



The Budget Bill Is Bad for Utah

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 180,000 Utahns will lose health coverage,³ and Utah’s uninsured rate will increase by 67%.⁴**

The budget bill threatens the health and financial security of Utahns 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 336,000 children and adults in Utah.⁶
- **Drains \$349 billion from Marketplace coverage,⁷** jeopardizing small businesses and entrepreneurs in Utah.
- **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 Utah’s health system and economy

Utah 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 Fillmore Community Hospital and Beaver Valley Hospital 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 Utahns.

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

Utah 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 Utah’s low-income seniors and people with disabilities who have Medicare coverage but also rely on Medicaid to help pay for out-of-pocket costs and access services not covered by Medicare. These cuts undermine the core financial backbone of Utah’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.

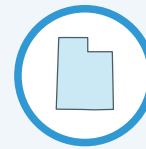
Utah Medicaid covers 336,000 children and adults.⁹



172,000 children – 42% of all children in Utah.¹⁰



53,000 seniors and people with disabilities in Utah.¹¹



60,000 rural residents in Utah.¹²

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

The Marketplace provides:



Coverage for **421,000 Utah residents**.¹³



Coverage for **16,000 small-business owners** in Utah and **30,000 self-employed** Utah residents.¹⁴



Premium tax credits to help **96% of Utah enrollees** pay their premiums.¹⁵

The budget bill will harm Utah 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 **108,000 people in Utah who will no longer be able to automatically reenroll** in their Marketplace plans from year to year.¹⁶ Around 15,000 additional Utahns will become uninsured if Congress fails to renew enhanced premium tax credits that help them afford plans offered through the Marketplace.¹⁷

✓ Kicking working people off coverage by creating bureaucratic barriers

The act will attack Utah's successful Medicaid expansion, which covers 78,000 Utahns.¹⁸ In 2018, Utahns voted to provide Medicaid coverage to residents who earn less than \$21,597 per year.¹⁹ The act will make it hard for these Utahns 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 30,000 people are at risk of losing their coverage in Utah,²⁰ including seasonal farm and hospitality workers, caregivers, students, and people with disabilities. **An estimated 100 avoidable deaths will occur in Utah each year when adults lose coverage because of work reporting requirements.**²¹

✓ 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 Utahns covered by Medicare

Utah Medicaid helps about 35,000 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 Utahns to get the help they need to pay for their health care.



UTAH'S HEALTH CARE SYSTEM WILL LOSE AN ESTIMATED

\$559 MILLION

PER YEAR IN FEDERAL FUNDING

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

With 180,000 Utahns set to lose access to their Utah Medicaid and Marketplace coverage, **Utah's health care system will lose an estimated \$559 million per year in federal funding**, making it nearly impossible for the state to maintain current levels of coverage, benefits, and payments to providers.²³ Utah 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 6,900 total job losses (including jobs outside the health care sector) and \$1.1 billion in reduced economic output in the state.**²⁴

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

- Under the Senate version of the bill, Utah would be required to reduce its hospital provider tax rate to no more than 3.5% by 2030, which could result in the state raising income, sales or other taxes to make up the difference.²⁵
- Utah currently taxes hospitals at lower rates than many other states. Under the House version of the bill, Utah would be at a disadvantage compared to those states that would have their provider taxes frozen at higher rates.²⁶

Cuts will make it much harder for Utah to fund:

- 1 in 5 births for Utah mothers.²⁷
- 3 in 5 Utah nursing home residents.²⁸
- Hospital services at 35 Utah hospitals.²⁹ For example, Utah Medicaid pays for 40% of all hospital services at Blue Mountain Hospital in Blanding and 15% of all hospital services at Mountain View Hospital in Payson.³⁰

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

CHILDREN IN UTAH

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.³¹



FAMILIES IN UTAH

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.³²



SENIORS IN UTAH

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 Utah residents and run counter to the will of the vast majority of voters from across political parties.³³

- **88% of Utah voters** want a “strong, sustainable Medicaid program.”³⁴
- **68% of Utah voters** oppose cutting funding for Medicaid.³⁵
- **82% of adults nationwide** — including 67% of Republicans — want Congress to maintain or increase Medicaid spending.³⁶

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

Endnotes

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