

Quick Summary: Final Version of 2025 Budget Reconciliation Legislation

On July 3, 2025, Congress passed the final version of its [2025 budget reconciliation legislation](#). The American Cancer Society Cancer Action Network strongly opposed the health changes included in the bill, which the Congressional Budget Office [estimates](#) would reduce the number of people with health insurance by 10 million people by 2034 through major cuts to Medicaid and changes to Marketplace and other coverage.

This law includes the largest cut to Medicaid in the history of the program, including by:

- **Requiring all states to implement work requirements as a condition of enrollment in or continued eligibility for Medicaid coverage** – this will cause many individuals to lose coverage not because they are unemployed, but because they can't navigate the bureaucratic process to prove they are working or deserve an exemption. *To be implemented by January 1, 2027. Some states may choose to implement earlier through waivers.*
- **Charging cost-sharing to Medicaid enrollees living just barely over the poverty line** – which will force working families to choose between health care and other bills. This will include required cost-sharing for most cancer-related care. *To be implemented by October 1, 2028.*
- **Requiring all states to redetermine eligibility for individuals enrolled via Medicaid expansion every 6 months** – adding administrative requirements to kick people off coverage and create more 'churning' of people with fluctuating incomes in and out of the system. *To be implemented on January 1, 2027.*
- **Reducing the look-back period for retroactive eligibility from 3 months to 1 month for Medicaid expansion and 2 months for 'traditional' enrollees** – which will lead to more medical debt for patients and hospital closures. *To be implemented on January 1, 2027.*
- **Making many other changes that cut federal funding to this vital program,** which will force states to spend more of their own budget on Medicaid, cut people and services from the program, or cut other important programs to make up for funding shortfalls.

The law also makes changes to Marketplace coverage, including by:

- **Blocking access to Marketplace plans for individuals unable to meet Medicaid work requirements** – the bill contains a provision that doubles down on coverage losses: if an individual is kicked off Medicaid or blocked from enrolling because they can't comply with the work requirement or prove their exemption, they are also prohibited from getting tax credits to help them afford a Marketplace plan. *To be implemented as of July 4, 2025.*
- **Ends autoenrollment in Marketplace plans** – the bill ends automatic re-enrollment for enrollees in both state-based marketplaces and federally-facilitated marketplaces. Enrollees will have to verify information each year before they can enroll in coverage. *To be implemented by January 1, 2028.*
- **Ends protection for recapture of tax credits** – Individuals who receive advanced premium tax credits estimate their annual income for purposes of determining the amount of the tax credit. Individuals who underestimate their income (and thus receive a higher tax credit than they were eligible for) have to repay this amount (overage) when they file their personal income taxes the following year. However, the amount of the repayment is capped to protect low income individuals from receiving a large tax liability. The bill eliminates the cap on repayment of excess advance premium tax credits. *To be implemented by January 1, 2026.*