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CONGRESSIONAL HISPANIC CAUCUS INSTITUTE

March 2026

The One Big Beautiful Bill Act's Implications for Hispanic Health and Well-Being

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Executive Summary

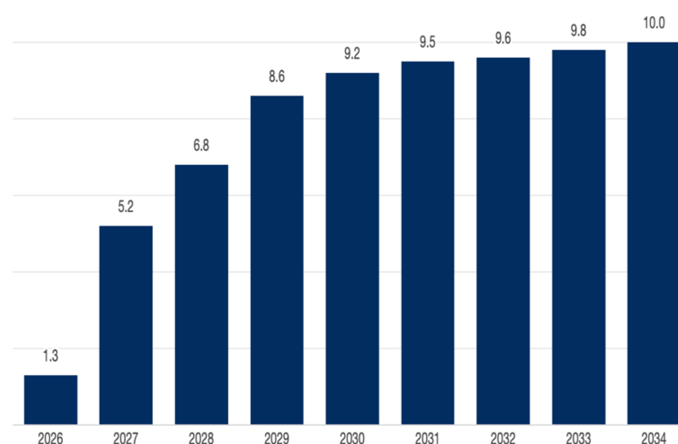
Hispanic communities in the United States face challenges in accessing health care. Many experience difficulty navigating a complex health care system, encounter language and cultural barriers, and have higher uninsured rates compared to other populations. As a result, programs like Medicaid and the Children's Health Insurance Program (CHIP) are critical sources of coverage for millions of Hispanic individuals. These programs provide access to preventative care, primary care, and other health services.[1]

H.R. 1, or the One Big Beautiful Bill Act, signed into law by President Trump, introduced significant changes to programs like Medicaid, Medicaid Expansion, and CHIP. Provisions include work reporting requirements, changes to immigrant eligibility criteria, limits on states' use of provider taxes to finance Medicaid Expansion, and modifications to eligibility and renewal processes, among others.[2]

This issue brief analyzes key H.R. 1 provisions affecting Medicaid, Medicaid Expansion, and CHIP, and examines their potential implications for existing disparities in coverage, access, and health outcomes within the Hispanic population. The brief focuses solely on the impacts of the Medicaid, Medicaid Expansion, and CHIP provisions and will not address the Medicare or the Affordable Care Act's (ACA) components of the law.

Background

On July 4, 2025, President Trump signed H.R. 1 into law after its passage by Congress through the budget reconciliation process.[3] The law includes numerous provisions affecting Medicaid, Medicare, Medicaid Expansion, the The Affordable Care Act, signed into law in 2010, produced one of the largest expansions of health coverage in U.S. history and was associated with a decline in the uninsured rate to 7.7 percent by 2023.[4] H.R. 1, however, includes provisions that reduce federal health care spending. According to final Congressional Budget Office (CBO) cost estimates issued on July 21, 2025, the law's Medicaid and CHIP provisions are projected to reduce gross federal spending by $990 billion over the



Source: Georgetown University Center for Children and Families analysis of the Congressional Budget Office's "Distributional Effects of Public Law 119-21" (August 2025).

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next 10 years.[5] CBO also projects that these changes would be associated with an increase of 7.8 million uninsured people by 2034.[6] When accounting for changes to Medicaid, CHIP, the ACA marketplaces, and Medicare under the law, CBO estimates that the number of uninsured would increase by 10 million by 2034.[7]

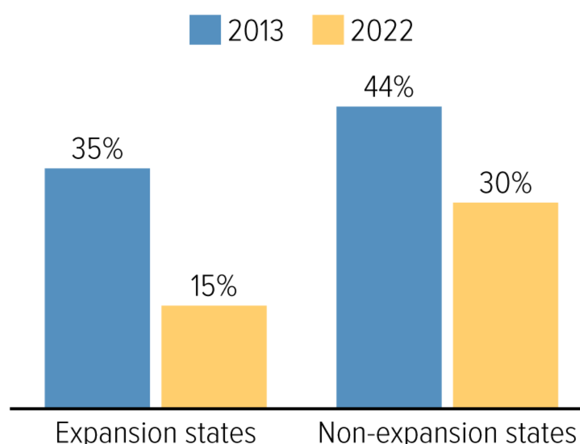
Medicaid provides health coverage to millions of Americans, including eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities. The program is jointly funded by the federal and state governments and administered by states under federal guidelines.[8] Similarly, CHIP is a federal-state partnership program that offers health coverage to children in families who earn too much to qualify for Medicaid but too little to afford private marketplace coverage.[9] As of June 2025, more than 70 million people across the United States and the District of Columbia were enrolled in Medicaid, and over 7 million (about 2% of the total U.S. population) were enrolled in CHIP.[10] Among these enrollees, Hispanic individuals represent a large share. In 2022, about 28 million Hispanic individuals were enrolled in Medicaid and CHIP,[11] accounting for 31 percent of total enrollees.[12]

