MEMORANDUM

From: National Women's Law Center[1]
Re: Inaccuracies in Medicaid cost savings numbers in the House Budget Committee's reconciliation menu
Date: April 7, 2025

This memorandum explores inaccuracies in House Republican leadership's estimated cost savings from gutting programs like Medicaid. Section 1 outlines the cost of the reconciliation tax bill and Republican leadership's plans to cut programs, most significantly to Medicaid, to help offset it. Section 2 describes inaccuracies in House Budget Committee's cost saving estimates for three specific Medicaid-related cuts. Section 3 summarizes how these inaccuracies reflect the larger problems facing Republican leadership as they try to reduce the immense cost of the bill.

I. House Republican Leadership is Planning Significant Cuts to Medicaid and Other Programs to Help Offset the Immense Cost of the Reconciliation Tax Bill

Right now, Congress is negotiating a tax bill to extend the expiring provisions of the 2017 tax law. The 2017 tax law overwhelming benefits the very wealthy, with half of the benefits going to those in the top five percent of the income distribution.[2] Extending the expiring provisions would likewise primarily benefit the wealthiest and be incredibly expensive, decreasing federal tax revenue by $4.5 trillion over ten years.[3] Additionally, the Trump administration has called for additional tax provisions beyond the 2017 law, which would increase the cost of the bill even more. Those additional provisions are also skewed to the top.[4]

In order to offset only a portion of the immense cost of the tax cuts in this bill, House Republican leadership must make massive cuts to programs that benefit families, including Medicaid. The Republican-controlled House adopted a budget plan on February 25, 2025, that authorized $4.5 trillion in tax cuts through 2034 and directed committees to partially offset their cost with $1.5 trillion in cuts.[5] Moreover, House Republican leadership

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[1] Thank you to Ben D'Avanzo and Heidi Altman from the National Immigration Law Center for their review and feedback.
[2] CHUCK MARR & SAMANTHA JACOBY, CTR. ON BUDGET AND POL'Y PRIORITIES, HOUSE REPUBLICAN BUDGET'S $4.5 TRILLION TAX CUT DOUBLES DOWN ON COSTLY FAILURES OF 2017 TAX LAW (Feb. 2025), https://www.cbpp.org/sites/default/files/2-28-25tax.pdf.
[3] *Id*.
[4] Steve Wamhoff, House Budget Resolution Tees Up Damaging Trump Tax Agenda, INST. ON TAXATION AND ECON. POL'Y, Feb. 26, 2025, https://itep.org/house-budget-resolution-tees-up-damaging-trump-tax-cuts-agenda/.
[5] MARR & JACOBY, *supra* note 2.

needs to have $2 trillion in program cuts to retain the full $4.5 trillion in tax cuts overall.[6] The plan directs the House Energy and Commerce Committee to make $880 billion in cuts over ten years.[7] On April 5, 2025, the Senate passed a budget resolution that retains the House budget's $1.5 trillion floor to cut spending in the House committees, increasing the likelihood of Medicaid cuts.[8]

Medicaid represents 93% of the funding under the committee's jurisdiction, so despite several Republican House leaders' claims to the contrary,[9] the committee will have to make substantial cuts to Medicaid to meet the $880 requirement.[10] Additionally, some Republican leaders have claimed that billions could be saved by eliminating Medicaid fraud, waste, and abuse, and House Speaker Johnson incorrectly claimed that fraudulent fraud payments cost the government $50 billion a year.[11] The actual amount of fraudulent payments is impossible to estimate and likely much lower[12]—and regardless would be a very small portion of the $880 billion cuts needed. These cuts would have a devastating impact on families, including endangering healthcare coverage for almost 16 million people.[13]

