The One Big Beautiful Bill and Its Impact on Medicaid and U.S. Healthcare

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Abstract:
Since their establishment in 1965, Medicare and Medicaid have played vital roles in giving healthcare coverage to millions of low-income, elderly, and disabled Americans. Over time, these programs have changed through reforms such as the Balanced Budget Act of 1997 and the Affordable Care Act of 2010, which both expanded eligibility and improved access to healthcare. However, the recent passing of the One Big Beautiful Bill in [month, year] marks a substantial shift in policy, implementing the largest Medicaid cut in U.S. history. This new legislation introduces strict work requirements, more eligibility verifications, increased copayments, and huge funding reductions, affecting millions of Americans, especially those with low-income. The bill's economic strategies have sparked controversy due to the projected increases in the nation's debt, expecting to add [$ amount]. These reforms are expected to affect the uninsured population, compromising preventative care, and adding stress on healthcare providers especially in rural and underserved areas. Healthcare experts advocate for policy revisions to reduce the effects, focusing on simple enrollment and expanded eligibility. The One Big Beautiful Bill enactment has marked a critical point in time for American healthcare, raising questions of the future of our nation's healthcare safety net: the system of public programs such as medicaid. This calls for continued conversation to preserve these protections in a way that is economically sustainable for those who rely on them.

Introduction & Historical Context:
Established in 1965, Medicare and Medicaid have played a pivotal role in U.S. healthcare by extending insurance coverage to millions of elderly and low-income citizens. Medicare was established as a federal program to cover Americans who are 65 or older, certain disabled individuals, and those with end-stage renal disease (PMC, 2025). Medicaid, in contrast, is jointly funded at the federal and state levels to extend healthcare coverage to low-income families and individuals with disabilities. Over time the Medicare and Medicaid systems have evolved due to shifts in political priorities and economic conditions. Some notable reforms include the Balanced Budget Act of 1997, which introduced Medicare Advantage plans]. The Balanced Budget Act offered beneficiaries private plan options in order to improve care and instituted cost control that altered Medicare's payment structure (CMS, 2025). The Affordable Care Act (ACA) of 2010 further expanded Medicaid eligibility to millions of low income adults through federal funding incentives to states. This act's expansion was met with political resistance, which led to coverage being based on state decisions instead of federally. The ACA was intended to benefit underserved groups in America, such as American Indians and Alaska Natives, improving preventative care - services aimed at detecting health issues early - and thus reducing disparities (GovFacts, 2025).

Despite these past acts that aimed to advance, the recent passing of the One Big Beautiful Bill represents a significant shift. This legislation enacts the most significant cuts to Medicaid in U.S. history, representing a reversal of the growth in coverage seen in recent decades. This underscores the financial pressures and political beliefs that continue to change the programs

that millions of Americans rely on for basic healthcare needs. This context is vital to understand the significance of change and the potential consequences for vulnerable people and the overall healthcare system. After its narrow passage, the One Big Beautiful Bill quickly became a source of national debate. While lawsuits and political disputes continue, the real and immediate consequences are unfolding in hospitals, clinics, and households across the country. Medicaid, historically a partnership between federal guidelines and state flexibility, is now constrained by strict federal mandates, setting off sweeping changes in how patients receive care and how providers can deliver it.

Major Medicaid Changes under the One Big Beautiful Bill:

The One Big Beautiful Bill introduces major Medicaid reforms that dramatically change eligibility and access rules, altering how recipients interact with the program. These reforms include the imposition of work requirements, mandating that able-bodied Medicaid recipients aged 19-64 years participate in at least 80 hours of work, volunteering, or education per month to maintain their healthcare coverage, going into effect December 31, 2026. There are exceptions for vulnerable groups such as individuals with certain disabilities (KFF, 2021). This bill transfers a huge responsibility to states, which must design complex reporting systems in order to comply, which, as a result, adds more work for state offices. For instance, Arkansas was the only state to implement work requirements during the Trump administration under its “Arkansas Works” program. However, a federal court stopped these requirements in 2019 and the Biden administration later withdrew them due to their negative impacts (Medwave, 2025). Similarly, Kentucky attempted to enforce work requirements under Kentucky HEALTH waiver, including

monthly premiums and coverage lockouts - for failure to renew eligibility timely - these policies were later rescinded after court challenges and public backlash (KFF, 2021). These cases illustrate how work requirements will lead to loss of coverage, underscoring the risks that the One Big Beautiful Bill's reforms may replicate nationwide.

The Bill also doubles the frequency of verification for eligibility from annually to every six months, resulting in increased administrative burdens on Medicaid offices and recipients. This makes "churn" more common - where beneficiaries lose coverage temporarily, even if they are eligible (KFF, 2021). Additionally, the introduction of copayments up to $35 per doctor visit for Medicaid enrollees just above the poverty line threatens to discourage low-income individuals from seeking preventive care. These combined changes are predicted to reduce Medicaid enrollments by over 10 million individuals and increase the population of people who are uninsured, placing more stress on hospitals especially in rural and underserved communities (Medwave, 2025). Supporters argue these changes will reduce program costs and encourage self-sufficiency, but this bill risks having severe negative implications for healthcare access.

