

# Fallout from the “One Big Beautiful Bill” (OBBBA) in TX-16

## Cuts from the OBBBA

- The OBBBA was signed into law on July 4, 2025, and contained cuts across several social safety net programs, including:
  - Medicaid
  - Affordable Care Act
  - Supplemental Nutrition Assistance Program (SNAP)

Because of this in El Paso:

- 45,000 El Pasoans will lose their health insurance (Medicaid and/or the Affordable Care Act)
- 95,000 people with Affordable Care Act coverage will see premium increases of \$440 per year (100%)
- Leaves many of the 70,000 households in El Paso who receive SNAP at risk of losing their benefits

*This was all done in the name of giving billionaires almost \$5 trillion in tax breaks.*

## Specific Healthcare Cuts and Changes

*The following are the specific cuts and changes being made to Medicaid, the Affordable Care Act, and other vital health care programs:*

- Cuts federal funding for Medicaid payments to hospitals and other providers by nearly \$150 billion—payments they need to offset uncompensated care, ensure quality of care, and often just to stay open and continue offering services like maternity care. These cuts to what are known as “state directed payments” will lead to hospital closures across the country
- Slashes states’ ability to tax health care providers—cutting over \$225 billion in revenues states rely on to finance their Medicaid programs. That means providers will shutter as they get even lower payments, including hospitals, nursing homes, and homecare providers. People will get kicked off their health coverage and see their benefits cut as states try to make ends meet
- It is important to note that even though there are some differences between federal funding for Medicaid payments to hospitals and other providers by nearly \$150 billion—payments they need to offset uncompensated care, ensure quality of care, and often just to stay open and continue offering services like maternity care. These cuts to what are known as “state directed payments” will lead to hospital closures across the country

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- It is important to note that even though there are some differences between how expansion and non-expansion states are treated, non-expansion states like Texas are still very much affected by the cuts being implemented in OBBA. For example, new state directed payments for expansion states are capped at 100% of Medicare rates but for non-expansion states they are capped at 110% of Medicare rates. Medicaid changes in this bill will affect both expansion and non-expansion states.
- Results in hundreds of billions of dollars in cuts to Medicare, reducing access to care. Because the bill adds trillions of dollars to the deficit, it triggers a process known as Medicare sequestration, requiring hundreds of billions in automatic payment cuts to Medicare providers and threatening patient access to care.
- Cuts 1.4 million low-income seniors and people with disabilities off the Medicaid coverage that covers their premiums and cost-sharing, meaning they will have to choose between paying for housing and food versus going to the doctor or getting their medications
- Defunds Planned Parenthood, leaving more than 1.1 million women without access to needed care like cancer screenings and birth control
- Allows states to impose 90-day lockout periods on kids who get their health care through the Children's Health Insurance Program (CHIP)—subjecting them to arbitrary periods where they are uninsured
- Allows states to impose annual and lifetime dollar limits on benefits for kids enrolled in CHIP—meaning even enrolled children can't get the care they need
- Cuts retroactive Medicaid coverage, leaving low-income Americans with overwhelming medical debt in times of crisis, and hospitals and nursing homes with more uncompensated care. Under current law, Medicaid beneficiaries are able to get coverage for medical expenses retroactively, to shield those who are not yet enrolled and have unexpected health care needs from catastrophic medical debt and ensure their access to care. Cutting retroactive coverage means families of loved ones who, for example, unexpectedly need long-term care are left footing the bill while they scramble to gather supporting information they may need about their loved one's disability and the need for institutional care
- Increases co-pays for people on Medicaid who make as little as \$1,300 a month, forcing them to choose between health care and other basic needs
- Kicks elderly and disabled people who need long-term care out of their homes if their home value has increased over the years—no matter how little income they have.
- Doubles down on cruel and dangerous cuts in Medicaid coverage by closing off ACA Marketplace coverage for eligible individuals. The bill shockingly bars individuals who are unable to meet the red tape requirements in Medicaid from accessing subsidized health insurance in the ACA Marketplace
- Repeals nursing home staffing rules, including the requirement for a registered nurse to be onsite, leaving elderly and disabled people in nursing homes less safe

