

Congress' Proposed Federal Budget Cuts: What They Mean for Texans

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Medicaid: No-cost healthcare for low-income children, seniors, disabled people, and pregnant people. (CMS/TX HHS)

Children's Health Insurance Program (CHIP): Low-cost healthcare for low-income children with parents who earn over Medicaid income thresholds. (CMS/TX HHS)

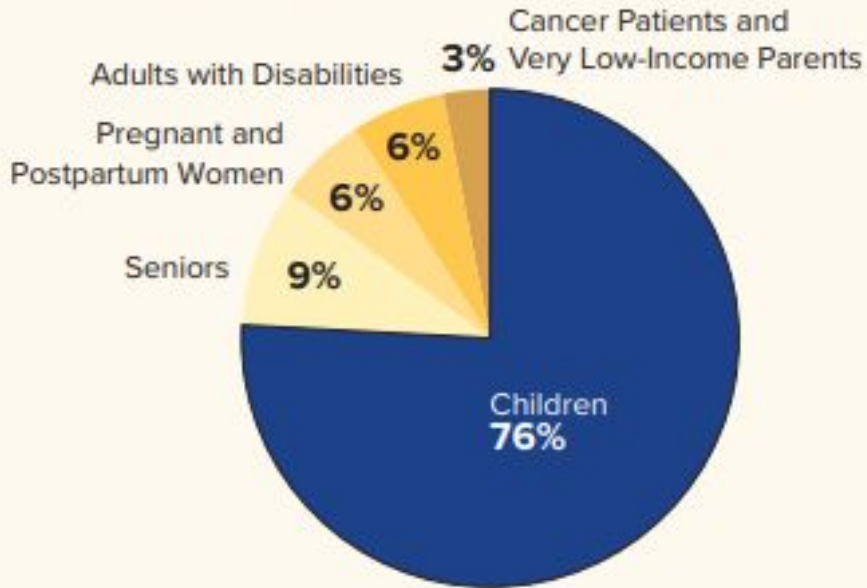
SNAP: Food stamps. (USDA/TX HHS)

ACA/Marketplace health insurance: Health insurance plans sold by private health insurance companies, usually subsidized with taxpayer dollars for low- and middle-income households through the health insurance exchange ([HealthCare.gov](https://www.healthcare.gov)). (CMS/private insurers)



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Texas' Medicaid Enrollment by Eligibility Group¹



- The vast majority of Texans enrolled in Medicaid are **children**.
- A higher percentage of Texans in **rural** areas rely on Medicaid than in urban areas.²
- Undocumented immigrants are **prohibited** from enrolling in Texas Medicaid.
- In Texas, adults with low incomes are typically **excluded** from Medicaid, unless they fall into one of these eligibility categories, because the state has not approved Medicaid expansion.

Texas received \$1.5 billion in Enhanced APTCs in 2024



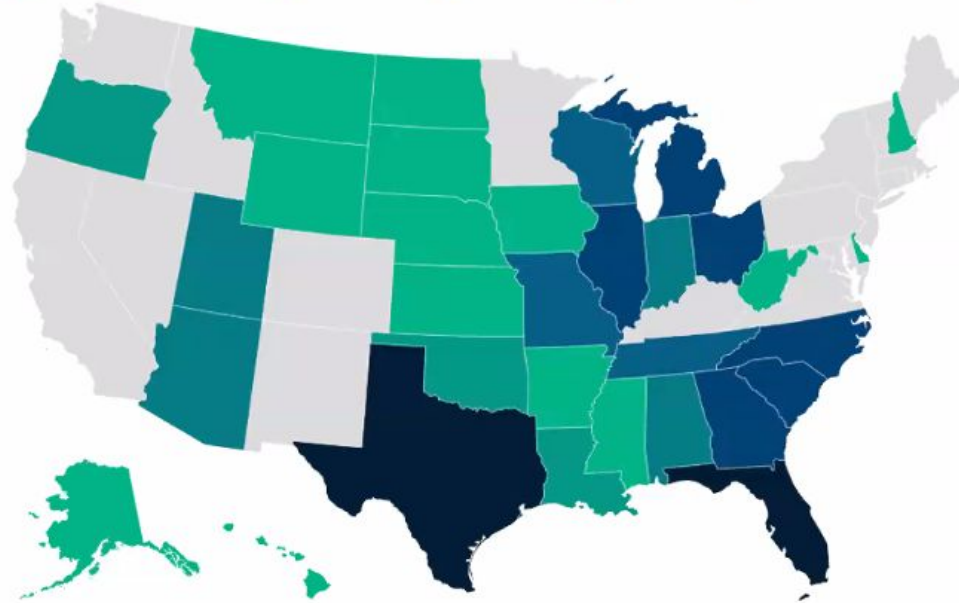
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Annualized Total Inflation Reduction Act Subsidies by State, 2024

2023 Map

2024 Map

< \$150M \$150M–\$200M \$200M–\$250M \$250M–\$300M \$300M–\$1B ≥ \$1B



Note: 2024 data on Inflation Reduction Act subsidies is only available for states using HealthCare.gov. Virginia became a state-based exchange in 2024.

