

Preliminary Summary of House Energy and Commerce Committee Bill

May 15, 2025

On May 14, the House Energy and Commerce Committee passed a bill making significant changes to the Medicaid program and the Affordable Care Act. The Congressional Budget Office (CBO) [estimates](#) that the bill would decrease the federal deficit by more than the \$880 billion over 10 years that was called for by the [budget resolution](#) passed by Congress in April. [CBO preliminary estimates](#) show that the Medicaid provisions would reduce the deficit by \$625 billion over ten years and increase the number of people without health insurance by at least **7.6 million** by 2034.

Given the critical importance of the Medicaid program to people with disabilities we wanted to share the following outline of provisions in the Committee-passed bill. The Budget Committee is expected to put all of the Committee passed bills into one reconciliation package which will be sent to House floor for a vote as early as next week. There may still be changes before it gets to the full House vote. It is critical that people keep [educating Members of Congress](#) urging them to oppose cuts Medicaid.

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 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 get caught up in red tape and the burden imposed on states to administer these requirements. Many

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(800)433.5255 | 2000 Pennsylvania Ave. | Washington, DC | Musheno@TheArc.org

family caregivers who receive Medicaid will be subject to work requirements, without the system providing the supports necessary for them to balance work and caregiving.

- See also a great resource on [Who's Affected by Medicaid Work Requirements? It's Not Who You Think](#).

Effective Date: January 1, 2029

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 force states to cut provider payments and benefits just as a change to the federal match or a per capita cap with a fixed growth rate would.
- 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.

Taken together these actions will result in people losing health care coverage and states being limited in how they are able to finance their state match for Medicaid. 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, see the Kaiser Family Foundation's full [Medicaid provision tracker](#). And the National Health Law Program's [Top Ten Ways the Reconciliation Bill will Hurt People with Disabilities](#).

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