II. The House Budget Committee's Reconciliation Menu Includes Inaccurate Cost-Saving Numbers for Medicaid Provisions

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[6] *Id*.
[7] H. Con. Res. 14, 119th Cong. (2025), https://www.congress.gov/bill/119th-congress/house-concurrent-resolution/14/text.
[8] Claudia Grisales, *Senate GOP Passes Budget Plan, Setting Up a Critical Next Phase for Trump Agenda*, NPR, Apr. 5, 2025, https://www.npr.org/2025/04/05/g-s1-58281/senate-budget-resolution-reconciliation-trump; Jordain Carney, *Senate Republicans Unveil Retooled Budget Blueprint*, POLITICO, Apr. 2, 2025, https://www.politico.com/live-updates/2025/04/02/congress/senate-republicans-unveil-retooled-budget-blueprint-00266944.
[9] In a press release, Representative Scalise stated that "The word 'Medicaid' is not even in this bill." Press Release, Steve Scalise, Scalise: Democrats Want Multi-Trillion Dollar Tax Increase (Feb. 25, 2025), https://scalise.house.gov/press-releases/Scalise%3A-Democrats-Want-Multi-Trillion-Dollar-Tax-Increase; House Speaker Mike Johnson said on CNN, "The President said over and over and over: We're not going to touch Social Security, Medicare or Medicaid. We've made the same commitment." Kaitlin Collins, *Johnson: GOP Won't Cut Benefits For Americans Who "Deserve It",* CNN, February 26, 2025, https://transcripts.cnn.com/show/skc/date/2025-02-26/segment/01.
[10] Madison Czopek & Amy Sherman, *Can House Republicans Cut $880 Billion Without Slashing Medicaid? It's Likely Impossible*, KFF HEALTH NEWS, Mar. 13, 2025, https://kffhealthnews.org/news/article/house-republican-budget-cuts-medicaid-billions/.
[11] *Id*.
[12] According to KFF Health News, "[t]hose improper payments were made in an incorrect amount (overpayment or underpayment), should not have been made at all, or had missing or insufficient documentation…The system used to identify improper payments is not designed to measure fraud, so we don't know what percentage of improper payments were losses due to fraud." *Id*.
[13] Sara Estep, Natasha Murphy & Andrea Ducas, *The Republican House Budget Resolution's Potential $880 Billion in Medicaid Cuts by Congressional District*, CTR. FOR AM. PROGRESS, Feb. 24, 2025, https://www.americanprogress.org/article/the-republican-house-budget-resolutions-potential-880-billion-in-medicaid-cuts-by-congressional-district/.

As of March 2025, House Republican leadership has not stated explicitly what Medicaid cuts they are planning to include in the reconciliation bill. However, in January 2025 a 50-page memo from the House Budget Committee was leaked that includes dozens of possible program cuts and their budgetary impacts, including several related to Medicaid.[14] Many of the proposed Medicaid changes interact with each other and would yield fewer savings if adopted together.[15] Moreover, several of the budgetary impacts of these Medicaid-related proposals are inaccurate, and as a result, enacting these proposals would yield fewer cost savings than the amounts listed in the menu.

This section will analyze three Medicaid proposals in the leaked reconciliation menu that have inflated cost savings: removing non-citizen eligibility for Emergency Medicaid; revoking marketplace subsidies and basic health plans from DACA recipients; and repealing two Medicaid eligibility and enrollment rules. These provisions do not necessarily represent all the inaccuracies in the reconciliation menu; they are intended as an illustration of the inaccuracies that may impact Republican leadership's attempts to reduce the immense cost of their tax bill with cost savings from cutting programs.

a. Emergency Medicaid Spending Totals Less than 1% of Medicaid Spending and Provides Limited Coverage to All Non-citizen Immigrants.

In their proposed menu of reconciliation savings, House Budget Committee's claim that "many non-citizens who entered the country illegally are eligible for federal health care programs including advance premium tax credits (which provide subsidies for health care coverage through state marketplaces under the Affordable Care Act) and Medicaid."[16] They propose to save $35 billion over ten years by "remov[ing] specified categories of non-citizens from eligibility for federal health care programs."[17] However, these statements are inaccurate and dishonest, and the cost savings are inflated.

Contrary to the description in the reconciliation menu, undocumented immigrants ("non-citizens who entered the country illegally") are generally not eligible for Medicaid or advance premium tax credits.[18] Medicaid provides vital health coverage for over 80 million

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[14] Benjamin Guggenheim, *GOP Budget Menu Outlines Sweeping Spending Cuts*, POLITICO, Jan. 17, 2025, https://subscriber.politicopro.com/article/2025/01/reconciliation-menu-reveals-wide-ranging-gop-policy-priorities-00198940.

[15] Alicia Parlapiano, Margot Sanger-Katz & Lazaro Gamio, *Cutting Medicaid, Taxing Scholarships and Killing Invasive Plants: A Guide to the G.O.P. Wishlist*, N.Y. TIMES , Jan. 28, 2025, https://www.nytimes.com/interactive/2025/01/28/upshot/2025-republican-policy-proposals.html.

