Community Change and Economic Security Project: Press Conference on Expiring ACA Subsidies

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“I'm the Director of the Center for Health Policy Research at George Washington University, and my colleagues and I did some rigorous research about the implications of some of the legislation that they're talking about today. And so I thought it's worth sort of mentioning some of this.

We've heard about the health care harm that can happen, how 14 or 15 million people might lose their health insurance, how patients like some of these here caregivers and physicians can be harmed. We really tried to look at this. The underlying logic behind this sort of expiration of the ACA tax credits and of the deep Medicaid cuts that are in the one big, beautiful bill where people, Republican, said they needed to cut federal spending.

This was going to strengthen the economy and was necessary. But what our research shows is that, in fact, these cuts create a wrecking ball for not only health care, but for the economy in general. And so let me give you a sense of what happens when we take away billions and billions of federal dollars that support health care.

The first hit is to health care providers, hospitals, doctors, pharmacies, nursing homes, etc. that provide care to patients like these. And so that's the first line of cuts. But after that, the cuts ripple through because health care providers need to cut staff, cut expenses. That means that these cuts ripple through to the rest of the businesses that are in their communities, that sort of end up having that overall negative effect.

So let me just highlight the findings of our studies. It's going to happen soon. When the ACA tax credits expire, beginning in January. At that point, $26 billion in federal funding that supports these tax credits will go away. The implications of this, however, are that state economies will lose around $34 billion. That is the cuts to state economies are about a third higher than the federal funding savings.

And that's because of the ripple through effect of this. So again, it's not helping economies. It's hurting economies when you take away these funds. In addition to that we know that around — and so that's coming up next year — around 300,000 people will lose their jobs because of this. About half of them are in health care. So they're in doctors offices, hospitals, pharmacies, nursing homes, etc.

But the other half are in all sorts of other sectors of businesses that are in the supply chains that help provide health care, their employees, and are consumers just like you and me. So again, these repercussions are cut deep. In addition to this state and local tax revenues will fall by about a quarter of $1 billion. So then what happens as we proceed into the Medicaid cuts that are part of the one big, beautiful bill?

And I will say we've done some research about this we haven't published yet. So you're hearing it for the first time here. So when we do these analyzes in a few years, we're going to see $90 billion in Medicaid funding taken away. That's federal funding. The repercussions of that are that, in fact, what will happen is, once again, about a third more is lost from state economies.

Around $118 billion will be lost, out of state economies. And so the net effect is at that point, we're talking about a million more jobs that will be lost once again, about half of them in health care and the half in the other sectors of the economy. So, you know, the notion that somehow doing this was helping the economy was helping things.

That's just not right. In fact, what these things do is they create a wrecking ball that hurts health care, and that ripples out to other parts of the country. So once again, the legislation that Representative Gray and his colleagues are talking about here, are trying to say, let's not have this wrecking ball hit. Let's not protect health care.

Let's help the patients not only help the patients, but help the providers and ultimately help the economies of the states and the people who are employed. And when we're seeing a weak economy already, we're already seeing problems of employment. Do we really need to see about 1.3 million jobs lost in the next few years because of the one big, beautiful bill? I don't think so. Thanks.”