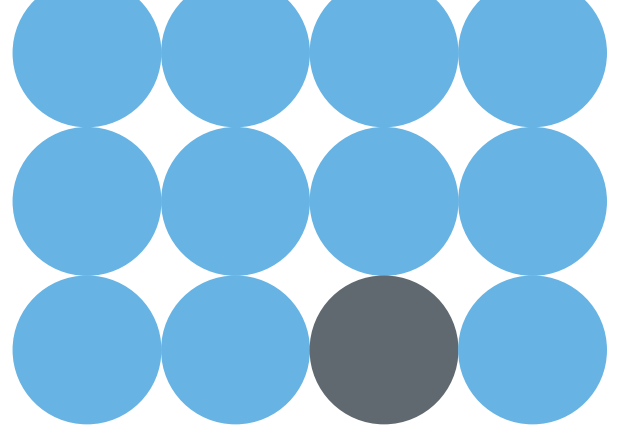


# Social Justice Brief

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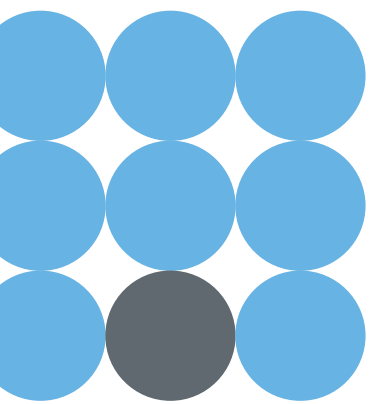
## Harmful Impact of 2025 Congressional Reconciliation Budget Package

The primary mission of the social work profession is to enhance human well-being and help meet the basic human needs of all people, with particular attention to the needs and empowerment of people who are vulnerable, oppressed, and living in poverty.



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The National Association of Social Workers (NASW) is the largest membership organization of professional social workers in the United States. NASW works to enhance the professional growth and development of its members, to create and maintain professional standards, and to advance sound social policies.



# Harmful Impact of 2025 Congressional Reconciliation Budget Package

In May 2025, the House Republicans passed their version of the reconciliation spending bill—officially named the “One Big Beautiful Bill Act.” In passing its version of the reconciliation budget, the House Republicans have exacerbated already fierce opposition to the deep cuts to essential social safety-net programs—mainly Medicaid and the Supplemental Nutrition Assistance Program (SNAP)—and other critical support.

These cuts will strip millions of low-income families, children, seniors, and individuals with disabilities of vital healthcare access, food security, and financial support. The severe reduction in funding will also worsen the existing health disparities that impact communities of color and rural communities. Furthermore, a strong case can be made that budget reductions in Medicaid and SNAP disproportionately burdens America’s most vulnerable while awarding huge tax breaks to corporations and the wealthy.

The planned cuts in the House reconciliation budget have sparked intense criticism from economic justice, human rights, and health equity communities, who view them as more evidence of favoritism toward the nation’s super-rich. The opposition to the budget is fueled by the widely accepted perspective that Medicaid, Medicare, SNAP, Temporary Assistance for Needy Families (TANF), and other safety-net programs serve as lifelines for millions of Americans. According to 2019 data, 99.1 million people participated in one

of the 10 programs discussed in this brief, representing 30% of the U.S. population.

## Budget Reconciliation: Background and Update

Budget reconciliation is a special Congressional process governed by strict guidelines commonly referred to as the Byrd Rules. Reconciliation is designed to fast-track certain budget-related legislation, as established by the Congressional Budget Act of 1974. Both Democratic- and Republican-led Congresses have embraced the reconciliation rules and procedures. This is because they allow Congress to modify spending, revenue, and the federal debt limit without being blocked by a Senate filibuster—meaning that bills passed into law through reconciliation can be approved with a simple majority rather than the usual 60 votes required in the Senate. Not surprisingly, the current Congressional Republicans fully appreciate the fact that the budget reconciliation law provides a codified avenue for avoiding a Democratic filibuster.

The current iteration of budget reconciliation is structured around Republican legislation that features President Trump's number one priority—tax breaks for the nation's wealthiest individuals and companies. The budget for the proposed tax cuts is set at \$3.8 trillion.

Under the reconciliation law, the Republicans are required to significantly reduce nondiscretionary spending from the federal budget to offset the spending for the proposed tax cuts. The concern is that nondiscretionary spending includes core social safety-net programs such as Social Security, Medicaid, Medicare, Children's Health Insurance Program (CHIP), SNAP, and other programs that assist many Americans.

The House has passed its reconciliation package (by one vote), and we now know that the House has identified \$1.1 trillion of nondiscretionary funding to be cut in order to be in compliance with the reconciliation rules. With the caveat that the numbers may change given that the Senate has the last word on what the final numbers will be, the following is a breakdown of which safety-net programs will feel the brunt of budget reductions.