Source: KFF analysis of 2024 Marketplace Open Enrollment Report and 2024 OEP PUF • Get the data • Download PNG

KFF

KFF. Inflation Reduction Act Health Insurance Subsidies: What is Their Impact and What Would Happen if They Expire? 26 July 2024:

<https://www.kff.org/affordable-care-act/issue-brief/inflation-reduction-act-health-insurance-subsidies-what-is-their-impact-and-what-would-happen-if-they-expire/>

MEDICAID IS VITAL TO TEXAS' BUDGET



The federal government **contributes \$1.49** to Medicaid **for every \$1** Texas invests.



57% of federal funding sent to Texas is for Medicaid, which is about \$31.8 billion annually.

Federal funding for Medicaid is critical to health care in Texas



Medicaid pays for 48% of births in Texas

Helps ensure access to critical prenatal care, maternity care, and postpartum services.



Medicaid covers 36% of all Texas children

Insures children in low-income families, children with special health care needs, and children in foster care.



Medicaid pays for the care of 61% of nursing home residents in Texas

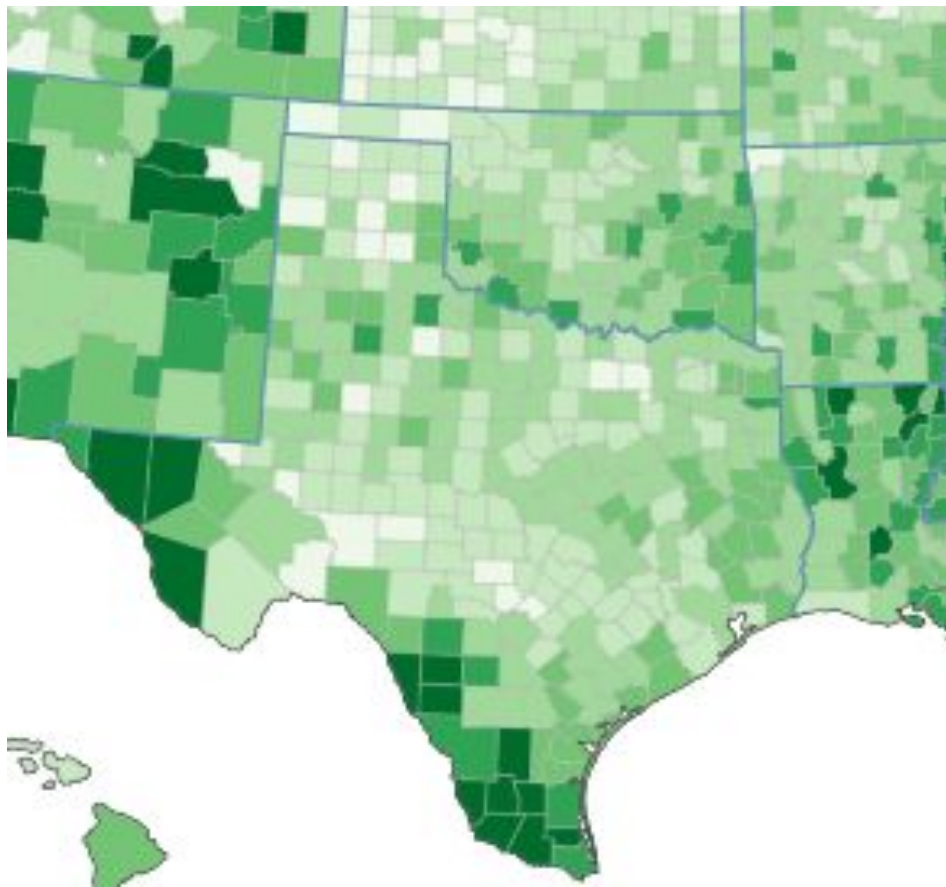
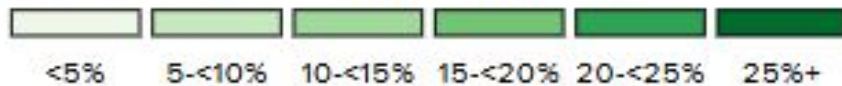
Provides critical nursing home and community-based services for seniors and people with disabilities.



Medicaid covers mental health services in Texas

Nationally, Medicaid is the largest single source of funding for mental health and substance use care.

Percent of Households with SNAP (2017-2021)



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Food Research Action Center (FRAC). SNAP Matters in Every Community—Metros, Small Towns, and Rural Communities.

<https://frac.org/maps/snap-county-map/snap-counties.html>

The Big Picture

No matter where you live, how much money you make, whether you have kids, what your immigration status is, or anything else . . .

Funding cuts over \$1 trillion dollars will affect EVERYONE in Texas. Not one person in the state will escape the economic and public health fallout from these proposed budget cuts.

The cost of living in every region in Texas will increase.

