



## The Budget Bill Is Bad for Pennsylvania

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 people<sup>1</sup> and resulting in over 51,000 preventable deaths nationwide.<sup>2</sup> **If Congress charges ahead with either the Senate or House version of the bill, at least 400,000 Pennsylvanians will lose health coverage,<sup>3</sup> and Pennsylvania’s uninsured rate will increase by 60%.<sup>4</sup>**

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

- **Makes the largest cut to Medicaid in history**, gutting a whopping **\$859 billion** from Medicaid<sup>5</sup> and the low-income families, workers, veterans and people with disabilities who rely on it for their care, including 2,982,000 children and adults in Pennsylvania.<sup>6</sup>
- **Drains \$349 billion from Marketplace coverage,<sup>7</sup>** jeopardizing small businesses and entrepreneurs (including those covered through Pennie, Pennsylvania’s version of the Marketplace).
- **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 Pennsylvania’s health system and economy

Pennsylvania 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 will be forced to close their doors — particularly in rural communities. **Hospitals like UPMC Jameson in New Castle and Penn Highlands Connellsville will be at greater financial risk of closing due to Medicaid cuts in the bill.<sup>8</sup>**

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



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

**Pennsylvania 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 Pennsylvania’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 Pennsylvania’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.

### Pennsylvania Medicaid covers 2,982,000 children and adults:<sup>9</sup>



**1 in 4 Pennsylvania residents.**<sup>10</sup>



**1,249,000 children** — 39% of all children in Pennsylvania.<sup>11</sup>



**857,000 seniors** and **people with disabilities** in Pennsylvania.<sup>12</sup>

Pennie will be undermined in its mission to provide access to health care for Pennsylvanians who do not qualify for Medicaid and do not have affordable coverage through their employers. The bill would make it harder for Pennsylvanians to buy their own health coverage through Pennie 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 Pennsylvanians.

### Pennie provides:



Coverage for **496,000 Pennsylvania residents.**<sup>13</sup>



Coverage for **47,000 small-business owners** in Pennsylvania and **74,000 self-employed** Pennsylvania residents.<sup>14</sup>



Premium tax credits to help **88% of enrollees** in Pennsylvania pay their premiums.<sup>15</sup>



## The budget bill will harm Pennsylvania 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 Pennie. It will also eliminate automatic enrollment and shorten the annual open enrollment period for the Marketplace, threatening coverage for the **320,000 people in Pennsylvania who will no longer be able to automatically re-enroll** in their Pennie plans from year to year.<sup>16</sup> Around 32,000 additional Pennsylvanians will become uninsured if Congress fails to renew enhanced premium tax credits that help them afford plans offered through Pennie.<sup>17</sup>

### ✓ **Kicking working people off coverage by creating bureaucratic barriers**

The act will attack Pennsylvania's successful Medicaid expansion, which covers **750,000 Pennsylvanians**.<sup>18</sup> In 2015, Pennsylvania expanded Medicaid coverage to residents who earn less than \$21,597 per year.<sup>19</sup> The act will make it hard for these Pennsylvanians 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 258,000 people are at risk of losing their coverage in Pennsylvania,<sup>20</sup> including seasonal farm and hospitality workers, caregivers, students, and people with disabilities. **An estimated 770 avoidable deaths will occur in Pennsylvania each year when adults lose coverage because of work reporting requirements.**<sup>21</sup>

### ✓ **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 Pennsylvanians covered by Medicare**

Medicaid helps about 445,000 seniors and people with disabilities afford their Medicare expenses,<sup>22</sup> 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 Pennsylvanians to get the help they need to pay for their health care.





PENNSYLVANIA'S HEALTH CARE SYSTEM WILL LOSE AN ESTIMATED

**\$3.9 BILLION**

PER YEAR IN FEDERAL FUNDING

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

With over 400,000 Pennsylvanians set to lose access to their Medicaid and Pennie coverage, **Pennsylvania's health care system will lose an estimated \$3.9 billion per year in federal funding**, making it nearly impossible for the state to maintain current levels of coverage, benefits and payments to providers.<sup>23</sup> Pennsylvania 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 41,000 total job losses (including jobs outside the health care sector) and \$7.3 billion in reduced economic output in the state.<sup>24</sup>

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

- Pennsylvania currently taxes hospitals at lower rates than many other states. Under the House version of the bill, Pennsylvania would be at a disadvantage compared with those states that would have their hospital provider taxes frozen at higher rates.<sup>25</sup>
- Under both the House and Senate version of the bill, if Pennsylvania 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 would have to consider income, sales and other taxes.

### Cuts will make it much harder for Pennsylvania to fund:

- 1 in 3 births for Pennsylvania mothers.<sup>26</sup>
- 3 in 5 Pennsylvania nursing home residents.<sup>27</sup>
- Hospital services at 102 Pennsylvania hospitals.<sup>28</sup> For example, Medicaid pays for 39% of all hospital services at LECOM Medical Center in Erie and 19% of all hospital services at Heritage Valley Kennedy in McKees Rocks.<sup>29</sup>



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

### CHILDREN IN PENNSYLVANIA

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.<sup>30</sup>



### FAMILIES IN PENNSYLVANIA

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.<sup>31</sup>



### SENIORS IN PENNSYLVANIA

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, Pennie and Medicare are direct attacks on the health and financial security of Pennsylvania residents and run counter to the will of the vast majority of voters from across political parties.<sup>32</sup>

- **92% of Pennsylvania voters** want a “strong, sustainable Medicaid program.”<sup>33</sup>
- **69% of Pennsylvania voters** oppose cutting funding for Medicaid.<sup>34</sup>
- **82% of adults nationwide** — including 67% of Republicans — want Congress to maintain or increase Medicaid spending.<sup>35</sup>

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



## Endnotes

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- <sup>9</sup> Pennsylvania Department of Human Services, “Data Dashboards.”
- <sup>10</sup> Pennsylvania Department of Human Services, “Data Dashboards.”
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- <sup>12</sup> Rhiannon Euhus, Alice Burns, and Robin Rudowitz, “Congressional District Interactive Map: Medicaid Enrollment by Eligibility Group,” KFF, March 11, 2025, <https://www.kff.org/medicaid/issue-brief/congressional-district-interactive-map-medicare-enrollment-by-eligibility-group/>.
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