[16] RECONCILIATION OPTIONS, POLITICO 1 (Jan. 2025), https://www.politico.com/f/?id=00000194-74a8-d40a-ab9e-7fbc70940000.

[17] *Id*.

[18] Even if the "non-citizens who entered the country illegally" contemplated in the reconciliation menu includes DACA recipients (who, as of November 2024, are considered "lawfully present" for the purposes of qualifying for ACA Marketplace coverage and subsidies, such as advanced premium tax credits), the

people[19] in the U.S., including certain immigrants; however, in order for immigrants to be eligible for Medicaid, they must be "lawfully present," have a "qualified" immigration status, have met the five-year waiting period if applicable, in addition to meeting income requirements.[20] Similarly, undocumented immigrants are not eligible to purchase coverage through ACA marketplaces, or to enroll in other federally funded coverage.[21] Instead, undocumented immigrants are only eligible for Emergency Medicaid,[22] which provides critical reimbursements to hospitals for emergency services they are obligated to provide to anyone in need, regardless of immigration status, when they are not eligible for full-scope Medicaid only because of their immigration status. Emergency Medicaid only covers a limited scope of services necessary for the treatment of an emergency medical condition.

Assuming that the reconciliation menu is actually referring to removing undocumented immigrants' eligibility for Emergency Medicaid (rather than programs they are already ineligible for), the menu's cost savings are still inaccurate. Emergency Medicaid spending and payments are not used exclusively for the treatment of undocumented immigrants. Emergency Medicaid covers all immigrants without a qualified status, those with a qualified status but who have not yet completed their five-year waiting period, those residing in the country on a temporary basis, as well as undocumented immigrants. 2024 CBO Emergency Medicaid report[23] explained that the "CBO cannot distinguish how much

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projected cost savings are still inaccurate. (*See* KFF, *Key Facts on Deferred Action for Childhood Arrivals (DACA),* Feb. 11, 2025, https://www.kff.org/racial-equity-and-health-policy/fact-sheet/key-facts-on-deferred-action-for-childhood-arrivals-daca). First, the reconciliation menu provides a separate proposal and savings estimate specifically addressing DACA recipients' eligibility for Marketplace coverage and subsidies. Including them under these savings would be double counting savings. (RECONCILIATION OPTIONS, *supra* note 16, at 2). Second, the savings estimate specifically addressing DACA recipients, as outlined in Section II (b) is less than $6 billion—nowhere near $35 billion. (*See infra* Section II (b); *see also* 6 nn. 33-37). Moreover, if the "non-citizens who entered the country illegally" contemplated in the reconciliation menu includes those who *now* have qualified status, parsing out lawfully present individuals with qualified status based on possible entry status would require an absurd new eligibility determination.

[19] KFF, *Medicaid Expansion Enrollment: Current Timeframe* (last visited Apr. 2, 2025), https://www.kff.org/affordable-care-act/state-indicator/medicaid-expansion-enrollment/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D.

[20] HealthCare.gov, *Coverage for Lawfully Present Immigrants* (last visited Apr. 2, 2025), https://www.healthcare.gov/immigrants/lawfully-present-immigrants/#:~:text=Immigrants%20and%20Medicaid%20%26%20CHIP; Akash Pillai, Drishti Pillai & Samantha Artiga, *State Health Coverage for Immigrants and Implications for Health Coverage and Care*, KFF, May 1, 2024, https://www.kff.org/racial-equity-and-health-policy/issue-brief/state-health-coverage-for-immigrants-and-implications-for-health-coverage-and-care/.

[21] Pillai, Pillai & Artiga, *supra* note 20; Samantha Artiga, Drishti Pillai, Jennifer Tolbert & Akash Pillai, 5 Key *Facts About Immigrants and Medicaid*, KFF, Feb. 19, 2025, https://www.kff.org/racial-equity-and-health-policy/issue-brief/5-key-facts-about-immigrants-and-medicaid/.

[22] Pillai, Pillai & Artiga, *supra* note 20; 42 C.F.R. 435.406(b).

[23] CONG. BUDGET OFF., EMERGENCY MEDICAID SERVICES FOR CERTAIN NON-U.S. NATIONALS (Oct. 2024), https://www.cbo.gov/system/files/2024-10/Arrington_Letter_EmergencyMedicaid_Immigration_final.pdf.

of the total spending is attributable to any of these groups."[24] Therefore, it is impossible to determine what federal spending is specifically attributable to "non-citizens who entered the country illegally." Without this specific data, it is impossible to estimate the savings that would result from excluding undocumented immigrants from Emergency Medicaid.