CBO: “in general, resources would decrease for households in the lowest tenth of the income distribution [the million households in Texas that earn [under \\$17k annually](#)], whereas resources would increase for households in the highest tenth [the million households in Texas that earn over \$200k annually].”

CBO. Preliminary Analysis of the Distributional Effects of the One Big Beautiful Bill Act. 20 May 2025.

<https://www.cbo.gov/system/files/2025-05/61422-Reconciliation-Distributional-Analysis.pdf>



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The largest cuts to health and food access programs in American history

Raise flags. Ring alarm bells. Rally your friends, family and coworkers.

- States will cut long-term services and supports for seniors and disabled people because they are “optional” services;
- Hospitals and clinics, especially in rural areas, will have to cut whole departments, like labor and delivery or emergency mental healthcare; and
- Some hospitals will close entirely. Grocery stores and convenience stores will close. People will have to travel further for food and healthcare, *if they can*.



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If passed, future lawmakers won't be able to reverse changes without great expenses.

- When hospitals, offices, or programs close, infrastructures collapse. Buildings become abandoned. Then, they're more expensive to rebuild.
- When the government cuts taxes, it's hard to convince lawmakers to reinstate them later because the language of "No new taxes!" still looms large in the US.



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Misinformation about Waste, Fraud, and Abuse (WFA)

Waste: Increased costs due to inefficient healthcare and food delivery systems;

Fraud: Increased costs due to system participants knowingly and intentionally taking advantage of funding streams in the delivery system; and

Abuse: Increased costs due to overuse of a system so participants can extract extra payments from it.

The federal Dept. of Health and Human Services' Office of the Inspector General estimates around \$2 billion in Medicaid fraud in 2023.

These budget proposals save money for tax cuts by cutting healthcare and food programs for working people.

HHS OIG. Waste: *Health Care Fraud and Abuse Control Program FY 2023*.
<https://oig.hhs.gov/documents/hcfac/10087/HHS%20OIG%20FY%202023%20HCFA%20C.pdf>



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Without deliberation, clarity, or plan, these proposals are rushed and undemocratic.

Congress is rushing these proposals through the budget-making process because:

- They're counting on families being busy in the summer and not being able to pay attention to the effects in their households and communities;
- They don't want people to understand the devastating cuts they're proposing;
- They want to end the conversation about these budget cuts as quickly as possible to disconnect themselves from the harm these cuts will cause to people everywhere in the US.



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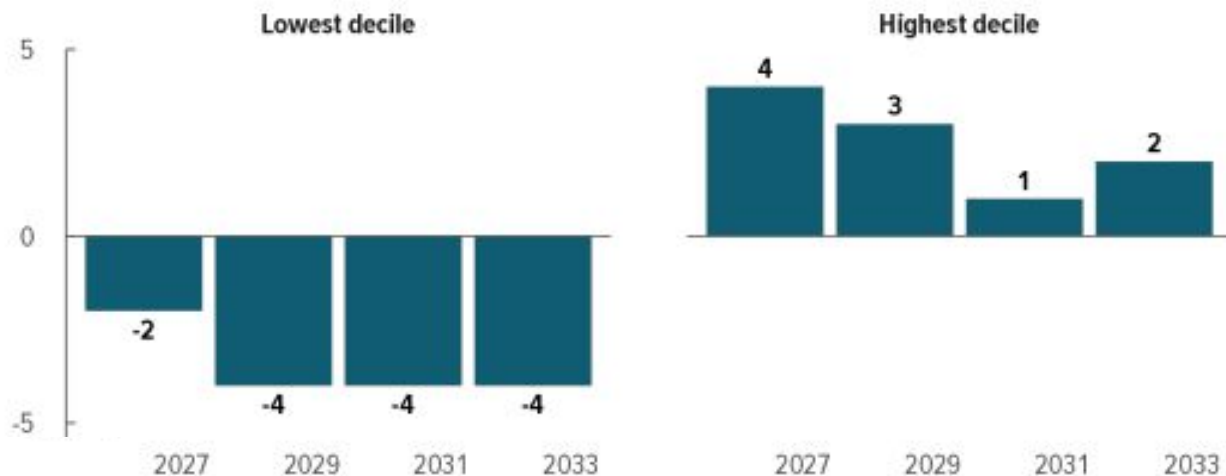
<https://www.cbo.gov/system/files/2025-05/61422-Reconciliation-Distributional-Analysis.pdf>



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Change in Household Resources as a Percentage of Income Under Current Law for the Lowest and Highest Income Deciles, Selected Years

Percent



Data source: Congressional Budget Office.

CBO. Preliminary Analysis of the Distributional Effects of the One Big Beautiful Bill Act. 20 May 2025.