Impact on Vulnerable Populations:
The consequences of the Bill's reforms are prominent among the most vulnerable populations served by Medicaid, CHIP (Children's Health Insurance Program), and Medicare. The bill's changes in eligibility process and requirements has undermined the healthcare stability of almost thirty-eight million children dependent on Medicaid and CHIP (GovFacts, 2025). These provisions increase the risk of children losing medical care during the important developmental years. Specifically, the loss of eligibility means that newborns and children will face coverage gaps at the beginning of their lives. People with disabilities who rely on Medicaid face vulnerability because of the strict work requirements (Medwave, 2025). Legal immigrants also face eligibility restrictions despite being contributors to Medicare and Medicaid systems through taxes (Medwave, 2025). Rural healthcare systems, which already are underfunded, will face substantial consequences due to Medicaid funding cuts by the One Big Beautiful Bill. These hospitals are projected to lose $50.4 billion in Medicaid payments over the next ten years (GovFacts, 2025). The financial stress forces hospitals to lay off essential staff or even close entirely, contributing to the existing healthcare access challenges in rural areas. This trend will

lead to “healthcare deserts” where residents must travel a long distance in order to receive care or go without care altogether. This decline in rural hospital availability has systematic effects, as emergency departments (EDs) are becoming overcrowded. EDs are filled with patients who are not insured and delay care until emergencies arise, this reduces quality of care for all patients (KFF, 2021). Because emergency rooms are required by law to provide care regardless of a patient's ability to pay, hospitals are facing uncompensated care adding to the cycle of financial distress and hospital service cuts. These challenges are a sign of an urgent need for policy reform that provides access in these vulnerable communities.

Budget effect:
Supporters of the One Big Beautiful Bill claim that it will reduce the federal deficit while critics argue the legislation uses wrong accounting called “magic math” and it changes the true cost to mislead. While the bills enact $4.5 trillion in tax cuts and $1.2 trillion in spending cuts, independent analyses estimate that the net effect will increase national debt by $3.3 trillion over the next decade (GovFacts, 2025). This difference comes from the overoptimistic revenue predictions. The bill focuses more on tax cuts instead of healthcare, resulting in programs like Medicaid and Medicare getting less funding. At the state level Medicaid funding cuts are over $340 billion, making the already tight budget even harder to manage. States might potentially respond by raising taxes, cutting money for schools or even further reducing Medicaid benefits and eligibility. These budget problems affect more than just debt, impacting the health of people and economic stability.

Public Health Impacts:

The bill’s Medicaid provisions are expected to remove coverage from roughly 11.8 million people over the next decade, largely due to work requirements, semiannual eligibility checks, and the elimination of provisional coverage (Medwave, 2025). Work requirements alone are projected to cause 4.8 million people to lose insurance, while stricter verification rules, such as rechecking addresses and immigration status, create new opportunities for coverage loss from simple administrative mistakes (GovFacts, 2025). This “churn” disrupts access to consistent care, with nearly 10% of enrollees nationally experiencing gaps in coverage each year even before the new rules (KFF 2021). For patients, these changes often mean losing access to primary care, prescription drugs, and preventive screenings. Families who lose coverage delay doctor visits, leading to more advanced illnesses and costlier treatment later. The $35 copay allowed for certain Medicaid patients above the poverty line further discourages individuals with low income from seeking timely care (GovFacts, 2025).

Pediatric and prenatal visits have declined in affected communities, raising concerns about long-term health outcomes for children and mothers. Hospitals, especially safety-net and rural facilities, are under severe strain. The bill’s funding cuts translate to a $12.2 billion annual loss in Medicaid revenue for rural hospitals, with a median hit of $3.9 million per facility (Medwave, 2025). Safety-net hospitals, which already operate on thin margins, face millions more in uncompensated care costs as uninsured patients increasingly turn to emergency rooms for treatment. In rural states, 1.8 million residents are projected to lose insurance, increasing the risk of service cuts or closures and creating healthcare deserts (GovFacts, 2025). Community

health centers, heavily dependent on Medicaid reimbursements, have begun scaling back outreach programs and preventive services, deepening disparities in care access. These effects, including fewer early interventions, higher hospitalization rates, and more emergency room reliance, undermine the very purpose of Medicaid as a safety net, particularly for low-income, disabled, and rural Americans.

The Future:

To address the challenges posed by the One Big Beautiful Bill, action must begin immediately at both the individual and community levels. Individuals should stay informed about changes to Medicaid eligibility, complete paperwork on time, and help friends and family navigate the new enrollment requirements, ensuring that vulnerable populations do not lose coverage unnecessarily. Communities can strengthen support networks by partnering with local nonprofits, clinics to provide workshops, outreach programs, and informational sessions that assist those at risk of losing healthcare access. Hospitals and healthcare providers should prepare by expanding outreach teams, training staff to help patients understand and comply with new regulations, and developing contingency plans to manage an expected increase in uninsured patients seeking emergency care. Policymakers and advocacy groups can push for reforms that reduce administrative barriers, eliminate strict work requirements, and expand Medicaid coverage to more individuals in need. By taking coordinated action now, we can mitigate the negative effects of these changes, preserve access to essential services, and ensure that the healthcare safety net remains strong and equitable for all Americans.

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