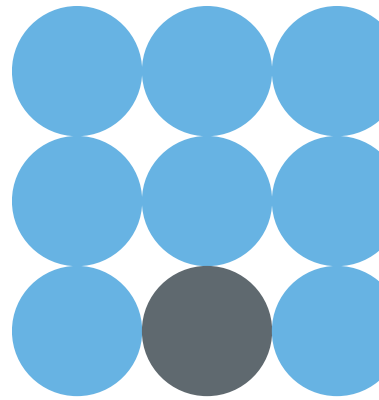
## Medicaid Cuts

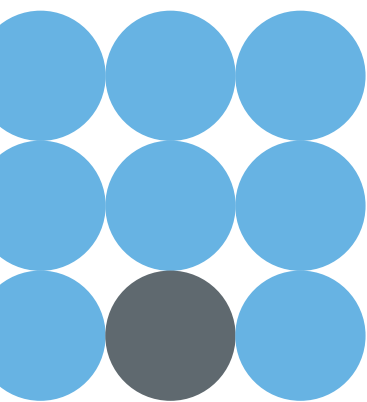
As stated by the Modern Medicaid Alliance: "Eliminating upwards of \$723 billion in Medicaid funding goes far beyond targeting 'waste, fraud and abuse' as the impact to patients will be severe. These policies represent a fundamental dismantling of a vital safety net program that would strip health coverage away from millions of Americans; cut access to essential services like primary care and prescription medicines; and push rural hospitals and health care providers beyond the brink."

This quote sets the tone for describing short and long-term effects of impending reductions of Medicaid as a result of the budget reconciliation process. As previously mentioned, the House has passed a reconciliation bill that reduces its budget by approximately \$723 billion. The immediate results will mean that millions of people will lose health coverage and millions more will see a dramatic increase in healthcare costs. Here are some of the impacts:

- »□ The bill fails to extend enhanced premium tax credits for Patient Protection and Affordable Care Act (ACA) marketplace coverage. If enhanced subsidies are allowed to expire, the U.S. Congressional Budget Office (CBO) estimates a decrease in enrollees with subsidized exchange coverage, resulting in a reduction in federal expenditures. CBO also estimates that expiration of the enhanced premium tax credits would contribute to a rise in the uninsured rate.
- »□ Codification of the Trump Administration marketplace rule provisions, which the House Committee on Energy and Commerce Committee also passed, will result in an additional 1.8 million people becoming uninsured.
- »□ Marketplace policies passed by the Ways and Means Committee would lead to an additional 2.1 million people becoming uninsured.
- »□ An additional 4.2 million people would lose marketplace coverage because the legislation fails to extend the premium tax credit enhancements.

It must be noted that when people lose their health coverage, they lose access to preventive and primary care, care for life-threatening conditions, and treatments for





chronic conditions. For example, a person with diabetes who loses health coverage would lose the ability to properly manage their condition and so maintain their health as well as their employment.

Because Medicaid covers such a broad swath of the American population, it is useful to look at the degree to which the Medicaid budget reductions impact specific population and enrollee segments of the nation.

### Children's Health Insurance Program (CHIP)

CHIP is a program offered by 14 states and Washington, D.C. CHIP provides low-cost health coverage to children in families that earn too much to qualify for Medicaid but not enough to afford private insurance—some states also offer CHIP coverage to pregnant women.

The House Republican Rules Committee proposed a modification to the Republican reconciliation legislation to cut federal funding for states that provide Medicaid or CHIP coverage to lawfully residing children and pregnant adults. The consequence of this provision is that the 14 states that currently offer CHIP coverage would face a combined \$131 billion reduction in federal funding. Also, states that do not offer CHIP, but cover (using state money) healthcare costs for undocumented immigrants or lawfully residing individuals, will be penalized with a lower federal matching rate for Medicaid expenses. These changes could force states to reduce or eliminate coverage, putting millions at risk of losing access to healthcare.

### Uninsured Americans

The most recent estimate of projected uninsured as a result of the Republican reconciliation package was published on June 4, when the American Hospital Association projected the One Big Beautiful Bill Act (H.R. 1) would lead to 10.9 million people becoming uninsured in 2034. This is due to significant changes to the Medicaid program and ACA coverage. A follow-up letter from the CBO provides more detail on how these changes would impact the number of uninsured.

As many will recall, the main justification for creating Medicaid in 1965 was to provide healthcare coverage for low-income individuals and families who afford private health insurance. Thus, it is unacceptable that budget reconciliation significantly increases the number of people who will be forced into becoming uninsured. For example, CBO estimates that, taken together, these changes will have the following consequences:

- »□ The expiration of ETC will significantly increase patients' out-of-pocket costs, which is likely to force millions of people to drop their ACA coverage 12.2 million more uninsured resulting from a combination of Medicaid and other ACA changes (that go beyond the proposed rule)
- »□ 4.2 million more uninsured with expiration of the enhanced premium tax credits, relative to an estimate of a permanent extension of those credits

The anticipated increase of the number of uninsured due to the Republican-led House's reconciliation bill is coupled with an already

precarious system of healthcare insurance coverage among moderate and low-income persons.