Further, even assuming that the House Budget Committee intended to refer to the removal of all immigrants without a qualified status from Emergency Medicaid—not just those who "who entered the country illegally"—the cost-saving number of $35 billion over 10 years would still be inflated. Because the scope and eligibility for Emergency Medicaid is limited, the 2024 CBO Emergency Medicaid report shows that the total federal spending on Emergency Medicaid between fiscal years 2017 and 2023 was $18 billion, with an average of around $2.6 billion per year.[25] Applying this average over 10 years for the purposes of this proposal would yield only $26 billion in cost savings for all people served under Emergency Medicaid. Even this number is inaccurate since, as the next paragraph shows, this was due to temporary COVID relief funds that were higher than typical Emergency Medicaid use. It also assumes that hospitals would not find other federal sources to cover the uncompensated care costs that will still accrue due to their obligation to provide emergency care, thereby limiting the potential savings.

It is possible that the House Budget Committee may have used a narrower range of years to come to its $35 billion estimate, but that narrower range would not reflect normal Emergency Medicaid spending. The average annual federal spending between FY 2020 and 2023 was $3.4 billion,[26] which the House Budget Committee might have used to arrive at the $35 billion in savings. However, these years cover the height of the COVID-19 pandemic. The 2024 CBO Emergency Medicaid report notes that the federal medical assistance percentage for emergency Medicaid services was temporarily increased between January 1, 2020 and December 31, 2023.[27] Further, emergency services were used at a greater frequency due to pandemic illnesses, which also would have irregularly increased federal spending for FY 2020 – 2023. In comparison, in 2019 federal Emergency Medicaid spending was around $2 billion.[28] This may be the most accurate year to use for current and future spending, as it predates the COVID pandemic, even though it includes immigrants in the country lawfully. In any event, applying this average over 10 years for the purposes of this proposal would yield only $20 billion in cost savings.

Not only will excluding undocumented immigrants for Emergency Medicaid be unlikely to save $35 billion over ten years, but excluding undocumented immigrants from emergency health care will have negative health and economic repercussions, while also increasing financial risk to hospitals due to higher uncompensated costs. Undocumented immigrants

[24] *Id*. at 3.
[25] NWLC calculations based on *Id*. at Table 1.
[26] NWLC calculations based on *Id*. at Table 1.
[27] *Id*. at Table 1.
[28] *Id*. at Table 1.

make up 8.3 million[29] of the U.S. workforce and half of them are uninsured.[30] Undocumented immigrants also disproportionately work in occupations with lower wages and higher adverse health risks and workplace injuries, such as service, farming, and construction jobs.[31] Indeed, over 40% of all farmworkers are undocumented immigrants,[32] and farmworkers rely on rural hospitals for care. However, rural hospitals already face the highest levels of uncompensated care, and hundreds of rural hospitals are vulnerable to closure.[33] Refusing emergency Medicaid payments to hospitals who treat critical populations, such as undocumented farmworkers, will exacerbate the burden of uncompensated care and further push vulnerable hospitals towards closure. Excluding undocumented immigrants from emergency Medicaid will also significantly harm the health of these workers, especially as it covers life-threatening emergencies, decreasing economic productivity due to declines in health.[34]

b. Revoking Marketplace Subsidies and Basic Health Plans from DACA Recipients Will Not Save $6 billion[35]

Another inflated cost savings estimate is the proposal to repeal the "DACA Obamacare Subsidies Final Rule." The rule, finalized in May of 2024, allows DACA recipients, starting in FY 2025, to be considered "lawfully present" for the purposes of ACA Marketplace coverage, including marketplace subsidies and basic health programs (BHP) in states that offer BHPs. The reconciliation menu lists a cost saving of $6 billion over ten years from repealing this rule.

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[29] Jeffrey S. Passel & Jens Manuel Krogstad, *What We know About Unauthorized Immigrants Living in the U.S.*, PEW RSCH. CTR., July 22, 2024, https://www.pewresearch.org/short-reads/2024/07/22/what-we-know-about-unauthorized-immigrants-living-in-the-us/.

