

Impact of Medicaid Cuts in 2025 House Budget Reconciliation Legislation



As part of its budget reconciliation process, Congress is considering several large changes to Medicaid law, including drastic funding cuts and new barriers to the program. If passed and implemented, these cuts will increase the number of uninsured people nationwide, raise overall health care costs and negatively impact state budgets. Most importantly, these reductions will result in more people not being able to access health care, which has been shown to be one of the most important predictors to prevent, detect, treat and survive cancer. The American Cancer Society Cancer Action Network (ACS CAN) is leading efforts nationwide to call on lawmakers to reject cuts to this lifesaving program.

Nationally, Manatt estimates that major Medicaid cuts contained in the legislation will result in **8.7 million individuals (10%) losing Medicaid coverage, including 6.9 million adults who have gained eligibility through Medicaid expansion and nearly 600,000 children, over a ten-year period.** This legislation would also cause states to lose \$1 trillion in funding for the program.

These cuts will rip coverage away from people – including cancer patients and survivors – and will be a huge blow to state budgets and economies.

On June 2, 2025, Manatt Health conducted an analysis of select proposals in this [legislation](#).¹ Their analysis describes 10-year (Federal Fiscal Years (FFYs) 2025-2034) expenditure and enrollment estimates for selected provisions for which sufficient public data are available, including new work reporting requirements and more frequent renewals for expansion adults; repeal of regulations to simplify eligibility and enrollment for Medicaid-eligible individuals; new limits on state directed payments (SDPs), which states use to enhance reimbursement for Medicaid providers; new restrictions on financing tools used by states to fund their share of the Medicaid program; and a financial penalty for expansion states that cover certain immigrants.

The estimates take into account the interactions across the provisions included in the Manatt model. Due to a lack of publicly available data, Manatt's model was only able to estimate the impact of some of the Medicaid provisions included in the House Bill.² The model also does not assess the implications of Marketplace provisions. **As such, these estimates significantly understate the total impact of the bill on health care coverage and expenditures at the state level.** See Table 1 on following page.

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¹ On June 4, 2025, the Congressional Budget Office (CBO) released their [score](#) of the bill. The primary purpose of this score is to estimate the national impact of H.R.1 on federal expenditures and the number of uninsured. The Manatt Medicaid Financing Model is intended to provide state-level detail on changes in Medicaid expenditures and enrollment as a result of select Medicaid provisions included in H.R.1. While the analyses are designed to answer different questions, the results are broadly complementary. Provisions modeled by Manatt include mandatory work requirements for Medicaid expansion adults, requiring full redeterminations of eligibility for expansion adults every six months, banning new or increased provider taxes, banning new or increased state directed payments above Medicare rates, reducing the expansion match rate in states providing coverage to certain immigrants, and repealing rules relating to eligibility and enrollment in the Medicare Savings Program and Medicaid, CHIP, and Basic Health Program.

² For details on which provisions were included and not included, please see Appendix tables A1 and A2 in this document: [Reconciliation-House-Bill-Key-Findings-Overview_06.02.2025.pdf](#)

Table 1: Estimated Impact of Key Medicaid Provisions of House Budget Reconciliation Bill, FFYs 2025 – 2034¹

State	Total Coverage Loss	Total Percentage Loss in Coverage	Coverage Loss by Enrollment Group						Funding Loss to the State (in \$ Millions)
			Children	People Enrolled Through Medicaid Expansion	Other Adults ²	People Enrolled Based on Disability	Ages 65+	Limited Benefit Enrollees ³	
Total	(8,743,194)	-8%	(581,128)	(6,863,039)	(242,142)	(127,251)	(173,397)	(756,238)	(1,016,118)
Alabama	(54,989)	-	(10,932)	-	(2,161)	(4,376)	(1,389)	(36,131)	(4,053)
Alaska	(25,910)	-7%	(1,697)	(23,101)	(659)	(77)	(353)	(23)	(3,084)
Arizona	(234,495)	-7%	(12,955)	(207,308)	(5,244)	(1,477)	(4,129)	(3,383)	(40,076)
Arkansas	(101,737)	-8%	(6,969)	(80,400)	(49)	(1,688)	(1,071)	(11,560)	(10,346)
California	(1,785,912)	-8%	(74,088)	(1,630,939)	(29,803)	(1,045)	(43,603)	(6,434)	(187,287)
Colorado	(152,405)	-8%	(8,827)	(129,369)	(2,072)	(594)	(1,517)	(10,025)	(11,701)
Connecticut	(168,618)	-8%	(6,359)	(108,370)	(2,799)	232	(1,307)	(50,016)	(14,259)
Delaware	(31,185)	-8%	(1,641)	(25,372)	(554)	(94)	(208)	(3,316)	(3,267)
District of Columbia	(34,724)	-8%	(1,383)	(26,166)	(796)	(403)	(566)	(5,408)	(3,731)
Florida	(196,826)	-	(40,899)	-	(13,783)	(12,350)	(10,085)	(119,710)	(19,090)
Georgia	(92,707)	-	(22,258)	-	(5,771)	(6,664)	(3,004)	(55,010)	(8,996)
Hawaii	(59,980)	-9%	(2,921)	(54,642)	(867)	117	(1,344)	(323)	(4,077)
Idaho	(40,197)	-7%	(2,788)	(31,237)	(475)	(734)	(513)	(4,450)	(4,385)
Illinois	(332,547)	-7%	(21,215)	(288,162)	(5,747)	(827)	(8,393)	(8,203)	(39,979)
Indiana	(228,025)	-8%	(11,555)	(186,459)	(4,541)	(1,160)	(2,322)	(21,987)	(28,387)
Iowa	(72,517)	-8%	(4,181)	(60,987)	(1,410)	(913)	(726)	(4,300)	(9,041)
Kansas	(13,020)	-	(4,028)	-	(940)	(1,560)	(706)	(5,785)	(2,191)
Kentucky	(210,171)	-9%	(8,611)	(171,303)	(2,213)	(2,082)	(1,646)	(24,316)	(28,257)
Louisiana	(317,367)	-11%	(10,821)	(274,394)	(1,488)	(1,578)	(2,515)	(26,572)	(30,943)
Maine	(52,426)	-7%	(1,799)	(36,705)	(747)	(838)	(775)	(11,561)	(4,474)
Maryland	(175,383)	-7%	(10,362)	(140,286)	(3,940)	(1,224)	(1,708)	(17,862)	(18,437)
Massachusetts	(172,354)	-5%	(7,793)	(134,416)	(5,526)	(7,570)	(5,581)	(11,469)	(21,023)
Michigan	(302,470)	-8%	(15,383)	(269,089)	(5,709)	(4,462)	(4,500)	(3,327)	(33,653)
Minnesota	(101,748)	-5%	(10,552)	(81,318)	(3,075)	(1,796)	(2,184)	(2,823)	(14,496)
Mississippi	(33,284)	-	(6,417)	-	(1,442)	(3,354)	(1,292)	(20,780)	(5,531)
Missouri	(130,253)	-6%	(10,767)	(107,526)	(1,916)	(2,561)	(2,188)	(5,294)	(19,953)
Montana	(28,848)	-9%	(1,460)	(24,885)	(342)	(116)	(282)	(1,763)	(4,505)
Nebraska	(29,664)	-5%	(3,044)	(24,317)	(713)	(792)	(682)	(117)	(3,564)

