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PPC Update

May 23, 2025

HOUSE MAKES THE FIRST MOVE ON RECONCILIATION. The U.S. House of Representatives [passed a major legislative package in a narrow 215-214 vote early on Thursday morning](#). The bill, named the One Big Beautiful Bill Act, encompasses the bulk of President Donald Trump's domestic policy priorities that Republicans are passing through the budget reconciliation process, which allows them to advance the bill with just 51 votes in the Senate. The narrow House passage caps off a tumultuous week after the bill [initially failed to clear the Budget Committee in a vote last Friday](#), when five Republicans joined Democrats in opposing the measure. Republican fiscal hawks argued that the package did not go far enough in terms of spending cuts and deficit reduction. The holdouts [agreed to let the legislative process continue](#) after Speaker Mike Johnson (R-La.) assured them "minor modifications" would be made to the legislation. Yesterday's House vote represents a victory for the President after [several House committees last week approved the details](#) for the programs that fall under their jurisdiction.

– **Energy and Commerce Committee Approves Largest Cuts to Medicaid.** Last week, the House Energy and Commerce Committee approved its portion of the reconciliation bill along party lines following a markup that stretched to 26 hours. [The Committee surpassed its \\$880 billion instructions for deficit reduction](#), instead recommending \$912 billion in net spending cuts for programs under its jurisdiction. Nearly \$200 billion of the savings would come from cuts to energy programs, while \$715 billion would come from changes to Medicaid. To appease moderate Republicans, the proposal ultimately steered clear of the most controversial proposals to overhaul Medicaid, such as per-capita caps or reforms to the Federal Medical Assistance Percentage (FMAP).

However, [it still calls for a number of harmful proposals that would result in millions losing Medicaid coverage](#). The bill, for example, would require adult Medicaid expansion beneficiaries to demonstrate that they are working 80 hours each month in order to stay enrolled. [Research demonstrates](#) that work requirements fall short of their stated objective of boosting employment; with the majority of Medicaid enrollees already working, the work reporting requirements would create more bureaucracy and reduce coverage for eligible individuals who struggle to satisfy the reporting requirements. The bill would also require Medicaid expansion beneficiaries to verify their income every six months, rather than just once a year. A [prohibition on federal Medicaid funding for gender-affirming care](#) and a [federal financing penalty](#) for states who cover otherwise ineligible immigrant populations are also included in the latest version of the bill.

New limits on ways states can finance their Medicaid programs would also result in reductions in overall Medicaid spending in ways that could reduce benefits. The bill places a moratorium on new or increased provider taxes for Medicaid. Provider taxes are state-level taxes levied on healthcare providers that are used by states to raise their share of Medicaid dollars. Freezing these taxes will directly limit states' ability to react to specific cost increases and would likely result in significant cuts to benefits. [The bill also adds a more rigorous income verification](#) for those enrolled in the Affordable Care Act's (ACA) health insurance marketplaces while failing to extend tax credits that allow individuals to purchase

health insurance on the ACA exchanges. The Congressional Budget Office (CBO) [estimates the bill would result in 13.7 million](#) people losing their health coverage overall.

– **Agriculture Committee Votes to Roll Back Anti-Hunger Programs.** The House Agriculture Committee last week [voted to advance its reconciliation proposal](#) along party lines to the full Budget Committee. The committee was instructed to cut \$230 billion over the next 10 years. However, committee Republicans intentionally exceeded that amount and passed a proposal recommending \$300 billion in spending cuts. These [larger-than-necessary cuts](#) were designed by Republicans to allow them to include a \$60 billion farm bill package in the larger reconciliation bill, giving them enough wiggle room to meet their reconciliation target.

The bill's savings are mostly the result of massive cuts to the Supplemental Nutrition Assistance Program (SNAP), the nation's largest anti-hunger program that [helps 42 million low-income people across the country afford food](#). The proposal seeks to cut \$290 billion overall from the SNAP program. The bill would shift more SNAP costs to states by requiring, for the first time, states to fund a share of SNAP benefits beginning in Fiscal Year 2028, with the proportion of funding they are responsible for providing determined using a sliding scale based on their payment error rates. This could force states to raise their revenue or reduce benefits, as it would require them to allocate tens to hundreds of millions of dollars annually from their state budgets to SNAP. The bill would also limit future updates to the Thrifty Food Plan (TFP), which is used by USDA to calculate SNAP benefits. By limiting future increases, families would be left with outdated benefits as the cost of groceries increases. Furthermore, the bill also seeks to raise the working age for adult SNAP beneficiaries from 54 to 64 and would require parents of children aged 7 and above to meet work requirements. The CBO estimates the SNAP provisions of this bill would [result in an estimated 3 to 3.5 million fewer people](#) receiving SNAP in a given month.

– **Ways and Means Committee Leaves Key Social Supports for Children Intact, but Rules Committee Action Places SSBG At Risk.** The House Ways and Means Committee [advanced its reconciliation bill](#) focused on tax policy, which makes permanent individual tax rate reductions and changes from the 2017 Tax Cuts and Jobs Act. Notably, the Committee did not include any provisions eliminating the Social Services Block Grant (SSBG) or Temporary Assistance for Needy Families (TANF).

The bill also includes a [temporary increase of the Child Tax Credit \(CTC\)](#), which was temporarily doubled to \$2,000 in the TCJA, from \$2,000 to \$2,500 through 2028. The \$2,000 tax credit would be made permanent after 2028. The increase is nonrefundable, however, which means the credit would not be made available for the lowest income families who pay low taxes or none at all.

– **What Happens Next?** The bill now heads to the Senate, where its fate remains even more uncertain, given that numerous Republicans have already voiced opposition to the bill. Fiscal hawks, such as Senators Rand Paul (R-Ky.) and Ron Johnson (R-Wis.), [argue the package does not go far enough on spending cuts](#), echoing the concerns from the rightward flank of the House Republican caucus. Moderate leaning members, such as Senators Susan Collins (R-Maine) and Lisa Murkowski (R-Alaska), have voiced concerns over the House bill's approach to Medicaid. Sen. Josh Hawley (R-Mo.) went as far as to pen an [op-ed](#) publicly opposing funding cuts to Medicaid. The Senate is expected to make a number of [its own changes to the legislation](#). Additionally, the Senate will have to deal with stringent reconciliation requirements overseen by the chamber's Parliamentarian, which may restrict certain House proposals from being included in the final bill. Senate Majority Leader John Thune (R-S.D.) has said the upper chamber is [aiming to pass the bill by July 4](#).

– **Advocacy Opportunity.** As the Senate prepares to vote on the budget reconciliation bill, it will be critical for senators to hear from academic pediatricians about why federal child health programs must be protected. Significant funding cuts could have devastating impacts for the millions of children and families who rely on these programs for health care coverage, nutrition, and other vital support.

When the Senate begins consideration on the reconciliation bill upon their return from recess, we will be in touch with opportunities for academic pediatricians to make their voices heard throughout this process.

In the meantime, you can consider how you will customize your message:

Explain why these programs are lifelines to the patients you care for, incorporate state-specific data from these [2025 Medicaid fact sheets](#), and/or share a deidentified anecdote. The more personalized your message, the more powerful.