[30] DRISHTI PILLAI, ET AL., KFF, HEALTH AND HEALTH CARE EXPERIENCES OF IMMIGRANTS: THE 2023 KFF/LA TIMES SURVEY OF IMMIGRANTS (Sept. 2023), https://www.kff.org/racial-equity-and-health-policy/issue-brief/health-and-health-care-experiences-of-immigrants-the-2023-kff-la-times-survey-of-immigrants/.

[31] DRISHTI PILLAI & SAMANTHA ARTIGA, KFF, EMPLOYMENT AMONG IMMIGRANTS AND IMPLICATIONS FOR HEALTH AND HEALTH CARE (June 2023), https://www.kff.org/racial-equity-and-health-policy/issue-brief/employment-among-immigrants-and-implications-for-health-and-health-care/.

[32]Economic Research Service, *Farm Labor*, U.S. Department of Agriculture (last updated Jan. 8, 2025), https://www.ers.usda.gov/topics/farm-economy/farm-labor.

[33] MICHAEL TOPCHIK ET AL., CHARTIS, 2025 RURAL HEALTH STATE OF THE STATE (Feb. 2025), https://www.chartis.com/sites/default/files/documents/CCRH%20WP%20-%202025%20Rural%20health%20state%20of%20the%20state_021125.pdf.

[34] Jennifer Tolbert, Sammy Cervantes, Clea Bell & Anthony Damico, *Key Facts about the Uninsured Population*, KFF, Dec. 18, 2024, https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/.

[35] The current administration submitted a proposed rule in March 2025 to repeal the May 2024 rule, excluding DACA recipients from the definition of "lawfully present" for the purposes of ACA Marketplace coverage. The proposed rule does not detail savings. Patient Protection and Affordable Care Act; Marketplace Integrity and Affordability, 90 Fed. Reg. 12942 (Mar. 19, 2025), https://www.govinfo.gov/content/pkg/FR-2025-03-19/pdf/2025-04083.pdf.

However, the $6 billion cost savings number is inflated. In the final rule, the Centers for Medicare & Medicaid Services (CMS) estimates a one-time federal cost of $0.58 million in application processing,[36] $20 million in federal BHP expenditures for FY 2025 – 2028[37] and $1.13 billion in federal Exchange expenditures for FY 2025 – 2028.[38] Using an annualized average of the cost estimate between FY 2025 and 2028, $287.5 million, an estimated total cost over ten years would be $2.88 billion.[39] Using the estimates for FY 2028, $305 million, an estimated total cost over ten years would be $3.05 billion.[40] Neither of these total estimates are close to $6 billion.

Moreover, the cost savings provided in the reconciliation menu fail to contemplate the positive economic impacts of including DACA recipients in the ACA Marketplace. An estimated 100,000 uninsured DACA recipients[41] would be able to access health coverage under the final rule. Including them within the Marketplace may have positive effects on risk pools,[42] as DACA recipients are relatively younger, with an average age of 30 years, and healthier than the general population.[43] Additionally, increased access to health coverage for DACA recipients would decrease emergency medical expenditures as uninsured immigrants are less likely have a usual source of care other than an emergency room.[44] It would also improve the health of DACA recipients, one fifth of whom are uninsured[45] and more likely to skip care,[46] thereby allowing DACA recipients to be more economically productive and financially secure.[47]

c. Repealing Two Medicaid Eligibility and Enrollment Rules Would Only Generate Half of House Republican Leadership's Estimated Cost Savings

Finally, the House Budget Committee inaccurately claim that repealing two Medicaid eligibility and enrollment rules passed under the Biden administration would generate $164

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[36] Clarifying the Eligibility of Deferred Action for Childhood Arrivals (DACA) Recipients and Certain Other Noncitizens for a Qualified Health Plan through an Exchange, Advance Payments of the Premium Tax Credit, Cost-Sharing Reductions, and a Basic Health Program, 89 Fed. Reg. 39392, 39424 (May 8, 2024) (codified at 42 C.F.R. § § 435, 457, 600 & 45 C.F.R § § 152,155), https://www.govinfo.gov/content/pkg/FR-2024-05-08/pdf/2024-09661.pdf.
[37] NWLC calculations based on *Id*. at 3943, Table 4.
[38] NWLC calculations based on *Id*. at 39432, Table 5.
[39] NWLC calculations based on *Id*.
[40] NWLC calculations based on *Id*.
[41] *Id*. at Table 3, 39428.
[42] Drishti Pillai & Samantha Artiga, *Overview and Implications of the ACA Marketplace Expansion to DACA Recipients*, KFF, Oct. 29, 2024, https://www.kff.org/racial-equity-and-health-policy/issue-brief/overview-and-implications-of-the-aca-marketpla6ce-expansion-to-daca-recipients/.
[43] 89 Fed. Reg. 39392, *supra* note 36 at 39428.
[44] Pillai & Artiga, *supra* note 42.
[45] ISOBEL MOHYEDDIN, NAT'L IMMIGRATION LAW CTR., DACA RECIPIENTS' ACCESS TO HEALTH CARE: 2024 REPORT 1 (Jun. 2024), https://www.nilc.org/wp-content/uploads/2024/05/NILC_DACA-Report_2024_06-27-24.pdf.
[46] Pillai & Artiga, *supra* note 42.
[47] 89 Fed. Reg. 39392, *supra* note 36 at 39428.