State	Total Coverage Loss	Total Percentage Loss in Coverage	Coverage Loss by Enrollment Group						Funding Loss to the State (in \$ Millions)
			Children	People Enrolled Through Medicaid Expansion	Other Adults ²	People Enrolled Based on Disability	Ages 65+	Limited Benefit Enrollees ³	
Nevada	(116,310)	-10%	(5,010)	(98,950)	(862)	403	(514)	(11,376)	(10,601)
New Hampshire	(24,406)	-8%	(1,252)	(19,790)	(207)	(204)	(280)	(2,673)	(2,451)
New Jersey	(226,678)	-8%	(11,944)	(203,307)	(3,064)	(1,411)	(4,015)	(2,937)	(30,740)
New Mexico	(122,830)	-8%	(5,624)	(93,443)	(1,659)	(272)	(780)	(21,051)	(12,313)
New York	(816,541)	-8%	(39,506)	(693,182)	(12,787)	(7,350)	(19,921)	(43,794)	(84,830)
North Carolina	(254,965)	-5%	(18,723)	(213,324)	(7,364)	(6,517)	(4,489)	(4,548)	(37,902)
North Dakota	(10,489)	-6%	(887)	(8,518)	(206)	(196)	(222)	(458)	(1,332)
Ohio	(320,935)	-6%	(21,339)	(246,344)	(8,328)	(6,987)	(5,433)	(32,504)	(42,938)
Oklahoma	(95,604)	-6%	(7,786)	(82,143)	(1,974)	(1,686)	(1,749)	(267)	(14,524)
Oregon	(237,594)	-13%	(5,345)	(215,731)	(333)	23	(2,450)	(13,758)	(25,517)
Pennsylvania	(339,750)	-7%	(18,227)	(293,637)	(5,274)	(11,406)	(7,527)	(3,680)	(39,209)
Rhode Island	(31,476)	-6%	(1,642)	(26,464)	(920)	(694)	(619)	(1,138)	(3,351)
South Carolina	(23,192)	-	(11,850)	-	(3,872)	(4,734)	(2,736)	-	(8,301)
South Dakota	(16,634)	-7%	(1,049)	(13,327)	(234)	(174)	(176)	(1,674)	(1,161)
Tennessee	(54,302)	-	(14,913)	-	(6,420)	(5,947)	(2,113)	(24,908)	(9,063)
Texas	(152,751)	-	(51,535)	-	(7,789)	(11,877)	(5,987)	(75,563)	(25,810)
Utah	(33,085)	-6%	(2,962)	(28,060)	(568)	(628)	(520)	(347)	(5,594)
Vermont	(15,864)	-6%	(1,153)	(12,660)	(499)	(306)	(292)	(954)	(1,663)
Virginia	(261,613)	-9%	(11,259)	(229,754)	(3,237)	(994)	(2,727)	(13,642)	(36,350)
Washington	(248,374)	-9%	(14,390)	(210,476)	(2,353)	(993)	(2,820)	(17,342)	(30,996)
West Virginia	(72,007)	-8%	(3,436)	(57,178)	(745)	(972)	(741)	(8,934)	(6,662)
Wisconsin	(85,499)	-3%	(8,808)	-	(68,462)	(4,097)	(2,591)	(1,540)	(5,884)
Wyoming	(2,536)	-	(783)	-	(204)	(244)	(104)	(1,201)	(138)

¹ Source: Manatt Health, Medicaid Financing Model (June 2025). <https://shvs.org/resource/house-budget-bill-medicaid-proposals-state-by-state-estimates-of-impacts-on-expenditures-and-enrollment/>.

² The term “Other Adults” includes enrollees age 19-64 not accounted for in other columns.

³ Reductions in limited benefit enrollment would come entirely from lower enrollment among Qualified Medicare Beneficiaries.