<https://www.cbo.gov/system/files/2025-05/61422-Reconciliation-Distributional-Analysis.pdf>



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COMPOUNDING IMPACTS ON INCOME: SCENARIOS	PREGNANT WORKING PARENT + 1 CHILD	2 WORKING PARENTS + 1 CHILD + 1 ELDERLY PERSON	SINGLE WORKING PARENT + 1 CHILD +1 ELDERLY PERSON	PREGNANT WORKING PARENT + 1 CHILD + 1 ELDERLY PERSON
POVERTY LINE	\$21,150	\$32,150	\$26,650	\$26,650
INCOME BEFORE CUTS (EPI AS BASELINE)	\$19,307	\$25,678	\$19,307	\$19,307
INCOME LOST W/ CUTS	\$2,063	\$3,180	\$2,357	\$2,456
REDUCED INCOME W/ CUTS	\$17,244	\$22,498	\$16,950	\$16,851
% LOSS W/ CUTS	11%	12.5%	12.5%	13%

Budget proposals that don't affect Texans:

- Work reporting requirements for low-income adults on Medicaid who are not disabled, pregnant, or seniors;
- Prohibits people who fail to meet Medicaid work reporting requirements from enrolling in the ACA Marketplace with subsidies for affordability;
- Reductions in federal funding that matches the cost of healthcare that the Texas budget pays for Medicaid and CHIP enrollees;
- Implementing copays for non-disabled, non-pregnant adults on Medicaid.

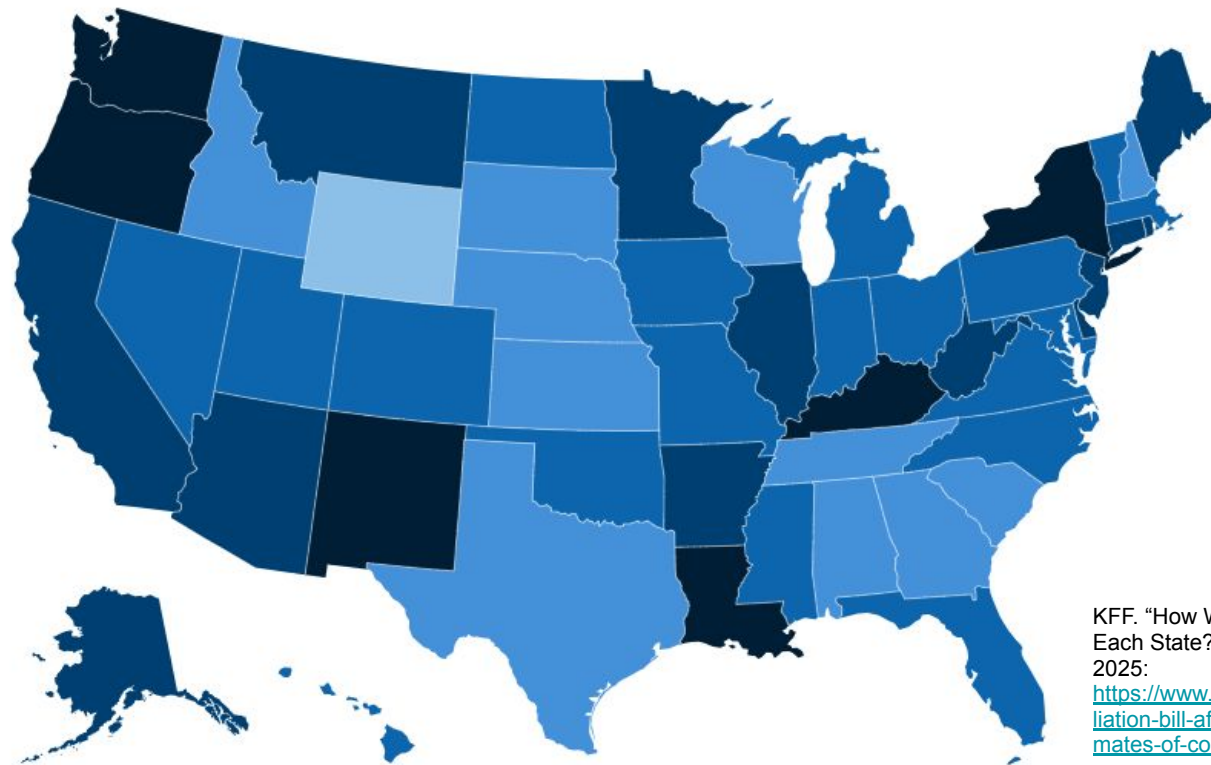


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An Additional 8.6M People Nationwide Could be Uninsured if the Energy & Commerce (E&C) Reconciliation Bill is Passed

Percentage Point Increase in the Uninsured Population if the E&C Reconciliation Bill is Finalized Based on Partial CBO Numbers, by State, 2034