Problem Analysis

Medicaid is the single largest source of federal revenue for state budgets, providing coverage for roughly two in five children, one in six non-elderly adults, nearly one in six adults aged 65 and older, and two in five non-elderly adults with disabilities.[13] In 2024, the federal government contributed $588 billion to Medicaid, while the non-federal share totaled $326 billion.[14]

Expansion States Saw Large Drop in Uninsured Rates

Uninsured rate among non-elderly adults with incomes below 200% of poverty line



Note: Expansion states defined as those that expanded as of January 2022.

Source: CBPP analysis of 2013 and 2022 American Community Survey

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Since the Affordable Care Act coverage provisions took effect in 2014, allowing states the option to expand Medicaid, enrollment in the program has increased significantly, reaching a historic high of 21.4 million people enrolled in the Medicaid Expansion in 2024.[15] In expansion states, the uninsured rate among low-income, non-elderly adults decreased from 35 percent to 15 percent between 2013 and 2022. In non-expansion states, the uninsured rate declined more modestly, from 44 percent to 30 percent over the same period.[16]

Hispanics, who were the most likely to be uninsured when the ACA was enacted, experienced the largest percentage point decline in their uninsured rate immediately after the law's coverage provisions took effect, decreasing from 33 percent in 2010 to 21 percent in 2015. During that same period, the number of Hispanics with health insurance increased by 9.6 million. Between 2015 and 2022, the uninsured rate among Hispanics declined by an additional 2.8 percentage points, with another 6 million gaining coverage.[12]

However, since Medicaid and CHIP are jointly financed by federal and state governments, changes under H.R. 1 could require states to adjust their budgets to accommodate reduced federal funding. States have historically responded to similar funding changes by modifying provider reimbursement rates, covered benefits, and enrollee cost-sharing requirements.[17] Evaluations of such policy changes have found associations with increased Medicaid disenrollment, reduced use of primary care services, higher rates of reported medical debt, and worsened health outcomes.[18] These changes would have implications for populations that rely heavily on Medicaid and CHIP

coverage, including Hispanic individuals, who already face disproportionate barriers to care and rely on these programs as their primary source of health coverage.[19]

Although Hispanics are not the largest group enrolled in Medicaid, they have the highest within-group share enrolled in Medicaid.[20] Approximately 31 percent of Hispanics are enrolled, partly because many work in jobs that do not offer affordable insurance.[12] This means a larger share of Hispanics rely on Medicaid compared to the share of whites, Black Americans, or other groups within their respective populations.[20] However, despite higher enrollment rates, Hispanics do not use significantly more Medicaid services than other groups, largely due to systemic barriers such as limited English proficiency, provider availability, transportation challenges, documentation fears, and difficulties navigating the health care system.[21]

These systemic barriers, combined with lower utilization of preventive and primary care, are associated with poorer health outcomes among Hispanics.[21] The leading causes of death in this population are heart disease and cancer, followed by unintentional injuries, stroke, and diabetes.[21]

Unpacking Key H.R. 1 Medicaid and CHIP Provisions

- **Section 71102: Eligibility and Enrollment Final Rule for Medicaid and CHIP** – In April 2024, the Centers for Medicare & Medicaid Services (CMS) issued a final rule that would have significantly improved Medicaid and CHIP eligibility and enrollment systems and procedures by making it easier to apply for, enroll in, and renew Medicaid and CHIP coverage.[22] However, certain provisions in the 2024 eligibility final rule have been halted by Section 71102 until October 1, 2034.[2] These include: clarifying and strengthening the steps states must follow when individuals apply or renew coverage; giving states sufficient time to complete redeterminations while still requiring renewals and changes in circumstances to be processed in a timely manner; requiring states to apply the same renewal process to all Medicaid beneficiaries — both MAGI (Modified Adjusted Gross Income) and non-MAGI groups — and requiring Medicaid and CHIP agencies to transfer the accounts of individuals disenrolled for procedural reasons to the Marketplace or a Basic Health Program when available data indicates they may still be eligible for coverage, among others.[23]

  According to CBO estimates, this provision will reduce federal Medicaid spending by $56 billion over 10 years and will increase the number of people who are uninsured by 400,000 in 2034.[24] Delays in implementing enrollment, renewal, and coverage transfer policies may have implications for coverage continuity, particularly among populations with higher uninsured rates and documented administrative barriers, including Hispanic individuals.

