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Over 17 Million Americans Could Lose Health Coverage by 2034 Under New Spending Law

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Millions of Americans are at risk of losing their health insurance following President Donald Trump's sweeping tax and spending package, signed into law this month. According to the nonpartisan Congressional Budget Office (CBO), more than 17 million people could be uninsured by 2034 as over \$1 trillion is cut from federal health care spending over the next decade.

The bill was fast-tracked through Congress, with limited time for debate or public scrutiny. Early projections estimated around 12 million people would be affected, but updated

figures account for the loss of Affordable Care Act (ACA) subsidies set to expire at the end of 2025. With minimal Republican support to extend these subsidies, the impact is expected to be far greater.

Rural Strain

The sharpest impact will hit Medicaid, the joint federal-state programme providing care for over 78 million low-income Americans. The CBO estimates more than 8 million people could lose Medicaid coverage by 2034. This is largely due to national work requirements beginning in 2027, which will require adults aged 19 to 64 to prove they work at least 80 hours a month or participate in approved community activities.

These requirements have previously resulted in coverage losses in other safety net programmes, primarily due to administrative hurdles rather than a lack of effort by recipients. Another 2 million could lose Medicaid due to complex paperwork processes, while 1.4 million may no longer qualify due to tighter immigration or citizenship rules.

Even those who remain eligible may see increased barriers to care. The new law allows for co-payments of up to \$35 per visit or procedure, which could deter many from seeking treatment. States also face financial pressure due to new limits on provider taxes used to fund Medicaid, potentially forcing cuts to services like home-based care or reductions in enrollment.

The ACA marketplace is also under threat. Around 5 million Americans are expected to lose their ACA coverage once enhanced subsidies, introduced in 2021, expire at the end of 2025. Without them, premiums could rise by more than 75 percent in 2026. An additional 1 million may lose coverage due to regulatory changes that reduce outreach and limit access.

Insurers like Cigna and UnitedHealth have warned of instability in the ACA market, raising the possibility of fewer plan options or no plans at all in some areas. Reduced enrolment could prompt more companies to exit the market entirely.

Hospitals, particularly in rural and low-income areas, are bracing for fallout. According to estimates, over 300 rural hospitals could close. Although the law allocates \$50 billion over a decade to support them, the Kaiser Family Foundation (KFF) warns that this falls far short of the expected \$155 billion loss.

Looking ahead, Republican lawmakers, including Senators Mike Crapo and Ron Johnson, have signalled that further health policy changes may be coming, including potential rollbacks to the ACA Medicaid expansion. Cuts to Medicare could also be on the table as budget pressures mount, despite previous promises to protect the programme. If these trends continue, the United States could see a sharp reversal in its progress towards broader health coverage.