Percentage Point Increase



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Texas

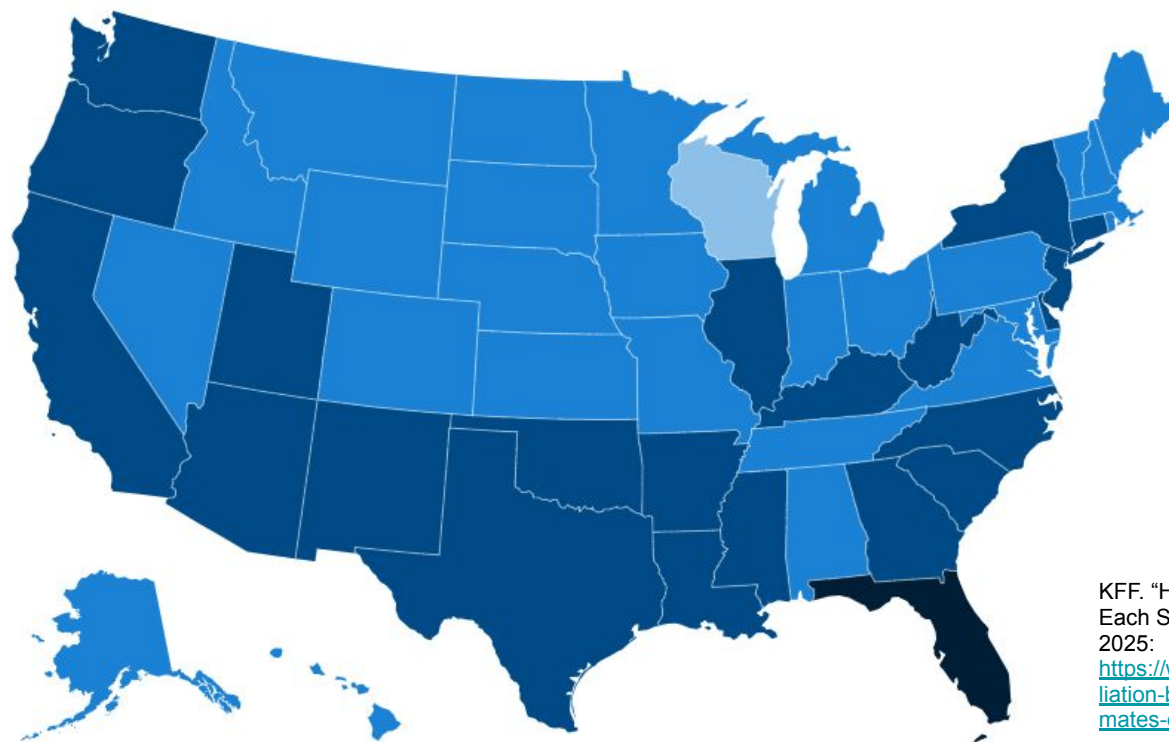
This policy is projected to increase the uninsured population by roughly **430K people** — around a **1 percentage point** change. This estimate could vary between 320K and 540K based on a 25% range of uncertainty.

KFF. "How Will the 2025 Reconciliation Bill Affect the Uninsured Rate in Each State?: Allocating CBO's Partial Estimates of Coverage Loss." 20 May 2025:
<https://www.kff.org/affordable-care-act/issue-brief/how-will-the-2025-reconciliation-bill-affect-the-uninsured-rate-in-each-state-allocating-cbos-partial-estimates-of-coverage-loss/>

An Additional 13.7M People Nationwide Could be Uninsured if the Energy and Commerce (E&C) Reconciliation Bill is Passed and ACA Enhanced Tax Credits Expire

Percentage Point Increase in the Uninsured Population After Medicaid and ACA Marketplace Changes Based on Partial CBO Numbers, by State, 2034

Percentage Point Increase



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Combined, the policies are projected to increase the uninsured population by roughly **1.6M people** — a **5 percentage point** change. This estimate could vary between 1.2M to 2M based on a 25% range of uncertainty.

KFF. "How Will the 2025 Reconciliation Bill Affect the Uninsured Rate in Each State?: Allocating CBO's Partial Estimates of Coverage Loss." 20 May 2025:

<https://www.kff.org/affordable-care-act/issue-brief/how-will-the-2025-reconciliation-bill-affect-the-uninsured-rate-in-each-state-allocating-cbos-partial-estimates-of-coverage-loss/>

Budget proposals to SNAP that do affect Texans

- Limit future increases to SNAP dollars;
- Subject more seniors (up from 55 to 65) and more parents (for children as young as 7) to the three-month SNAP benefits time limit by requiring that they document 20 hours of work per week in order to receive benefits;
- Make refugees ineligible for SNAP
- Require states to pay anywhere from 5% to 25% of SNAP benefit amounts and increase the state share of administrative costs from 50% to 75%, which would hobble the program's ability to meet increased need during times of natural disaster and economic crisis.