## Impact on Rural Hospitals and Primary Care Services

Rural healthcare is an issue area where health disparities abound and where the reductions in Medicaid assistance will be sorely felt. The proposed \$723 billion Medicaid cuts will have severe consequences for rural communities—where a significant portion of the population relies on Medicaid for healthcare access.

It must be remembered that Medicaid provides essential health coverage for residents of small towns and rural communities, playing a significant role in these areas when compared with metropolitan regions. Large reductions in federal Medicaid funding would put Americans living in rural communities and their healthcare systems at serious risk.

The facts are:

- » More than 50% of children in rural areas are covered by Medicaid/CHIP. Medicaid covers 18% of adults in rural areas.
- » Medicaid funding is critical for sustaining rural healthcare systems, including hospitals, clinics, and community health centers.
- » Nearly 50% of rural hospitals operate with negative margins.
- » More than 300 rural hospitals are currently at imminent risk of closing due to financial strain. Of that number, as many as 190 hospitals are projected to close as a direct consequence of Medicaid budget reductions.
- » Rural communities have higher Medicaid enrollment rates than urban areas, with

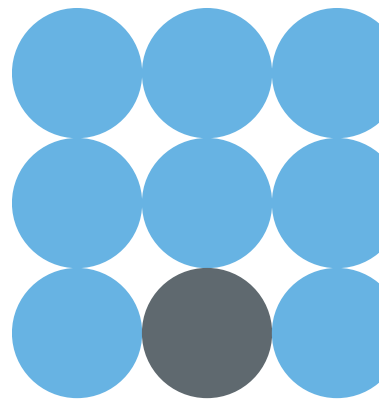
18.3% of working-age adults in small towns and rural areas relying on Medicaid. Medicaid budget cuts at levels proposed in the House reconciliation proposal will leave many without affordable healthcare options.

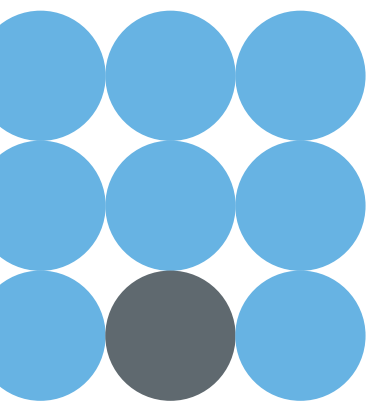
- » Medicaid funding supports local healthcare jobs and facilities. Cuts could lead to layoffs, worsening economic conditions in already struggling rural communities.

It is clear that Americans living in rural areas have a need for and a right to accessible quality health and behavioral health services—equal to that found in urban and suburban communities. However, it has long been challenging to (a) recruit and maintain a qualified health and behavioral health workforce and (b) ensure accessible primary healthcare and hospital-based treatment, given that facilities and providers are located many miles from those in need of care. With that in mind, it is understandable why rural healthcare advocates are perplexed about why a Republican Congress would implement Medicaid budget cuts that will severely exacerbate an already struggling health care system.

## Nursing Homes and Long-Term Care Facilities

Unless one is personally in need of long-term health care or is caregiving family member for a relative who needs such care, most Americans are not aware of the central and critical role that Medicaid plays in funding such facilities in every state in the union. The truth is that Medicaid is the primary payer for long-term care.





In 2020, Kaiser Family Foundation (KFF) estimated that 4.2 million people used Medicaid long-term services and supports (LTSS) delivered in home and community settings and 1.6 million used LTSS delivered in institutional settings. LTSS encompass the broad range of paid and unpaid medical and personal care services that assist with activities of daily living (such as eating, bathing, and dressing) and instrumental activities of daily living (such as preparing meals, managing medication, and housekeeping). Services provided in non-institutional settings are usually referred to as home- and community-based services (HCBS) and include a wide range of services such as adult daycare, home health, personal care, transportation, and supported employment. In 2020, Medicaid was the primary payer for LTSS, covering over half of all LTSS spending in the U.S. Also according to KFF:

- » In 2020, there were 5.6 million people who used Medicaid LTSS, of which 4.0 million (72%) used only HCBS, 1.4 million (24%) used only institutional care, and 0.2 million used both (4%).
- » Medicaid spending per person was nearly nine times higher for people who used LTSS than for those who did not use LTSS (\$38,769 vs. \$4,480), with particularly high spending for people who used institutional LTSS.
- » People who used Medicaid LTSS comprised 6% of Medicaid enrollment but 37% of federal and state Medicaid spending, reflecting the generally high cost of LTSS and more extensive health needs that lead to higher use of other healthcare services and drugs.

What is worrisome about budget cut impact on long-term care is that most Americans—especially younger people—take nursing homes and other long-term care facilities for granted. Such facilities pervasively exist in nearly every community in the United States. Most do not know how essential Medicaid is for frail seniors and for the family member caregivers who serve as the Power of Attorney for an aging parent. For this reason, long-term care advocates must fight to convince the Senate to prevent gaps in availability of this essential service—especially for low-income seniors and in rural areas.

### Children: Including Immigrant Populations (Medicaid and SNAP)

While the reconciliation budget reductions for Medicaid and SNAP impact all segments of immigrant and migrant communities, the focus of this section is on how the cuts in funding affect immigrant children and families.