- **Section 71109: Restricting Immigrant Eligibility for Medicaid and CHIP** – Effective October 1, 2026, this section modifies Medicaid and CHIP coverage for many lawfully present immigrants, regardless of how long they have lived in the United States.[3] Under section 71109, eligibility would be limited to four groups: (1) U.S. citizens and U.S. nationals, (2) lawful permanent residents (green card holders), (3) Cuban and Haitian entrants, and (4) individuals lawfully residing in the United States under a Compact of Free Association. Previously eligible categories, including refugees, asylees, DACA recipients, and certain survivors of human trafficking and domestic violence, would no longer qualify under the revised criteria. Undocumented immigrants are largely ineligible for Medicaid, aside from emergency care.[25]

  According to CBO estimates, this provision would reduce federal spending by $6.2 billion over 10 years and increase the number of uninsured by about 100,000 by 2034.[24] Changes to immigrant eligibility criteria may have implications for coverage rates and access to care among immigrant communities, including Hispanic populations, who represent a substantial share of certain affected groups and experience higher uninsured rates compared to the national average.

Unpacking Key H.R. 1 Medicaid Expansion Provisions

- **Section 71115: Provider Taxes -** This section modifies federal parameters governing Medicaid provider taxes in states that expanded Medicaid.[3] Currently, states collect taxes from hospitals, nursing homes, Medicaid managed care plans, and other providers to raise revenues that finance a share of Medicaid costs.[26] This section would gradually lower the "safe harbor" limit on how much expansion states can tax providers, reducing it from the current 6 percent of net patient revenues to 3.5 percent by 2032. The provision begins to phase in on October 1, 2027, and reaches full implementation at 3.5 percent on October 1, 2031 (FY 2032 and beyond).[2] Because some expansion states currently maintain provider tax rates above the new 3.5 percent threshold, the revised limit would require adjustments to existing financing structures, potentially reducing available state revenue dedicated to Medicaid.[2] Expansion states would face tough choices: raise other taxes (such as income taxes or sales taxes), cut other parts of their budgets, or, most likely, dramatically cut their Medicaid programs, which could leave many people without health coverage.[2]

  According to CBO estimates, this provision will reduce federal Medicaid spending by $191 billion over 10 years and will increase the number of people who are uninsured by 1.1 million in 2034.[24] To the extent that states modify Medicaid financing or program design in response to these changes, there may be implications for coverage, provider participation, and access to care. Such effects could be particularly relevant for populations with higher reliance on Medicaid and safety-net providers, including Hispanic communities.

- **Section 71119: Work Requirements -** Starting January 1, 2027, this section implements mandatory Medicaid work reporting requirements in all expansion states for most expansion adults ages 19 through 64, including those covered under a 1115 demonstration waiver that provides minimum essential coverage.[3] Under these work requirements, individuals would have to report 80 hours per month in one or more of the following activities: employment, participating in a work program, community service, or a combination of these activities. During Medicaid enrollment, individuals must show they meet the work requirement at least once every six months, but states can choose to require proof every month.[27]

  According to CBO estimates, these work reporting requirements would result in about 5.3 million more people becoming uninsured by 2034.[28] An analysis from the Urban Institute projects similar effects, finding that up to 42 percent of current expansion enrollees could lose coverage simply because they cannot keep up with the complex reporting process.[29] By imposing mandatory Medicaid work reporting requirements, this section would likely increase procedural coverage losses among Hispanic adults, who are more likely to work in unstable or informal jobs and face language and reporting barriers, resulting in higher uninsurance and reduced access to care despite continued eligibility.

Conclusion

The policies enacted under H.R. 1 represent a substantial change to Medicaid, Medicaid Expansion, and CHIP, which provide coverage for low-income populations, including Hispanic communities who rely on these programs at higher rates. As states respond to reduced federal funding and new administrative and eligibility requirements, some individuals may experience disruptions in coverage and challenges to continuity of care. Assessing the potential impacts of these changes is important for policymakers, state officials, and community stakeholders as they consider long-term effects on health coverage, state budgets, and access to care.

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