

Health Care:

How does the Republican's "One Big Beautiful Bill" affect Health Insurance?



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Before the passage of the Republican's "One Big Beautiful Bill" in 2025, the US already had the [highest health insurance costs](#) of all large, advanced countries, and is the only large, advanced country that [does not insure virtually all of its citizens](#). The US pays the most and gets the least.

The OBBB, enacted in 2025, makes those problems even worse by:

1. **Reducing federal Medicaid support,**
2. **Making Affordable Care Act coverage less affordable,**
3. **Increasing the number of uninsured Americans, and**
4. **Worsening the federal budget outlook,** which puts additional strain on Medicare.

The law makes coverage harder to obtain and keep, reduces funding available to states and health-care providers, and shifts more health-care risk onto families. The Congressional Budget Office (CBO) projects that the law [will leave 10 million more people uninsured by 2034](#)

1. The Republican's OBBB decreases funding for Medicaid

Medicaid provides coverage for low-income children and parents, pregnant people, people with disabilities, older adults who need long-term care, and many low-wage workers. The OBBBA reduces projected federal Medicaid spending by an estimated [\\$ 911 billion over ten years](#), according to the Congressional Budget Office.

The law cuts Medicaid funding **by creating new barriers to enrollment and by limiting how states finance Medicaid**. Beginning in 2027, many adults will have to document at least 80 hours per month of work, education, job training, volunteering, or another qualifying activity to retain Medicaid coverage.

- Supporters describe this as a work requirement; critics point out that many affected adults already work, care for relatives, have unstable schedules, or face temporary illness and paperwork obstacles.
- [The greatest risk is that eligible people lose insurance because they cannot repeatedly prove eligibility](#), not because they lack a qualifying activity.

2. The OBBB Increases Costs for People Obtaining Health Insurance Through the Affordable Care Act

The Affordable Care Act, often called Obamacare, expanded access to insurance through marketplace plans and income-based premium tax credits. The OBBBA does not eliminate these, but it makes their coverage less affordable and more difficult to maintain. For example, it makes it

[more difficult to establish eligibility, and reduces the premium tax credits](#) for people who enroll during “Special Enrollment Periods”, which are meant to make enrollment more flexible.

A major problem is the [expiration of enhanced ACA premium tax credits](#). Those credits had reduced monthly premiums for millions of people, including self-employed workers, early retirees, small-business employees, and families who do not receive insurance through an employer. By allowing these credits to expire, many ACA enrollees will face much higher premiums.

Many families will choose to pay the higher cost, but others will drop their coverage and become uninsured, putting themselves at risk and putting more pressure on the health system to provide uncompensated care.

3. The OBBB Is Projected to Cause 10 million Americans to Lose Health Insurance by 2034

The most tragic measure of the OBBBA’s effect is its expected increase in the uninsured population. CBO estimates that the law will lead to [10 million additional uninsured people by 2034](#) relative to what would have occurred under prior law.

Insurance loss has practical consequences. People without coverage are more likely to delay doctor visits, skip prescriptions, postpone diagnostic tests, and avoid preventive care. Conditions such as diabetes, high blood pressure and cancer become harder and more expensive to manage when care is delayed.

This also pushes more uncompensated care onto health care providers, particularly [rural hospitals](#), weakening their financial stability and putting them at greater risk of closure.

4. The OBBB Puts Medicare at Greater Risk by Increasing the Federal Budget Deficit.

The Congressional Budget Office has projected that [the OBBB will increase the Federal deficit by over \\$4 trillion](#), relative to what would occur without this legislation. This is primarily due to tax cuts which [mostly benefit high income households and corporations](#).

A larger federal deficit does not automatically mean Medicare benefits will be cut. But it makes future cuts, provider-payment reductions, eligibility changes, premium increases, or benefit restrictions more politically likely.

The One Big Beautiful Bill Act makes an already broken health-care system more expensive and less secure for millions of Americans. The law’s effects will be felt not only by people who lose coverage, but also by hospitals, clinics, employers, local governments, and our communities.

More Information

- Center for Medicare Advocacy, detailed analysis of the impact of the OBBB, 7/24/25, <https://medicareadvocacy.org/impact-of-the-big-bill-on-medicare/>

For questions and comments, contact us at info@centerforpolicyprogress.org.