



The Budget Bill Is Bad for Louisiana

The "One Big Beautiful Bill Act" will terminate health coverage, drive up costs and cut care across the country — eliminating health coverage for nearly 16 million people¹ and resulting in over 51,000 preventable deaths nationwide.² If Congress charges ahead with either the Senate or House version of the bill, at least 280,000 Louisianans will lose health coverage,³ and Louisiana's uninsured rate will nearly double.⁴

The budget bill threatens the health and financial security of Louisianans in every community:

- Makes the largest cut to Medicaid in history, gutting a whopping \$859 billion from Medicaid⁵ and the low-income families, workers, veterans and people with disabilities who rely on it for their care, including 1,514,000 children and adults in Louisiana.⁶
- **Drains \$349 billion from Marketplace coverage,**⁷ jeopardizing small businesses and entrepreneurs in Louisiana.
- Forces another \$500 billion in mandatory cuts to Medicare by triggering federal spending laws on top of the Medicaid cuts that will already impact seniors and people with disabilities who are also covered by Medicare (dual-eligibles).

The budget bill will wreak havoc on Louisiana's health system and economy

Louisiana will be forced to offset budget holes caused by this bill by terminating coverage for families, eliminating essential health services, and cutting provider rates so drastically that doctors and hospitals are forced to close their doors – particularly in rural communities. Hospitals like West Ascension Parish Hospital in Donaldsonville and North Louisiana Medical Center in Ruston will be at greater financial risk of closing due to Medicaid cuts in the bill.8

Congress should reject these harmful cuts and instead take steps to protect health coverage programs that serve as lifelines for Louisianans.

June 2025 Fact Sheet

The budget bill will roll back the last decade of improvements to Louisiana health coverage and care

Louisiana Medicaid will face major cuts, forcing the state to make tough decisions about rolling back the services it provides — including dental care, prescription drugs and mental health care. The bill would also raise costs for Louisiana's low-income seniors and people with disabilities who have Medicare coverage but also rely on Medicaid to help pay for out-of-pockets costs and access services not covered by Medicare. These cuts undermine the core financial backbone of Louisiana's health care system, as Medicaid pays for a significant portion of care and services at local clinics and hospitals and serves as a critical engine for the state's economy.

Louisiana Medicaid covers 1,514,000 children and adults:9



1 in 3 Louisiana residents. 10



706,000 children – 42% of all children in Louisiana.¹¹



373,000 seniors and people with disabilities in Louisiana. 12

The Marketplace will be undermined in its mission to provide access to health care for Louisianans who do not qualify for Medicaid and do not have affordable coverage through their employers. The bill would make it harder for Louisianans to buy their own health coverage through the Marketplace without preexisting condition exclusions. Marketplace coverage provides comprehensive health benefits, including cancer screenings and treatment for diabetes and high blood pressure. The bill was also written with the assumption that Congress will allow enhanced premium tax credits to expire, which will make coverage even more unaffordable for Louisianans.

The Marketplace provides:



Coverage for 292,000 Louisiana residents.¹³



Coverage for 23,000 small-business owners in Louisiana and 22,000 selfemployed Louisiana residents.¹⁴



Premium tax credits to help 97% of Louisiana enrollees pay their premiums.¹⁵ The budget bill will harm Louisiana families, workers, and small businesses by wrapping health coverage and care in red tape, undermining critical consumer protections, and making health care unaffordable.

- Making public and private coverage more expensive, harder to get and keep
 The bill will impose higher out-of-pocket costs and cumbersome verification procedures for
 both Medicaid and the Marketplace. It will also eliminate automatic enrollment and shorten
 the annual open enrollment period for the Marketplace, threatening coverage for the
 161,000 people in Louisiana who will no longer be able to automatically reenroll in their
 Marketplace plans from year to year. Around 92,000 additional Louisianans will become
 uninsured if Congress fails to renew enhanced premium tax credits that help them afford
 plans offered through the Marketplace.
- Kicking working people off coverage by creating bureaucratic barriers
 The act will attack Louisiana's successful Medicaid expansion, which covers 785,000
 Louisianans. In 2016, Louisiana expanded Medicaid coverage to residents who earn less than \$21,597 per year. The act will make it hard for these Louisianans to keep their coverage, requiring them to reverify they are eligible every six months.