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States Would Be Hit Hard by the 5% to 25% Cost-Shift in the House Agriculture Committee's Reconciliation Bill

State	State Share of 5% Cost-Shift in FY2028 (millions) (under 6% error rate)	State Share of 15% Cost-Shift in FY2028 (millions) (6% to 7.99% error rate)	State Share of 20% Cost-Shift in FY2028 (millions) (8% to 9.99% error rate)	State Share of 25% Cost-Shift in FY2028 (millions) (10% or higher error rate)
South Dakota	\$9	\$27	\$36	\$45
Tennessee	\$81	\$242	\$322	\$403
Texas	\$358	\$1,074	\$1,432	\$1,792
Utah	\$19	\$57	\$76	\$95
Vermont	\$7	\$22	\$30	\$37

CBPP. "House Agriculture Committee Proposal Would Worsen Hunger, Hit State Budgets Hard." 15 May 2025:

<https://www.cbpp.org/research/food-assistance/house-agriculture-committee-proposal-would-worsen-hunger-hit-state-budgets>



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Budget proposals to Medicaid that do affect Texans

- Reduction of retroactive coverage period from three months to one month;
- Decreased time for applicants to reply to Texas HHS provide documents to verify application information;
- Implementation of new federal system to check against Medicaid enrollment in multiple states;
- Prohibiting automatic enrollment of certain SSI recipients into Medicare Savings Programs (MSPs);
- Prevents streamlining Medicare Low-Income Subsidy (LIS) program data to enroll people with LIS into MSPs;
- Increases burdensome documentation for applications;
- HHS must complete more frequent provider verifications and manage the mountain of red tape these proposals will create;
- Caps provider taxes: Reduced state flexibilities to increase state payments to Medicaid that the federal government would have to match.



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Budget proposals to CHIP that do affect Texans

- Reinstates three-month CHIP waiting period when families transition eligible children from employer health insurance to CHIP;
- Reinstates lifetime caps on CHIP medical payments;
- Reinstates lock-out periods for families who fail to pay CHIP premiums;
- Turns state mandated “reasonable opportunity period” (90-day window for Medicaid or CHIP coverage while applicants verify citizenship status) into a state option.



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The Energy & Commerce (E&C) Reconciliation Bill Would Increase the Number of Uninsured by 8.6 Million

Estimates of the Increase in the Uninsured by Policy Changes Based on Partial CBO Numbers, 2034

Geography	Medicaid Expansion Status	E&C Reconciliation Bill Uninsured Increase	E&C Reconciliation Bill Uninsured Increase Uncertainty	E&C Reconciliation Bill Percentage Point increase
United States		8,600,000		
Alabama	Not Adopted	53,000	(39,000 - 66,000)	<div><div></div>1%</div>
Texas	Not Adopted	430,000	(320,000 - 540,000)	<div><div></div>1%</div>

KFF. “How Will the 2025 Reconciliation Bill Affect the Uninsured Rate in Each State?: Allocating CBO’s Partial Estimates of Coverage Loss.” 20 May 2025:
<https://www.kff.org/affordable-care-act/issue-brief/how-will-the-2025-reconciliation-bill-affect-the-uninsured-rate-in-each-state-allocating-cbos-partial-estimates-of-coverage-loss/>



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Budget proposals to ACA/Marketplace that do affect Texans

- Reduces annual enrollment period to Nov 1–Dec 15 nationally;
- Prohibits Special Enrollment Periods (SEPs) based on low incomes (and requires Treasury to pull subsidies from all low-income SEP enrollees on effective date);
- For any other SEP, requires verification of eligibility for 75% of applicants;
- Reinstates annual failure-to-reconcile process;
- Removes subsidy repayment caps for low- and middle-income enrollees who mis-estimate their incomes on their Marketplace applications;
- Prohibits automatic re-enrollment with APTCs and \$0 premiums;
- Increases insurance company costs for offering affordable copays to enrollees. Insurers will shift those costs to enrollees with higher copay costs;
- Eliminates subsidy eligibility for immigrants who are not Legally-Permanent Residents, some Cuban entrants, and COFA immigrants;
- Eliminates subsidy eligibility for immigrants in the “5-year bar” period who have income estimates under 100% of the federal poverty line;
- Different policy decision (February 2025): Cuts ACA Navigator program funding by 90%, so dozens of Texas Navigators are losing their jobs in September 2025);



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Geography	Medicaid Expansion Status	E&C Reconciliation and eAPTC Expiration Uninsured increase	E&C Reconciliation and eAPTC Expiration Uninsured Increase Uncertainty	E&C Reconciliation Bill and eAPTC Expiration Percentage Point increase
United States		13,700,000		
Alabama	Not Adopted	170,000	(130,000 - 220,000)	3%
Texas	Not Adopted	1,600,000	(1,200,000 - 2,000,000)	5%

KFF. “How Will the 2025 Reconciliation Bill Affect the Uninsured Rate in Each State?: Allocating CBO’s Partial Estimates of Coverage Loss.” 20 May 2025:
<https://www.kff.org/affordable-care-act/issue-brief/how-will-the-2025-reconciliation-bill-affect-the-uninsured-rate-in-each-state-allocating-cbos-partial-estimates-of-coverage-loss/>