billion in 10-year savings.[48] These rules make it easier for children, seniors, and individuals with disabilities to access Medicaid coverage, and the repeal of these rules would provide cost-savings largely by reducing the number of eligible people who successfully enroll in Medicaid.[49] However, based on estimates by the CMS in the final rules, repealing these rules would only provide around $80 billion in cost savings.

The first rule, Medicare Savings Program Eligibility Determination and Enrollment, was finalized in September 2023.[50] The rule makes it easier for millions of people, including seniors and people with disabilities, to enroll in and retain Medicare Savings Program (MSP) coverage, which helps people with limited income and savings cover Medicare costs. It reduces red tape, reduces premiums and out-of-pocket costs, and streamlines the application and enrollment process.[51] The CMS estimates that the federal spending for Medicaid would be $10.67 billion, with an additional $7.60 billion in Medicare spending. Combined, the rule costs the federal government $18.27 billion over five years.[52] Based on this estimate, the cost savings of repealing this rule for the federal government would be $36.54 billion over ten years.

The second rule, Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes, was finalized in April 2024.[53] The rule makes it easier for millions of eligible people to enroll in and retain their Medicaid, Children's Health Insurance Program (CHIP), and Basic Health Program (BHP) coverage, including children, seniors, and people with disabilities. It streamlines Medicaid and CHIP eligibility and enrollment processes, reduces the administrative burden for enrolling and retaining Medicaid and CHIP coverage, and updates technology and record keeping for the programs.[54] The CMS estimates that the rule

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[48] RECONCILIATION OPTIONS, *supra* note 16, at 21.

[49] Jennifer Wagner, *Setting the Record Straight on the Medicaid Eligibility and Enrollment Rules*, CTR. ON BUDGET AND POL'Y PRIORITIES, Jan. 21, 2025, https://www.cbpp.org/blog/setting-the-record-straight-on-the-medicaid-eligibility-and-enrollment-rules.

[50] Streamlining Medicaid; Medicare Savings Program Eligibility Determination and Enrollment, 88 Fed. Reg. 65230 (Sept. 21, 2023) (codified at 42 C.F.R. §§ 406, 435), https://www.federalregister.gov/documents/2023/09/21/2023-20382/streamlining-medicaid-medicare-savings-program-eligibility-determination-and-enrollment.

[51] Ctr. for Medicare & Medicaid Serv., *Streamlining Medicaid and CHIP, Final Rule, Fact Sheet*, Sept. 18, 2023, https://www.cms.gov/newsroom/fact-sheets/streamlining-medicaid-and-chip-final-rule-fact-sheet.

[52] 88 Fed. Reg. 65230, *supra* note 50, at 65257. Paragon Health Institute found the same federal cost estimate. JACKSON HAMMOND, PARAGON HEALTH INST., BIDEN'S MEDICAID CHANGES: HIGH COSTS, MISGUIDED POLICY 2 (Nov. 2024), https://paragoninstitute.org/wp-content/uploads/2024/11/Bidens_Medicaid_Changes_Jackson-Hammond_FOR-RELEASE_V2.pdf.

[53] Medicaid Program; Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes, 89 Fed. Reg. 22780 (Apr. 2, 2024) (codified at 42 C.F.R. §§ 431, 435, 436, 447, 457, 600), https://www.federalregister.gov/documents/2024/04/02/2024-06566/medicaid-program-streamlining-the-medicaid-childrens-health-insurance-program-and-basic-health.