To begin with, nearly 45% of America's children—a total of 34 million—rely on Medicaid for health insurance and SNAP for food. Nevertheless, leading Republicans in Congress are advancing budget reconciliation proposals that would make history's largest cuts in both programs. Other important profile data:

- » 44% of all American children benefit from Medicaid or SNAP, compared with 23% of adults under age 65. Though the budget reconciliation proposals threaten children of all races and ethnicities, Latino families and others from historically marginalized communities are in particular danger.
- » Two-thirds of the children who participate in Medicaid or SNAP come from

communities of color, including 1.7 million Latino children; 6.4 million African American children; 1.4 million children who are Asian Americans, Native Hawaiians, or Pacific Islanders; and 300,000 Native American children.

To reiterate, all residents of the United States who participate in Medicaid and SNAP are at risk of losing such assistance should the Republican reconciliation becomes law and signed by the President. However, children will be disproportionately hurt. The reconciliation budget cuts have significant implications for children, including immigrant children.

It bears repeating that the House reconciliation bill proposes reducing federal funding for states that provide Medicaid or CHIP coverage to lawfully residing children and pregnant adults. This could force states to either end coverage for these groups or face financial penalties, putting millions of children at risk of losing healthcare. There are other losses as well:

- »□ Child Tax Credit Restrictions: The bill makes the \$2,000 child tax credit permanent but introduces new restrictions that prevent mixed-status families—where one parent lacks a Social Security number—from claiming the credit. This change could exclude millions of immigrant children from receiving financial support.
- »□ Cuts to Food Assistance Programs: The budget cuts include reductions to SNAP, which provides food assistance to low-income families. With food prices remaining high, these cuts could worsen food insecurity among children, including those in immigrant families.

#### »□ Impact on Education and Social Services:

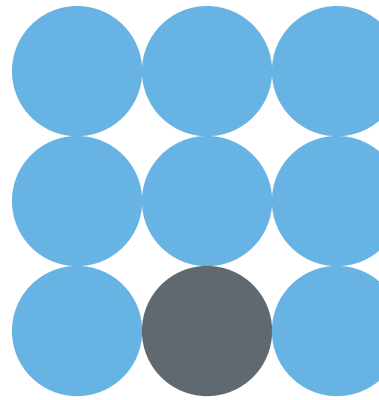
The bill proposes reductions in funding for education and subsidized housing programs, which could disproportionately affect immigrant children and families who rely on these services for stability and support.

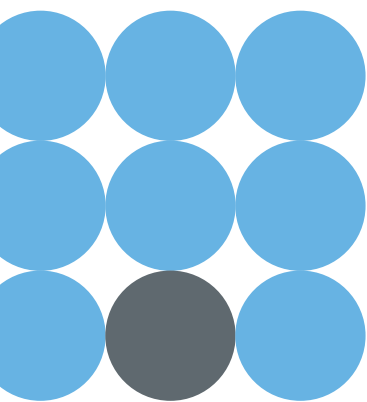
- »□ Medicaid Work Requirements: The legislation introduces stricter—and controversial—Medicaid work requirements, which could lead to millions losing coverage. Since Medicaid covers nearly 80 million Americans, including children, these changes could result in significant healthcare disruptions.

Overall, these budget cuts could create financial and healthcare hardships for many families, particularly immigrant families, by restricting access to essential services, limiting access to childhood preventive health (including immunizations), limiting access to pediatric primary healthcare and early treatment intervention for serious child-related health issues, creating or increasing risk of serious developmental delays, and generating increased risk for early childhood trauma that can result in emotional and behavioral problems that are manifested during adolescence.

### Medicare May Also Be Facing Cuts

While it does not directly cut Medicare, the budget reconciliation bill's increase in the federal deficit would trigger automatic cuts under the statutory rule called Pay-As-You-Go (PAYGO). This arcane rule would result in approximately \$500 billion in reductions between 2027 and 2034. Clearly, if PAYGO is triggered, the cuts could reduce services, lower provider reimbursements, and reduce benefits for the 68 million elderly and





disabled Americans who rely on Medicare. The following communities will be affected:

- » Seniors and people with disabilities: Those relying on Medicaid for long-term care services may face reduced access or increased costs.
- » Low-income families: Stricter eligibility requirements could lead to loss of coverage for millions.
- » Healthcare providers: Reduced funding may strain hospitals and clinics, particularly in rural areas, potentially leading to closures or reduced services.

The Medicare Rights Center has raised additional concerns about Medicare's vulnerability when the One Big Beautiful Bill is enacted. One of their worries has to do with the bill's impact on those from the immigrant community. To quote the Medicare Rights Center, "The bill would terminate Medicare coverage for many individuals with lawful immigration status who have worked and paid taxes in the US for decades. This is a significant departure from current, longstanding policy, which recognizes eligibility for everyone who has paid sufficient Social Security and Medicare taxes on wages to be considered 'fully insured.' . . . Withholding or revoking Medicare eligibility from legally present older adults and people with disabilities who have paid in, and continuing to collect Medicare taxes on their wages, is deeply unfair and a betrayal of American values."