## Specific Nutrition Cuts and Changes

*The following are the specific cuts and changes being made to nutrition programs:*

- Thrifty Food Plan
  - Prohibits the Secretary from conducting a reevaluation that increases the cost of the Thrifty Food Plan (TFP), which underpins SNAP benefit levels (does NOT prevent decreases). This results in \$37 billion in cuts to nutrition assistance programs, slashing SNAP benefits (\$35 billion), Summer-EBT (\$1 billion), the Nutrition Assistance Program for Puerto Rico (\$1 billion) and TEFAP (\$100 million), per CBO.
  - Delays the next TFP reevaluation by 1 year, i.e. no sooner than October 1, 2027.
  - Adjusts the TFP adjustment for households larger than 9 individuals, which will result in monthly benefit decreases for the households.
- SNAP Work Requirements
  - Expands the Able-Bodied Adults Without Dependents (ABAWD) time limit to seniors up to the age of 65 and to households with children as young as 14 years old
  - Immediately eliminates, upon enactment, existing exemptions for homeless, veterans, those aging out of foster care (currently scheduled to phase-out in 2030)
  - Limits geographic-based waivers to states and areas with unemployment of 10 percent or higher
- SNAP Matching Funds Requirements
  - Shifts the cost of a portion of SNAP benefits to states beginning in Fiscal Year (FY) 2028. The amount of the shift is based on each state's Payment Error Rate (PER), which measures errors states make when calculating households' benefit levels, including both under- and over-payments. Existing penalty amounts established in the Food and Nutrition Act for states with high error rates also remain in place and unchanged
  - Allows the Secretary to delay the benefit cost shift for states with the highest error rates. If a state's error rate multiplied by 1.5 is equal to or above 20 percent for either fiscal year (FY) 2025 or 2026, their benefit cost shift can be delayed by one year (from FY 2028 to 2029 and from FY 2029 to 2030, respectively). There is no prohibition on states receiving a delay for both years. Texas is unlikely to qualify for a delay but this could change
- SNAP Administrative Cost Sharing
  - Increases state and county SNAP administrative cost share from 50 percent to 75 percent beginning in Fiscal Year 2027 (October 1, 2026)
- SNAP Eligibility for Non-Citizens
  - Eliminates SNAP eligibility for all "qualified aliens," including people approved for asylum and certain victims of domestic violence or sex trafficking.

## Timelines

*The OBBBA has delayed a number of the actual cuts, so communities across the country need to be preparing now for what will happen over the next year. Below are some of the most pressing timelines:*

- Medicaid:
  - June 1, 2026: The Department of Health and Human Services (HHS) will release guidelines with implementation requirements that will require able-bodied adults aged 19–64 to work at least 80 hours a month.
  - Dec. 31, 2026 (or earlier at a state's discretion): States are required to implement work requirements. However, at the discretion of the Secretary of HHS, some states can be exempt from implementing changes until Dec. 31, 2028.
  - These changes will require many folks to reapply or complete additional paperwork – be on the lookout for atypical deadlines.
- SNAP
  - Implementation dates have not been released yet, but individuals should expect changes to work requirements
- Affordable Care Act
  - Unfortunately, because Republicans chose not to address the expiration of the enhanced ACA tax credits in OBBBA or before their expiration, premiums have skyrocketed.
  - January 1, 2026: Changes are expected for individual bronze and catastrophic plans. January 1, 2027 (or earlier at a state's discretion): Those denied or disenrolled from Medicaid due to work requirements will be ineligible for subsidized Marketplace coverage.
  - December 31, 2027: Pre-enrollment verification will be required for eligibility

More information can be found [here](#).