

G.O.P. Plans to Cut Medicaid Would Save Billions but Leave More Uninsured, Budget Office Says

The Congressional Budget Office reviewed the leading proposals from Republicans who are trying to cut the costs of a program that serves roughly 72 million poor and disabled Americans.



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By Margot Sanger-Katz

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As Republicans in Congress wrestle with options for cutting Medicaid costs, the Congressional Budget Office has estimated that the leading plans under consideration could yield significant savings — but would also increase the share of Americans who are uninsured.

The budget office considered several options as Republicans attempt to find hundreds of billions of dollars in cuts from Medicaid spending to help offset the costs of tax cuts they hope to extend. But two leading proposals that would help reach that goal would leave millions without health coverage, according to the office's estimates.

One option, to limit the way states use a tax loophole to increase federal spending on Medicaid, would save \$668 billion but cause 3.9 million Americans to go without health insurance.

Another option, which would lower federal spending on Medicaid beneficiaries who are part of the Obamacare expansion of the program, would save the government \$710 billion over a decade, but cause 2.4 million people to become uninsured.

But after a meeting with centrist Republican lawmakers on Tuesday, Speaker Mike Johnson said he had ruled out cutting the funding formula for working-age adults who are covered under the Affordable Care Act expansion.

The budget office released the estimates Wednesday in a letter to Democratic lawmakers in the Senate Finance and House Energy and Commerce committees, who had requested them from the office.

The budget blueprint passed by Republican majorities in both chambers asks the House committee that oversees Medicaid — which provides health coverage to around 72 million Americans who are poor or disabled — to find \$880 billion in cuts, a difficult target to meet without including major program changes.



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The analysis considered a few other policy options: One would change the structure of Medicaid from one in which the program pays for beneficiary medical bills to one in which states received a fixed payment for each person. This option would reduce the deficit by \$662 billion, and lead to 2.9 million people without insurance.

Another proposal, which would allow states to require more paperwork from beneficiaries to sign up and stay enrolled, would save \$162 billion and cause 600,000 people to be uninsured.

In every scenario, the reductions in Medicaid enrollment are larger than the projected increases in the number of people without insurance, because the budget office assumes some people currently covered by Medicaid would get insurance another way.

The analysis did not include one option Republicans seem to agree on: a policy that would require certain Medicaid beneficiaries to prove they are working a minimum number of hours in order to receive benefits. A previous budget office estimate suggested such a policy could reduce federal spending by around \$100 billion, but that policy would probably overlap with the others, meaning the totals cannot be added together.

All of the budget office calculations assume states would respond to changes in federal policy by making changes to their own programs. The budget office said some states would stop covering those now covered under the Affordable Care Act expansion. Others would reduce benefits or payments to medical providers. Some would make changes to other parts of their state budgets to make up the difference.

Democratic leaders used the estimates to assail the Republican plan.

“This analysis from the nonpartisan, independent C.B.O. is straightforward: The Republican plan for health care means benefit cuts and terminated health insurance for millions of Americans who count on Medicaid,” said Senator Ron Wyden of Oregon, the ranking member of the Finance Committee.

A correction was made on May 7, 2025: An earlier version of this article misstated Senator Ron Wyden’s role on the Finance Committee. Mr. Wyden, Democrat of Oregon, is currently his party’s ranking member on the committee, not the committee’s chairman.

When we learn of a mistake, we acknowledge it with a correction. If you spot an error, please let us know at nytnews@nytimes.com. [Learn more](#)

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