### Effects of SNAP Budget Reductions under Reconciliation

The House reconciliation bill proposes to dramatically raise costs and reduce food assistance for many millions of people by

cutting federal funding for SNAP—by close to 30%. These budget decreases will expand poverty, food insecurity and hunger, including among children. Specifics on the effects of the cuts are as follows:

- » The House Republican reconciliation bill would cut SNAP by nearly \$300 billion through 2034, according to CBO, even more than required under the House budget resolution. SNAP provides basic food assistance for more than 40 million people, including some 16 million children, 8 million seniors, and 4 million non-elderly adults with disabilities, all of whom would be affected by the cuts in the bill.
- » The deepest cuts to SNAP would come from cutting federal funding for basic food benefits by between 5% and 25% and then telling states to backfill for the federal cut.

To better understand the implications of deep slashes in the SNAP budget to individual states, Wisconsin serves as a good example. The seriousness of the impending cuts was conveyed by an official analysis of the problem, which concluded that proposed federal changes to SNAP will "'drive Wisconsinites into hunger' and harm the state's economy." This dire reaction was triggered by the Wisconsin Department of Health Services' announcement that the state would lose \$300 million in food assistance from the federal government under the "One Big Beautiful Bill Act." As a reminder, House's version of the legislation changes SNAP eligibility and benefits, and cuts \$300 billion over a 10-year period. In Wisconsin, more than 700,000 people rely on SNAP benefits. In the end, the reductions in federal support

for Wisconsin's SNAP will likely require that the state identify its own funds to close the shortfall caused by the federal cutback—a dramatic shift, as SNAP has always been 100% federally funded.

Relatedly, the [Center on Budget and Policy Priorities](#) recently reported that: “Mandating that states pay even a small share of SNAP food benefit costs would hit state budgets hard at a time when many states are facing revenue downturns. . . . States are not in a position to absorb these substantial additional costs. In fiscal year 2024, tax revenue fell in 40 states after adjusting for inflation, and many states are projecting budget shortfalls in the short and long term.”

## Opioid Crisis and Other Behavioral Health Services

Medicaid is the primary source of coverage for adults with opioid use disorder (OUD)—covering [nearly half](#) of all adults with OUD; over [two-thirds](#) of those are receiving outpatient OUD treatment, and more than half of adults with OUD are receiving medication treatment. In fact, in recent years, state Medicaid [programs](#) have [expanded](#) access to OUD treatment and [medications](#). Thus, severely reduced Medicaid funding will result in:

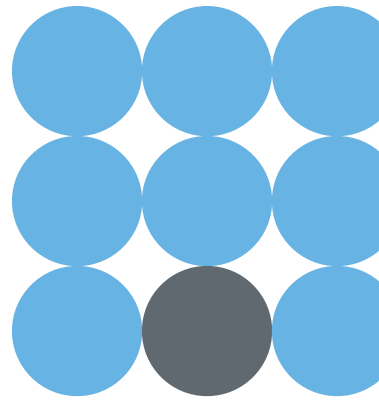
- » [Reduced access to treatment](#): Medicaid expansion has allowed many low-income individuals to receive opioid addiction treatment. Cutting funding will lead to fewer people being able to access life-saving medications like buprenorphine and methadone.
- » [Strain on state budgets](#): States will struggle to compensate for lost federal funding, potentially leading to service reductions or stricter eligibility

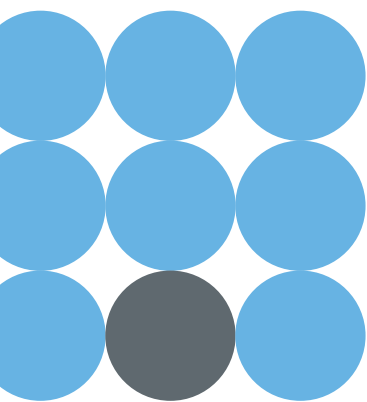
requirements for treatment programs.

- » [Increased overdose risk](#): With fewer treatment options available, [more individuals will be forced into withdrawal or relapse, increasing the likelihood of fatal overdoses](#).
- » [Impact on harm reduction programs](#): Medicaid funds harm reduction initiatives such as naloxone distribution and syringe exchange programs. Budget reductions will limit the availability of these critical services.

According to the [Centers for Medicare and Medicaid Services \(CMS\)](#), widespread cuts to Medicaid enrollments and spending of the kind that Congress is anticipated to authorize will undoubtedly hurt people who rely on the program for OUD treatment. As a result of the reductions in the Medicaid budget, CBO projects that Medicaid enrollment will decline by [10.3 million](#). Given that so many people in treatment for OUD are covered by Medicaid, it is likely they will, at a significant level, be among those who are projected to lose coverage. This means that—in becoming newly uninsured—OUD patients are at high risk of having their treatment interrupted. Consequently, they will also become at high risk for relapse and opioid overdose.

