

MEMO

TO: Interested Parties

DATE: June 17, 2025

RE: Health Care Comparison - House-Passed Bill vs. Senate Finance Republicans

On June 17, 2025, Chairman Crapo of the U.S. Senate Committee on Finance [released](#) legislative text to include in Trump’s tax bill for the ultra-wealthy. Like the [House-passed bill](#), Senate Republicans make sweeping cuts to Americans’ health care. This memorandum informs the public about how the Finance Committee text differs from the House-passed bill.

Health Care Summary: Similar to the House-passed bill, the Finance Committee text includes the largest health care cuts in history, including dangerous—[and even deadly](#)—cuts to Medicaid and the Affordable Care Act (ACA). Senate Republicans *doubled down* on cuts that will cause tens of millions of Americans to become uninsured, increase health care costs for everyone, and shutter rural hospitals and other essential health care providers.

Senate Republicans seek *deeper Medicaid cuts* that slash provider payments, especially so for hospitals, and worsen cost shifts to states. These cost shifts will force states to cut Medicaid benefits, like home-based care, mental health care, and school-based services, and K-12 education, nutrition, and public safety.

- **Senate Republicans worsened harmful health care cuts**, putting seniors, children, veterans, people with disabilities, and working families at risk. Republicans are rushing ahead with [over \\$1 trillion](#) in cuts to Medicaid and the ACA.
- Republican health care cuts will terminate health insurance for [16 million Americans](#).¹ Because Senate Republicans deepen Medicaid cuts and cost shifts to states from what House Republicans passed, **coverage loss and benefit cuts will likely be even worse**.
- Senate Republicans’ reckless spending and trillions in tax giveaways will trigger [more than \\$500 billion](#) in Medicare cuts and terminate basic needs programs that keep vulnerable kids and seniors safe.
- **Senate Republicans worsened class warfare**. The Senate bill gives even more tax handouts to the ultra-wealthy and corporations, while slashing Medicaid benefits, dismantling ACA Marketplaces, and causing millions to go hungry from SNAP cuts.

¹ This CBO estimate [requested by](#) House and Senate Democratic Committee leadership reflects health care cuts included in the House-passed bill and Congressional Republicans’ refusal to extend ACA premium [tax credits](#) in their multi-trillion dollar [tax](#) bill. According to KFF, [more than 90%](#) of people enrolled in the ACA Marketplaces depend on these tax credits to purchase affordable health coverage. CBO estimates coverage loss under current law (inclusive of a Trump Administration proposed ACA rule and expiring ACA premium tax credits) and Medicaid and ACA policies included in the House-passed bill.

Medicaid Changes: Like the House-passed bill, Senate Finance Republicans' Medicaid cuts will terminate health insurance and slash benefits for low-income seniors, kids, veterans, people with disabilities, and working families. These cuts will shutter rural hospitals and other essential providers, and take nurses out of nursing homes, exposing seniors to abuse and neglect. In addition to other technical changes, the Finance Committee text:

- Eliminates “grandfathered” protections for existing provider taxes in Medicaid expansion states by lowering the provider tax threshold from 6% to 3.5% for all provider types except nursing homes and intermediate care facilities. *This is a deeper cut to Medicaid than the House-passed bill, worsening cost shifts to states and cutting hospital payments, while effectively punishing states that chose to expand Medicaid to low-income children, adults, and families. Rural communities will be among those hardest hit by these cuts.*
- Eliminates “grandfathering” protections for existing Medicaid state-directed payments by tying these extra Medicaid payments to 100% of the Medicare rate for expansion states, 110% for non-expansion states, and 150% for rural areas and forcing states to phase down currently approved SDPs to these levels. *This is a deeper cut to Medicaid and represents additional payment cuts to providers, especially hospitals and behavioral health providers. As with the provider tax changes described above, this policy punishes states that chose to expand Medicaid.*
- Lowers the federal funding threshold for excluding certain family planning providers from Medicaid. *This policy is a poorly veiled attempt by Trump and Republicans to defund Planned Parenthood and deny [more than 2 million Americans](#) access to basic reproductive health care and other essential services, like cancer screenings.*
- Extends red tape requirements (i.e., so-called work reporting requirements) to parents with children older than 14 and makes technical implementation changes that will still result in millions who are eligible unnecessarily losing Medicaid coverage.
- Lowers federal match funds to states for providing life-saving, emergency Medicaid (i.e., an uncompensated care program) for individuals who do not qualify for Medicaid due to their immigration status.
- Clarifies that penalties to states covering certain immigrant populations apply to those using state-only funding for undocumented adults, not certain lawfully-present immigrant populations implicated in the House-passed text.
- Includes other changes such as further excluding immigrant populations from the Medicaid program and expanding the limitation on retroactive coverage to *all people with Medicaid extending this policy's harm to low-income seniors and people with disabilities.*

Affordable Care Act (ACA) Changes: Like the House-passed bill, the Senate Finance Republicans' ACA cuts will terminate coverage for small business owners and employees, family caregivers, gig workers, and millions of other Americans who buy their own health insurance. These cuts will mean more uncompensated care, hastening rural and other hospital closures. And these policies still tie states' hands, taking away their autonomy to run their own insurance markets and likely causing some state-based Marketplaces to fold. Senate Finance Republicans retain the policies from the House bill that impose new burdensome enrollment and eligibility verification hurdles that will destabilize the ACA Marketplaces, making coverage more expensive, harder to access, and harder to keep.

Some House policies were not included in the HELP or Finance Committee substitute amendments. Those policies may be added by Senate Republicans later. Regardless, all of these proposals are likely to be finalized by the Trump administration through rulemaking—terminating coverage for millions of Americans and worsening the quality of coverage on the ACA Marketplaces. They have also taken action in the HELP Committee title to increase premiums for [over 10 million people](#) and prohibit coverage for reproductive health care services. The Finance Committee text includes some other technical changes.

Health Care Policies Dropped:

- A policy exempting more rare disease (“orphan”) drugs from Medicare drug price negotiations that cost nearly \$5 billion;
- A policy expanding the number of rural hospitals that can convert to be a rural emergency hospital (REH) under the Medicare program;
- Pharmacy benefit manager (PBM) reforms that would prohibit PBMs from being compensated based on the price of a drug in Medicare Part D and impose new PBM transparency requirements in Part D;
- Policies to increase Medicare payments to physicians that would have created a future payment cliff for doctors already experiencing payment reductions;
- Medicare funding for contracts with Artificial Intelligence (AI) vendors;
- Policies to delay Medicaid Disproportionate Share Hospital (DSH) reductions;
- A policy involving access to out-of-state care for kids enrolled in Medicaid and CHIP;
- 10 policies costing \$41 billion to expand the use of Health Savings Accounts (HSAs) that primarily benefit higher-income Americans who already have health care; and
- Policies to codify existing regulatory guidance on CHOICE Arrangements that allow employers to offer Individual Choice Health Reimbursement Arrangements (ICHRAs) and two provisions changing that codification.