[54] Ctr. for Medicare & Medicaid Serv., *Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes Final Rule*

costs the federal government $37.39 billion with a reduction of $15.44 billion in federal marketplace subsidies – for a net cost of $21.95 to the federal government over five years.[55] Based on this estimate, the cost savings of repealing this rule for the federal government would be $43.9 billion over ten years.

Taken together, repealing both rules would save the federal government $80.44 billion over ten years. This is only half of the House Budget Committee's estimate. Moreover, repealing these rules—and restoring many administrative barriers and complexities—will prevent many eligible people from enrolling or retaining their healthcare coverage. When people struggle to access healthcare services, they may delay or forgo needed care, which can lead to more expensive treatments over time, increasing healthcare costs for individuals, states, and the federal government.[56] The cost-savings number in the reconciliation menu does not contemplate these negative economic consequences.

III. Cost-Saving Inaccuracies Reflect Republican Leadership's Larger Budgetary Problems

These inaccuracies in the reconciliation menu reflect the larger challenge congressional Republican leadership faces in trying to pass a tax bill with such an immense price tag. The proposed cuts to Medicaid and other programs have been deeply unpopular, and even if enacted, would still only offset part of the tax bill.[57]

Republican leadership has tried several strategies to avoid having to find a way to account for the full cost of the bill. They have tried to claim that the 2017 law's expiring tax provisions would partially pay for themselves through economic growth. However, the CBO found that the positive economic effects of the 2017 law was modest and the cost of the law offset any economic growth.[58] More recently, the CBO recently estimated that permanently extending the provisions without paying for them would harm the economy and increase the debt to 214 percent of GDP in 2054.[59] In addition, Senate Republican leadership has recently embraced a deceptive strategy of measuring the costs of the tax bill relative to a "current policy baseline," in which the cost of extending the expiring 2017 tax law provisions (or making them permanent) would not count as a new cost.[60] This is a

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Fact Sheet, Mar. 27, 2024, https://www.cms.gov/newsroom/fact-sheets/streamlining-medicaid-childrens-health-insurance-program-and-basic-health-program-application.

[55] 89 Fed. Reg. 22780, *supra* note 53, at 22839. Paragon Health Institute found the same federal cost estimate. Hammond, *supra* note 52, at 2.

[56] Tolbert, Cervantes, Bell & Damico, *supra* note 34.

[57] NAVIGATOR RSCH., HEALTH CARE AND THE BUDGET: A GUIDE FOR ADVOCATES (Jan. 2025), https://navigatorresearch.org/wp-content/uploads/2025/01/Navigator-Update-01.23.2025.pdf.

[58] Gbenga Ajilore, *House Budget Economic Claims Don't Add Up*, CTR. ON BUDGET AND POL'Y PRIORITIES, Feb. 25, 2025, https://www.cbpp.org/blog/house-budget-economic-claims-dont-add-up.

[59] CONG. BUDGET OFF., PROJECTIONS OF DEFICITS AND DEBT UNDER ALTERNATIVE SCENARIOS FOR THE BUDGET AND INTEREST RATES (March 2025), https://www.cbo.gov/system/files/2025-03/61255-Schweikert.pdf.

[60] Stef W. Knight, *Senate GOP Embraces Controversial Tax Cut Strategy*, AXIOS, Apr. 1, 2025, https://www.axios.com/2025/04/01/senate-budget-tax-cuts-current-policy-graham.

blatant gimmick, and it will not erase the impact on the deficit or on the families who rely on the benefits that will be cut. [61]

Even as Republican leadership seeks to downplay the cost of their reconciliation bill, whether by inaccurately describing the savings from different proposals or by attempting to wish away the tremendous cost of the tax cuts by using budget gimmicks, it is important to hold Republican leadership accountable regarding the cost of their tax bill. They should not be able to hide the true economic impact of enacting even more massive tax breaks for the wealthy and cutting the programs so many families rely on to do so.

[61] The Budget Lab at Yale estimates that the bill would cost families in the bottom quintile (with incomes roughly below $14,000) roughly $1,125 per year, while enriching people in the top 1% with $43,500 per year. HARRIS EPPSTEINER & JOHN RICCO, THE BUDGET LAB, ILLUSTRATIVE DISTRIBUTIONAL EFFECTS OF POLICIES CONSISTENT WITH THE HOUSE CONCURRENT BUDGET RESOLUTION FOR FISCAL YEAR 2025 (March 2025), https://budgetlab.yale.edu/news/250319/illustrative-distributional-effects-policies-consistent-house-concurrent-budget-resolution-fiscal.