The possibility of major interruption of access to care is very discouraging. Recent reports on opioid deaths indicate that, even though there were [80,000 people who died from opioid overdoses in 2024](#), that number represents a decrease from the over 100,000 deaths in the previous year. Therefore, while there continues to be an opioid crisis in the United States, access to treatment and the availability of overdose prevention drug such





as Narcan has made inroads in reducing opioid overdose deaths. Medicaid—being the largest payer for substance use disorder treatment in the U.S.—has played an essential role in the expansion of OUD treatment services and interventions. Medicaid has not only covered the cost of OUD patients having access to Narcan, provides financial support for millions of individuals who rely on Medicaid for access to medication-assisted treatment, counseling, and harm reduction services.

### Impact on Gender and Reproductive Healthcare

The House reconciliation budget includes provisions that could significantly impact gender and reproductive health. The bill seeks to ban ACA healthcare plans from covering abortion and gender-affirming care for all Medicaid patients, including adults.

The reconciliation legislation contains provisions that have alarmed healthcare advocates since they first appeared in earlier versions of the bill. Central among those provisions is a plan to defund Planned Parenthood. To that point, the proposed cuts would also prohibit Medicaid funding for Planned Parenthood for the next decade. Those cuts would affect the provision of services such as Pap smears, cancer screenings, and birth control. Ironically, Medicaid already does not fund most abortions due to the Hyde Amendment.

However, far-right abortion opponents in Congress are pushing to defund Planned Parenthood regardless of that fact—seemingly as punishment for the organization’s perceived strong historic support for abortion

rights. Also related to gender health is that of LGBTQ+ health disparities. According to the Human Rights Campaign (HRC), “The bill’s cuts pose significant threats to critical programs that disproportionately serve LGBTQ+ individuals and families, particularly those who are low-income, living with HIV, or facing food insecurity. Should the bill be signed into law, it would be the largest transfer of wealth from poor and working class Americans to the extremely wealthy in the nation’s history.”

HRC has outlined the key areas of impact that the bill will have on the LGBTQ+ community. Estimates from CBO find that the Republican reconciliation budget proposals could result in dropping 13.7 million people from Medicaid—which is an essential source of healthcare for LGBTQ+ individuals. The program covers a disproportionate share of low-income LGBTQ+ people, including 21% of transgender individuals and 40% of people living with HIV. In addition:

- » Medicaid is the largest payer for HIV care in the U.S., and any cuts would jeopardize access to essential treatment for individuals living with HIV, undermining national efforts to end the epidemic.
- » Many LGBTQ+ community health centers rely on federal funding through Medicaid; any reduction would limit services like mental health support, gender-affirming care, and sexually transmitted infection (STI) testing.
- » Roughly 22% to 25% of LGBTQ+ adults in the U.S. live in poverty, compared with about 16% of nontransgender, straight adults.

- »□ The bill forbids the use of federal Medicaid and CHIP funding for medically necessary healthcare for transgender people of ALL ages.
- »□ A second provision would prevent states from offering medically necessary healthcare to all transgender people through ACA health plans by excluding this care from the definition of “essential health benefits,” regardless of age.

The description and analysis of the impact of large budget reductions on variety of Americans who need and receive assistance from program such as Medicaid and SNAP help us to understand how reconciliation can produce highly inequitable outcomes. Before we move on with other relevant aspects of the reconciliation process, it is important to closely review and analyze one particularly controversial provision in the legislation—work requirements.

## Medicaid Eligibility, Reimbursement Policies, and Work Requirements

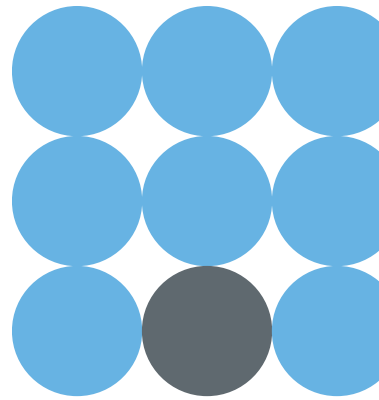
Medicaid eligibility is a joint effort between the states and CMS, the federal agency that establishes broad federal guidelines. Within those guidelines, each state has the flexibility to set additional requirements. The process is: For federal standards, CMS mandates certain eligibility criteria, such as income thresholds for specific groups like low-income families, pregnant people, and people with disabilities; for state-specific rules, states can expand eligibility beyond federal minimums, implement waivers, or create additional programs to cover more residents. This means Medicaid eligibility can vary significantly depending on the state. Core Medicaid eligibility is primarily based on income level, household size, and other factors such as

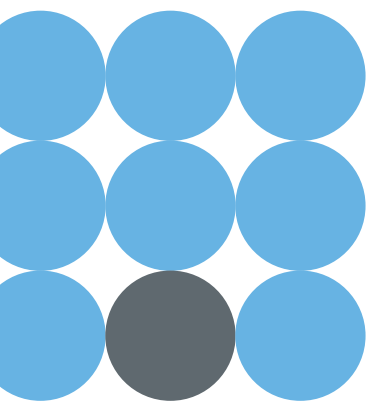
pregnancy or age. However, certain Medicaid waivers—such as Section 1115 Waivers—and programs are specifically designed for individuals with disabilities or medical conditions.

