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The Reconciliation Bill Passed the House: Now What?

Last week, the budget reconciliation bill passed the House of Representatives. Speaker Johnson spent the final days leading up to the vote mediating between factions of his party. In the end, the final package was able to bridge what had seemed like irreconcilable differences between hardline budget hawks, pushing for more substantial cuts to safety net programs, and centrists worried about the political fallout of taking away coverage from their constituents. President Trump's last-minute pressure campaign helped to push the holdouts to support the bill. Read on for a run through of what was included in the House bill and what happens next.

Health Provisions in the House Reconciliation Bill

The major points of contention around the bill's health-related provisions leading up to the final vote surrounded the depth of Medicaid cuts, with the final provisions avoiding a fundamental restructuring of the program but embracing a death-by-a-thousand-cuts approach instead. A full synopsis of all of the bill's health-related provisions can be found on KFF's tracker here. The highlights for Medicaid and marketplace coverage are summarized below.

Medicaid Cuts

- **Medicaid work requirements**: Starting in 2026, requires states to condition Medicaid eligibility for adults in the ACA expansion group working for at least 80 hours per month. The original version of the bill had work requirements starting in 2029. Much of the projected savings in Medicaid spending is expected to be generated by these requirements.

CBO Coverage Loss Projections
Over 10 Years
- 7.6 million people would lose Medicaid coverage
- 3.9 million people would lose marketplace coverage

- **Medicaid cost sharing:** Starting in 2026, requires states to impose cost sharing on Medicaid recipients with income above the federal poverty level. Cost sharing will disproportionately burden people living with chronic illness and other conditions, because they will need to pay each time they access needed care.
- **Immigrant access penalty**: Starting in 2027, reduces the federal match rate for the Medicaid expansion group for states that provide health coverage or financial assistance to undocumented immigrants (14 states and DC use state-only funds to provide health coverage regardless of immigration status).
- **Eligibility redetermination**: Starting in 2026, requires states to conduct eligibility redeterminations every six months for Medicaid expansion adults, instead of the current annual requirements.

For more details and analysis please see our earlier *Health Care in Motion*
While there has been some shift between the initial version of the reconciliation bill, much of the analysis and impact to people living with chronic conditions is the same or similar.

- **Requires more burdensome eligibility and enrollment processes**: Starting in 2027, states must begin to implement more stringent eligibility verification processes, including data matching across states. The bill also delays the CMS eligibility and enrollment rules released last year that streamlined eligibility processes.
- **Provider taxes**: Upon enactment of law, prohibits states from establishing any new provider taxes or from increasing the rates of existing taxes.
- **Gender-affirming care**: Upon enactment of law, prohibits states from covering "gender transition procedures" for any individuals (adults and children) enrolled in Medicaid and CHIP.

Marketplace Cuts

Upon enactment of law, the bill would codify many of the provisions that were included in a recently proposed rule on marketplace coverage and add some additional provisions impacting marketplace coverage, including:

- **Shorten the annual marketplace open enrollment period** in all states from 75 days to 45 days.
- **Penalize people for automatic re-enrollment** by ending financial assistance for people who don't return to the marketplace to update their information and select a plan.

For more details and analysis please see our earlier *Health Care in Motion*
Previously, we analyzed the impact that the recently proposed rule on marketplace coverage that is now being incorporated into the reconciliation bill. Read it to understand the impact these changes would have on access to care for individuals living with chronic conditions.

- **Increase costs for marketplace coverage** by changing calculations used to determine out-of-pocket maximum amount.
- **Limit access to special enrollment periods (SEPs)**, by eliminating the low-income SEP (which allows people with low incomes to enroll in coverage outside of the annual open enrollment period) and making it harder to verify eligibility for all SEPs.
- **Require more stringent income verification processes** that could make it more difficult for enrollees to demonstrate they are eligible for subsidies to help them afford their coverage.
- **Requires enrollees to pay back the full amount of any excess premium tax credits** (current law caps the repayment amount based on income).
- **End marketplace eligibility for many lawfully present immigrants**, including people with Deferred Action for Childhood Arrival (DACA) status.
- **Change Essential Health Benefits coverage to exclude gender affirming care**, making it more difficult for states to require plans to cover these services.

On to the Senate

The bill now moves to the Senate, where leadership has already declared major changes will be made. The Senate faces some of the same factions seen in the House, with fiscal hardliners balking at additional federal debt without steeper cuts to federal programs and centrists worried about the impact of Medicaid cuts on their states. Congress is still pushing for a final vote by July 4th, but it is unclear if that timing will hold as the Senate gets to work on its version. A few hurdles could slow up the process:

- The Senate must abide by strict rules that limit use of reconciliation only for matters impacting the budget (known as the "Byrd Rule"). The Senate Parliamentarian is the ultimate arbiter over whether provisions meet this rule. It is likely that Democratic Senators will challenge provisions they argue are extraneous to the budget.
- The House and Senate must agree to identical text in order to send the bill to the President. This could prove challenging given how tight the margins are in both chambers and how hard it was for Speaker Johnson to talk holdouts into passing the bill in the House.

What's Next?

Advocates are continuing to make the case to Congress to protect Medicaid and other safety net programs from cuts. Focus now shifts from the House to the Senate, where pressure is expected to be on moderate and centrist senators from states where constituents have the most to lose.

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