrolled in school, are ill, or are caretaking for others

92%

of adults on Medicaid are either working, in school, caregiving, disabled, or dealing with illness.

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Impacts of U.S. House Proposal

Impacts: Increase number of uninsured, shifting costs to states, while increasing federal deficit:

- **Cuts Medicaid spending by $723 billion** (Congressional Budget Office)
- **Increases number of uninsured Americans by 10.9 million over 10 years** (Congressional Budget Office)
- **123k NC Medicaid enrollees could lose coverage in year one, increasing to 255k** (Manatt Health)
- **~470k North Carolinians uninsured over 10 years due to Medicaid and pending Marketplace changes** (KFF)
- **5.6 million CHC patients lose coverage over 5 years** (Geiger Gibson Program)
- **$32 billion in CHC revenue losses** (Geiger Gibson Program)

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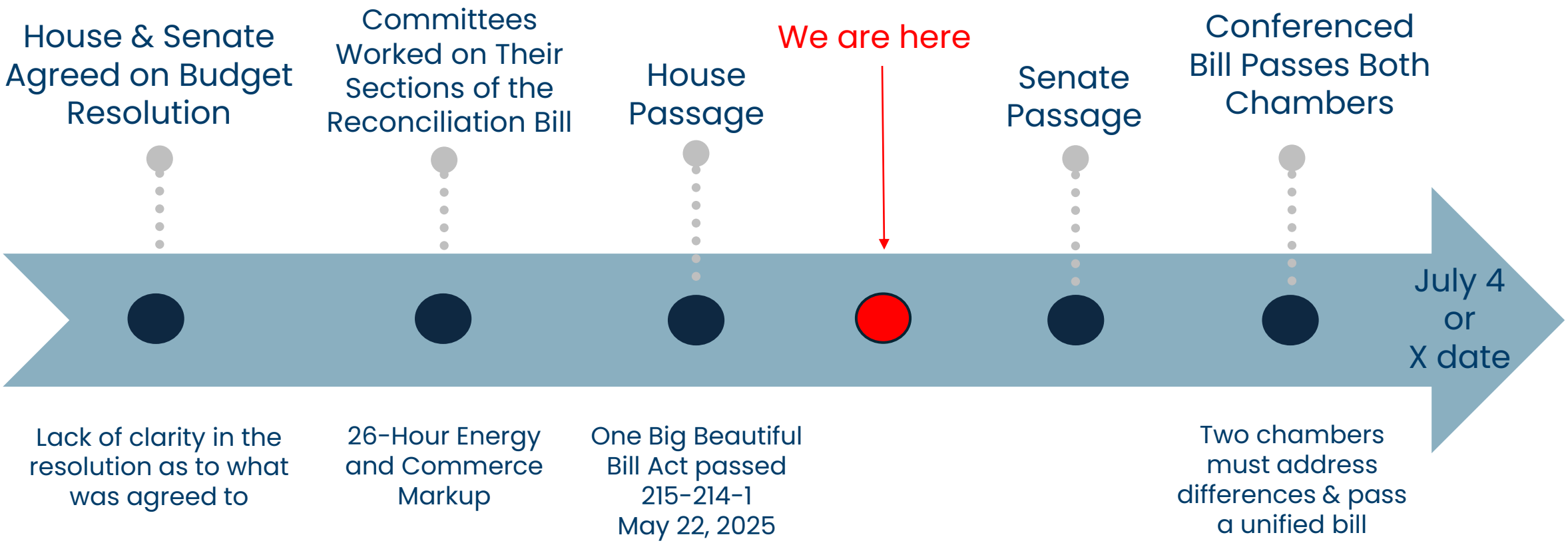
Timeline for Reconciliation

A Few More Advocacy Opportunities Throughout the Process



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Moving Parts in Political Process

- Changes by Senate must be approved by House, with tight margins and competing factions within Republican caucus
- Looming debt limit deadline creating sense of urgency
- Some fiscal hawks pushing for deeper spending cuts / lessened deficit impact
  - Note: Some still pushing for even more aggressive Medicaid changes, such as reducing 90% FMAP, to be back on table
- New: Opposition to package from Elon Musk

What Can Health Centers Do?

- **Prepare:** Understand how proposed changes could affect your health center
  - Contingency planning

- **Engage:** Contact members of Congress
  - Especially U.S. Senators Thom Tillis and Ted Budd