Medicaid reimbursements to states can vary from year to year because federal Medicaid funding is partly based on the number and type of health and behavioral health services provided in a given year. States receive federal matching funds for Medicaid expenditures through the Federal Medical Assistance Percentage, which fluctuates depending on state-specific factors.

As of this writing, work requirements for Medicaid and SNAP eligibility have emerged as one of the most critical provisions in the Republican-led budget reconciliation package. Setting work requirements as a basis for eligibility to receive services form an entitlement program is not new. Such requirements were first introduced in 1996 with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). However, given the political pressures associated with the current reconciliation budget structure, the focus on work requirements to reach budget objectives is seen—by leadership—as a more acceptable description of their actions.

Given that work requirements are not new, there have been many opportunities to evaluate this policy’s effectiveness in achieving budget reductions as promised. For example, a 2022 CBO analysis summarized existing studies (including those of waiver-based Medicaid work-requirement experiments) as follows: “Work requirements in the Supplemental Nutrition Assistance





Program (SNAP) and Medicaid substantially reduce the number of people receiving benefits while increasing employment little, if at all.”

Similarly, longer-term outcome studies of work requirements for TANF suggest such eligibility mandates did not change the employment prospects of beneficiaries: Those who found jobs tended to work in very low-paying and irregular jobs. The salient fact is that there is no evidence that work requirements alone will actually increase meaningful employment and reduce the number of idle Americans. There is recent evidence that that work requirements leave people sicker, less able to work, and in greater medical debt. Moreover, even when “exemptions” are applied, work requirements will inflict disproportionate harm on individuals with substance use disorder and mental health conditions. This is because these populations still face pervasive stigma and discrimination—along with their health issues—that increase challenges of securing and maintaining employment.

The National Conference of State Legislators (NCSL)—which is skeptical about the value of work requirements—offered their “What We Know About Work Requirements/Community Engagement Requirements” summary to help the public understand the essence of work requirement as an eligibility tool. NCSL’s summary includes the following points:

- » It is unclear who would be subject to the work requirements, what activities would qualify as work, or how many hours of work would be required.
- » In modeling released this week, the Commonwealth Fund estimated that at least 4.6 million people could lose their Medicaid coverage in 2026 if work

requirements are imposed, with reductions in federal funding to states starting at \$33 billion in the first year and ballooning to at least \$362 billion over 10 years.

- » Long-term impacts could result in at least \$43 billion in lost economic activity, the loss of over 300,000 jobs, and a reduction of over \$3 billion in state and local tax revenue, according to Commonwealth’s analysis.
- » Based on a 2023 work requirement proposal, the CBO estimated that 1.5 million enrollees would lose eligibility, resulting in federal savings of \$109 billion between 2023 and 2033—but would “have a negligible effect on employment status or hours worked by people who would be subject to the work requirements.”
- » 92% of adults under 65 on Medicaid are currently working, are not working due to disability, are attending school, or have caregiving responsibilities, according to a KFF analysis.

In Arkansas, Medicaid work requirements have been a significant issue since June 2018, requiring individuals to prove they had worked at least 80 hours per month. This requirement has led to confusion and hardship, with many Arkansans losing coverage due to the burdensome nature of these requirements. Recently, the Arkansas Department of Human Services has sought a waiver for these work requirements, indicating ongoing discussions about their impact and potential reforms. Despite some improvements, the challenges remain, as the policy has not effectively addressed the needs of all Medicaid recipients.

Given the nature of Congressional and executive branch politics and control, it is highly likely that work requirements will remain in the final version of the One Big Beautiful Bill Act, and that will be unfortunate. There is body of evidence—from a historic and current points of view—that this policy is not administratively workable as a condition for eligibility for Medicaid or SNAP. In addition, work requirements have not proven to be efficacious in terms of achieving the stated ill-defined objective of ensuring that all “able-bodied” applicants and recipients of Medicaid and SNAP are employed—or active in other approved work-related activities.

With respect to the effectiveness of work requirements as a cost reduction tool, there is evidence that this policy has been successful in reducing spending—driven by denying people benefits. The irony is that, even then, the budget savings are offset by the substantial costs of administering work requirements. To no one’s surprise, the federal government have sought (and will continue to seek) to push those administrative expenses to the states.

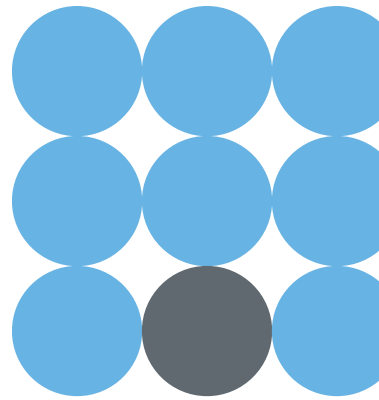
The Republican Congressional leadership’s motive behind mandating work required in the reconciliation bill is to achieve their budget aims of identifying cost savings in the Medicaid and SNAP budgets that will offset new spending in the form of tax cuts for billionaires. As stated in a law review opinion piece, “‘work requirements’ are not really about work: they are a blunt instrument for slashing program participation to achieve massive budget cuts to help offset tax breaks for the very wealthy.”