The act also will impose the most onerous work reporting requirements ever attempted, requiring workers to prove that they have one or more jobs that meet the hourly minimum or that they are exempted. Based on the experience of states that previously — and unsuccessfully — tried to implement work reporting requirements, an estimated 160,000 people are at risk of losing their coverage in Louisiana, oincluding fishermen, shrimpers, seasonal farm workers, caregivers, students, and people with disabilities. An estimated 500 avoidable deaths will occur in Louisiana each year when adults lose coverage because of work reporting requirements.

Rolling back consumer protections for children

For children enrolled in the Children's Health Insurance Program (CHIP), the act will eliminate current bans on annual and lifetime caps, enrollment waiting periods, and lockout periods for families who miss a premium payment because they cannot keep up

with the cost of coverage.

Raising costs for the poorest and most vulnerable Louisianans covered by Medicare

Medicaid helps about 236,000 seniors and people with disabilities afford their Medicare expenses, ²² including premiums and out-of-pocket costs when they see a doctor or need a hospital stay. The act will eliminate commonsense approaches like automatic data verification and streamlining applications, which will make it harder for these Louisianans to get the help they need to pay for their health care.



LOUISIANA'S HEALTH CARE SYSTEM WILL LOSE AN ESTIMATED

\$3.1 BILLION

PER YEAR IN FEDERAL FUNDING

The budget bill will create a crisis for Louisiana's health system and state budget

With 280,000 Louisianans set to lose access to their Medicaid and Marketplace coverage, Louisiana's health care system will lose an estimated \$3.1 billion per year in federal funding, making it nearly impossible for the state to maintain current levels of coverage, benefits, and payments to providers.²³ Louisiana taxpayers will have to spend at least that much each year to cover additional uncompensated care costs at hospitals and clinics that provide health care services to newly uninsured residents who lack the ability to pay. The loss of federal funding will cause at least 20,000 total job losses (including jobs outside the health care sector) and \$3.3 billion in reduced economic output in the state.²⁴

The act will eliminate Louisiana's flexibility to fund Medicaid in a way that works best for the state by freezing taxes on health care providers at current rates. This will leave Louisiana with few options to address budget shortfalls and meet future demands resulting from hardships caused by storms, public health emergencies and economic downturns.

- Under both the House and Senate version of the bill, if Louisiana has a future Medicaid budget shortfall and needs to raise revenue, it would not have the option to turn to new provider taxes as a funding source and will have to consider income, sales and other taxes.
- Louisiana currently taxes providers at lower rates than many other states. Under the House version of the bill, Louisiana would be at a disadvantage compared to those states that would have their provider taxes frozen at higher rates.²⁵

Cuts will make it much harder for Louisiana to fund:

- 2 in 3 births for Louisiana mothers.²⁶
- 3 in 4 Louisiana nursing home residents.²⁷
- Hospital services at 108 Louisiana hospitals.²⁸ For example, Louisiana Medicaid pays for 50% of all hospital services at Oschner LSI Health- St. Mary Medical Center in Shreveport and 42% of all hospital services at Baton Rouge General.²⁹

The Senate should reject this ill-conceived proposal and instead vote to protect access to Medicaid, the Marketplace and Medicare so that:

CHILDREN IN LOUISIANA

Have access to newborn care, checkups, care for diabetes and asthma, and more.

Stay healthy and ready to learn, miss fewer school days, are more likely to graduate, and earn more as adults.³⁰



FAMILIES IN LOUISIANA

Have access to cancer screenings, mental health and substance use disorder treatment, and diabetes and blood pressure medications.

Have less risk of medical debt and eviction and can better afford to buy groceries or pay rent.³¹







SENIORS IN LOUISIANA

Have access to nursing home care, transportation to medical appointments, and home health services.

Stay healthy and receive needed care in their homes and communities.



The bill's proposed cuts to Medicaid, the Marketplace and Medicare are direct attacks on the health and financial security of Louisiana residents and run counter to the will of the vast majority of voters from across political parties.³²

- 92% of Louisiana voters want a "strong, sustainable Medicaid program." 33
- 68% of Louisiana voters oppose cutting funding for Medicaid.34
- **82% of adults nationwide** including 67% of Republicans want Congress to maintain or increase Medicaid spending.³⁵

Congress has the responsibility to stand with families in Louisiana and across the country by rejecting these cuts.

Endnotes

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