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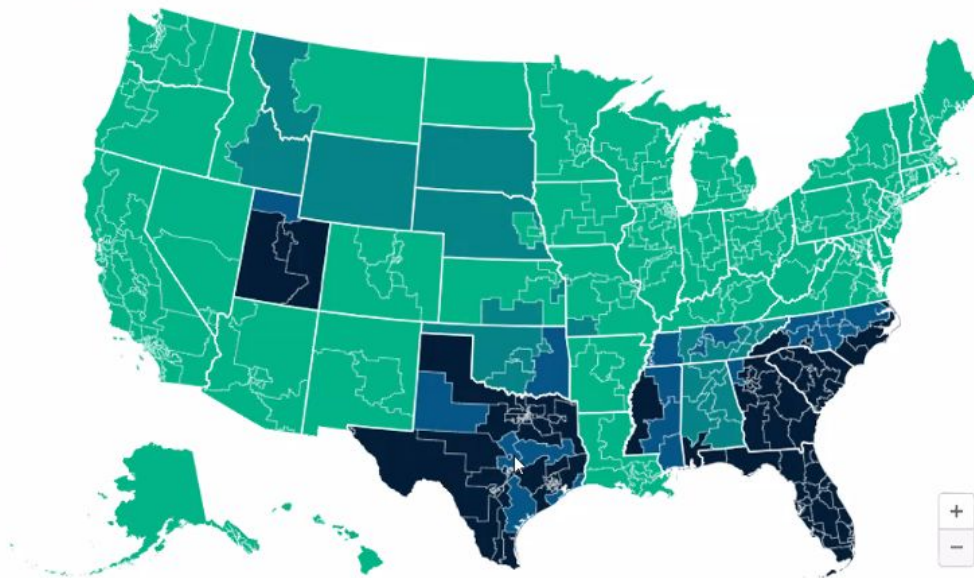
3.5 million Texans get APTCs for individual coverage under the ACA. 12% of population.



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Share of Population That Is Enrolled in the Affordable Care Act Marketplace in 2024 by Congressional District, 118th Congress

■ < 6% ■ 6%–8% ■ 8%–10% ■ ≥ 10%



Average: 100,000 per Congressional district... range 70 to 150K.

KFF. Inflation Reduction Act Health Insurance Subsidies: What is Their Impact and What Would Happen if They Expire? 26 July 2024:

<https://www.kff.org/affordable-care-act/issue-brief/inflation-reduction-act-health-insurance-subsidies-what-is-their-impact-and-what-would-happen-if-they-expire/>

Texas received \$1.5 billion in Enhanced APTCs in 2024



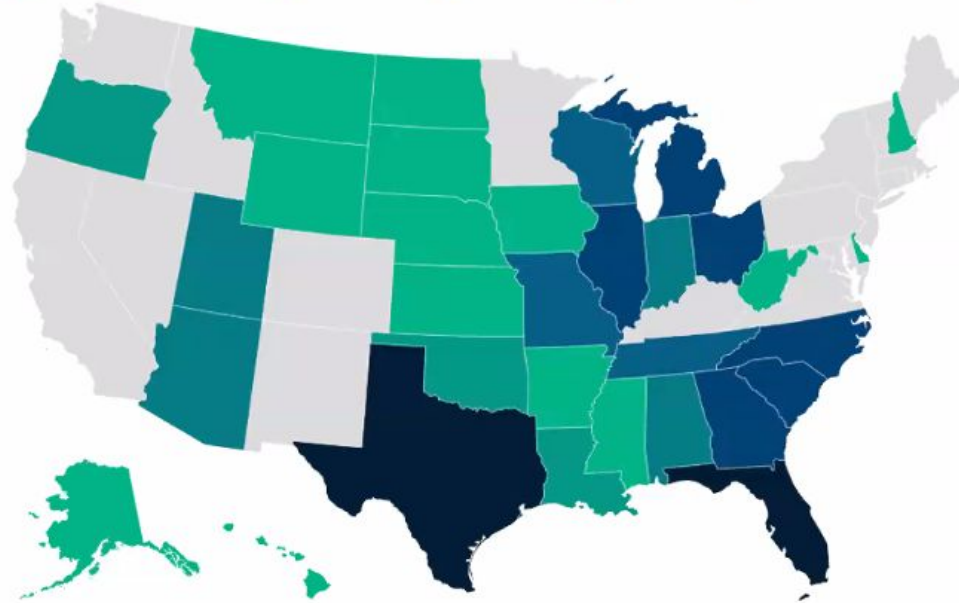
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Annualized Total Inflation Reduction Act Subsidies by State, 2024

2023 Map

2024 Map

< \$150M \$150M–\$200M \$200M–\$250M \$250M–\$300M \$300M–\$1B ≥ \$1B



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Source: KFF analysis of 2024 Marketplace Open Enrollment Report and 2024 OEP PUF • Get the data • Download PNG

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How badly the proposals, as currently laid out, affect Texans:

- Millions more uninsured and without access to nutrition support
- Individuals, families, workplaces, communities, and regions will be sicker, hungrier, and have less disposable income
- Job loss, workforce shortages, and economic instability
- Increased medical debt and bankruptcy caused by medical debt
 - Lifelong financial consequences
- Less funding in Texas healthcare and food access systems
- Increased burdens on state lawmakers, state budgets, and TX HHS staff
- Increased rates of hospital closures, especially in rural areas
 - Diminished health outcomes for people who will need to travel long distances to get emergency or specialist care