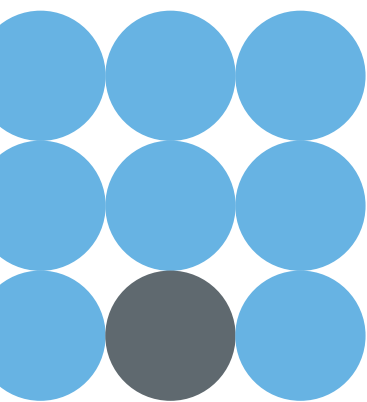
## Conclusion

This asymmetrical reallocation of wealth (from the poor to the rich) is seen by economic justice advocates as being grossly unfair and equivalent to Congress taking on the persona of a “reverse Robinhood.” As frivolous as that term may seem, it captures the underlying cynicism of the Trump administration and Congress reconciliation budget. This bill flips on its head the notion of a social safety net—which has, for decades, embodied the national ethos of caring for the least of us.

For the many organizations, government officials, and potentially affected individuals who become aware of the threat that the Republican reconciliation bill poses for millions of Americans, the situation can feel overwhelming. Unfortunately, there is no easy way to assuage those feelings. Even if the Senate modifies the House version of the One Big Beautiful Bill Act, it is nearly certain that the cuts to Medicaid and SNAP will still be significant and impactful. Similarly, there is very little chance that the Senate will reduce the \$3.9 trillion tax break—which is Trump’s main campaign promise.

This does not mean the many advocates from social justice, economic justice, and health equity spaces have no options. It is projected that, after floor debates and negotiations with House Republicans, it will take the Senate until July 2025 to pass the bill. In the meantime, advocates will have time to mobilize social actions to directly engage their members of Congress—especially Republicans—to petition them to greatly mitigate the dire consequences of untenable budget cuts to Medicare and SNAP.





However, the bottom line is that this reconciliation budget represents a step backward in prioritizing the interests of billionaires and millionaires over the well-being of everyday citizens. Such an unfair allocation of resources demands strong opposition to protect the fundamental social safety net. We must not lose sight of that fact.

## Resources

**American Academy of Family Physicians (AAFP)**  
[Statement from Leading Physician Groups on Senate Reconciliation Package](#)

**Center for Budget and Policy Priorities**  
[2025 Budget Impacts: House Bill Would Cut Assistance and Raise Costs for Seniors](#)

**Families USA**  
[Families USA Statement on House Republicans Passing Biggest Cut to Medicaid in History](#)

**Health.Gov.**  
[The Children's Health Insurance Program \(CHIP\)](#)

**Kaiser Family Foundation (KFF)**  
[Medicaid State Fact Sheets](#)

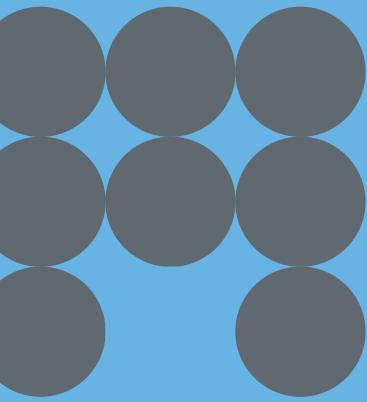
**Health Affairs**  
[Drug Overdose Deaths Are Finally Slowing — Medicaid Cuts Would Undermine That Progress | Health Affairs](#)

**National Alliance on Mental Illness (NAMI)**  
[House Budget Reconciliation Proposals Will Be Devastating for Medicaid, People with Mental Illness](#)

**National Association of Community Health Centers (NACHC)**  
[Budget Reconciliation, Medicaid, and Community Health Centers](#)

**Planned Parenthood**  
[Lawmakers Advance Bill that would "Defund" Planned Parenthood and Gut Medicaid](#)

**The Commonwealth Fund**  
[Medicaid Cuts Could Increase Maternal Mortality and Jeopardize Women's Health](#)



# NASW Resources

**NASW** » [SocialWorkers.org](https://www.socialworkers.org)

**NASW Foundation** » [NASWFoundation.org](https://www.naswfoundation.org)

**NASW Press** » [NASWPress.org](https://www.naswpress.org)

**NASW Assurance Services, Inc.** » [NASWAssurance.org](https://www.naswassurance.org)

**Find A Social Worker** » [HelpStartsHere.org](https://www.helpstartsHere.org)

**Social Work Blog** » [SocialWorkBlog.org](https://www.socialworkblog.org)

**NASW Research and Data** » [SocialWorkers.org/News](https://www.socialworkers.org/news)

**Social Work Advocacy** » [SocialWorkers.org/Advocacy](https://www.socialworkers.org/advocacy)

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