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RURAL HOSPITALS AT RISK OF CLOSING

State	Hospital Closures Since 2005	Inpatient Service Closures (REH) ²	Open Rural Inpatient Hospitals	Hospitals With Losses on Services ¹		Hospitals at Risk of Closing		Hospitals at Immediate Risk	
				Number	Percent	Number	Percent	Number	Percent
Kansas	10	3	99	88	89%	63	64%	26	26%
Oklahoma	9	4	78	52	67%	46	59%	24	31%
Texas	25	4	156	107	69%	78	50%	21	13%
Alabama	9	3	47	29	62%	24	51%	21	45%
Mississippi	6	6	67	40	60%	34	51%	19	28%

Center for Healthcare Quality & Payment Reform. Rural Hospitals at Risk of Closing. June 2025:

https://chqpr.org/downloads/Rural_Hospitals_at_Risk_of_Closing.pdf



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State	Estimated health insurance coverage losses, 2034	Number of people at risk of losing some or all SNAP benefits	Number of jobs put at risk by elimination of clean energy tax credits
Oregon	210K	145K	12,612
Pennsylvania	340K	401K	6,845
Rhode Island	40K	21K	410
South Carolina	230K	143K	32,263
South Dakota	17K	14K	1,320
Tennessee	250K	160K	21,343
Texas	2M	806K	131,882
Utah	150K	36K	9,031

Center for American Progress. “The Devastating Harms of House Republicans’ Big, ‘Beautiful’ Bill by State and Congressional District.” 21 May 2025:

<https://www.americanprogress.org/article/the-devastating-harms-of-house-republicans-big-beautiful-bill-by-state-and-congressional-district/>

Potential 2026 Job Losses in States Due to Broad-Based Cuts to Medicaid and SNAP Federal Funding Under the House Budget Resolution

Job losses in thousands

	Medicaid			SNAP			Combined
	Direct health	Other jobs	Total jobs	Direct food	Other jobs	Total jobs	Total jobs
Total: United States	-477.2	-410.7	-888.0	-77.9	-65.4	-143.2	-1,031.2
Five highest states							
California	-67.2	-54.6	-121.8	-8.4	-9.4	-17.8	-139.6
New York	-39.5	-32.6	-72.0	-5.9	-4.1	-10.0	-82.0
Texas	-28.8	-25.9	-54.6	-6.9	-6.1	-12.9	-67.5
Pennsylvania	-21.9	-19.8	-41.8	-3.8	-3.1	-6.9	-48.7

The Commonwealth Fund: How Potential Federal Cuts to Medicaid and SNAP Could Trigger the Loss of a Million-Plus Jobs, Reduced Economic Activity, and Less State Revenue. 25 March 2025:

<https://www.commonwealthfund.org/publications/issue-briefs/2025/mar/how-cuts-medicaid-snap-could-trigger-job-loss-state-revenue>



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Contact friends, family, coworkers, and contacts around the state (especially in rural areas) to remind lawmakers in Congress that **cuts to these programs will cost them their jobs.**

[Here's a guide to contacting reps and organizing community members.](#)

CBO. Preliminary Analysis of the Distributional Effects of the One Big Beautiful Bill Act. 20 May 2025.

<https://www.cbo.gov/system/files/2025-05/61422-Reconciliation-Distributional-Analysis.pdf>



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Reports and Analyses

- Independent Sector: [Tracking the Policy Landscape for the Charitable Sector](#)
- National Council of Nonprofits: [The Impacts of the Recent Executive Orders on Nonprofits](#)
- Committee for a Responsible Federal Budget: [2025 Reconciliation Tracker-2025-05-22](#)
 - a. CBO Financials (4 June 25): <https://www.cbo.gov/publication/61461>
 - b. CBO Coverage Loss Projections (4 June 25): <https://www.cbo.gov/publication/61463>
- Center on Budget and Policy Priorities: [By the Numbers: State-by-State Data, Fact Sheets, and Resources](#)
- The Commonwealth Fund: [How Potential Federal Cuts to Medicaid and SNAP Could Trigger the Loss of a Million-Plus Jobs, Reduced Economic Activity, and Less State Revenue](#)
- Center for American Progress: [The Devastating Harms of House Republicans' Big, 'Beautiful' Bill by State and Congressional District](#)
- KFF: [How Will the 2025 Reconciliation Bill Affect the Uninsured Rate in Each State?: Allocating CBO's Partial Estimates of Coverage Loss](#)
- Every Texan: [Compounding Effects: Economic Impact of Federal Cuts to Benefit Programs](#)
- Georgetown Center for Children and Families: [Medicaid's Role in Small Towns and Rural Areas](#)
- Food Research & Action Center (FRAC): [SNAP Matters in Every Community—Metros, Small Towns, and Rural Communities](#)
- Children's Health Coverage Coalition: [Overview of Medicaid in Texas](#)
- Georgetown Center for Children and Families: [Medicaid is Vital to Texas](#)
- Center for Healthcare Quality & Payment Reform: [Rural Hospitals at Risk of Closing](#).



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