

## **The “One Big Beautiful Bill” What It Means for Healthcare, Seniors, and Social Security**

President Trump’s newly passed “One Big, Beautiful Bill” makes the largest cuts to Medicaid since the program began in the 1960s, slashing over \$1 trillion from healthcare spending over the next decade. These cuts are expected to leave millions without insurance and put pressure on hospitals, particularly in rural areas. While some seniors will benefit from tax breaks, many low-income Americans may face challenges in accessing the care they need. The bill also weakens Medicare’s ability to negotiate lower drug prices and brings the possibility of Social Security running out of money even closer.

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### **Healthcare**

The legislation will dramatically upend health care in America by making the biggest changes to U.S. health policy in 15 years.

Its provisions will impact patients, doctors, hospitals, and insurers by cutting more than \$1 trillion from federal health programs.

The bulk of the cuts are coming from Medicaid. As a result, changes are coming that will affect how people qualify for and enroll in the program that covers seniors and more than 70 million low-income and disabled Americans, as well as how they can maintain coverage.

According to the President of the American Hospital Association, “No matter how often repeated, the magnitude of these reductions — and the number of individuals who will lose health coverage — cannot be simply dismissed as waste, fraud, and abuse.

Almost 12 million lower-income Americans would lose their health insurance by 2034, according to the Congressional Budget Office (CBO).

However, Americans at the lower end of the income spectrum will see many of their benefits cut. Most poor Americans don’t pay federal income taxes and won’t get a boost from the tax cut. The bill reduces spending on food assistance and Medicaid, which many poor Americans rely on.

Many of the bill’s changes to Medicaid don’t technically change who is eligible for the program, but they make it harder to sign up and stay enrolled. The bill adds new paperwork requirements for Medicaid beneficiaries, requiring them to renew their plans twice as often, for example.

The bill could pose a significant problem for rural hospitals and, consequently, the patients who rely on them.

Changes to state-levied provider taxes would reduce spending by nearly \$191 billion over a

decade, according to the CBO estimate. An analysis of an earlier version introduced in the Senate by the National Rural Health Association and Manatt Health found that the legislation would generate \$58 billion in Medicaid cuts over the next 10 years for rural hospitals.

The bill that passed includes a five-year, \$50 billion rural health relief fund, but provider groups say it's a Band-Aid compared to the overall cost of the cuts.

It is projected that hospitals will experience a surge in uncompensated care and increased overcrowding in emergency rooms. Even people who still have insurance may not have access to care. Hospitals, nursing homes, and other providers operating on thin margins warn they could close.

Many "seniors will struggle to afford long-term care. People with disabilities will lose critical healthcare coverage that allows them to work and live independently. Rural communities across America will be decimated from hospital closures, and people will lose their lives," said Richard Besser, president and CEO of the Robert Wood Johnson Foundation and former acting director of the Centers for Disease Control and Prevention, in a statement.

Experts said it's nearly impossible to remove almost \$1 trillion from Medicaid without impacting the entire health system, not just the individuals who lose insurance.

### **Social Security taxes reduced for some seniors**

Generally, most Americans will pay less in federal income taxes under this bill than they would if the tax cuts passed in 2017 had not been extended.

For some seniors, the legislation includes a \$6,000 tax deduction for Americans 65 or older.

The provision does not entirely end taxes on Social Security. Still, it would zero out the Social Security tax burden for 88 percent of seniors, according to an estimate by President Trump's Council of Economic Advisers.

That's up from 64 percent of seniors who are currently exempt from Social Security taxes, meaning about 14 million additional seniors will benefit from the change.

The bill provides a tax deduction of \$6,000 to seniors with individual incomes of up to \$75,000 or joint incomes of up to \$150,000 per year. The deduction is reduced for incomes above that level and phased out altogether for seniors with individual incomes exceeding \$175,000 or \$250,000 jointly.

Seniors can currently claim a standard deduction of \$15,000 (or \$30,000 for couples), plus an additional senior-specific deduction of \$2,000 (or \$3,600 for couples). The bill also raises the standard deduction by a few hundred dollars.

The bill offers limited benefits to lower-income seniors, as they generally have lower federal tax liabilities. The new deduction is likely to have a greater impact on upper-middle-class seniors.

### **Prevents Lower Prices for Some Drugs**

The One Big Beautiful Bill has a little-known provision that will prevent some prescription drug prices from being lowered.

The legislation allows more medications to be exempt from Medicare's price negotiation program, which was created to lower the government's drug spending. Now, manufacturers will be able to maintain those higher prices.

The change will reduce the government's savings from the negotiation program by nearly \$5 billion over a decade, according to an estimate by the Congressional Budget Office.

The new legislation exempts drugs that are approved to treat multiple rare diseases. They can still be subject to price negotiations later if they are approved for larger groups of patients, though the change delays those lower prices.

This is the most notable change to the Medicare negotiation program since its creation in 2022. The new bill will weaken the program at a time when he is calling for even more drastic cuts to align U.S. drug prices with those in other wealthy countries. So far, Mr. Trump has put forward no real policy for achieving that goal.

Lower prices will go into effect next year for drugs that were part of the first round of negotiations. The Trump administration is now overseeing the second round of price cuts that will take effect in 2027. Among the drugs picked for negotiation is the blockbuster weight-loss medication sold as Ozempic and Wegovy.

The new exemptions will take effect in the third round, impacting prices starting in 2028.

### **Social Security Insolvency Comes Closer**

In mid-June, the Social Security Trustees released a report stating that the trust funds for Social Security and Medicare will run out of money in 2034, one year sooner than last projected.

If Congress does not overhaul the programs' financing, automatic cuts will slash Social Security benefits by approximately 23 percent and Medicare hospital benefits by 11 percent in 2033, according to the report.

In last year's annual report, the trustees projected that Social Security would become insolvent by 2034 and Medicare by 2030. They now predict that Social Security's fund will run out of money in 2033, or 2034 if Congress changes the law to combine the separate

funds for old-age benefits and disability insurance. They also now forecast that Medicare's hospital insurance fund will run out in 2033.

Ironically, the new \$6,000 Social Security tax deduction given to some seniors by the "One big, beautiful bill" could speed up the exhaustion of the Social Security trust fund by about a year, according to the Committee for a Responsible Federal Budget.

**To find out how your elected officials voted on the One Big Beautiful Bill, please visit:**

[Senate](#)  
[House](#)

In Other news...

### **Social Security Stops Reporting Call Wait Times**

Most seniors are already aware that you can no longer walk into a Social Security office to discuss a Social Security issue. Instead, you must make an appointment. However, it has also become more challenging to contact someone directly about a Social Security issue.

Social Security has ceased publicly reporting its processing times for benefits, the current call wait time of the 1-800 number, and numerous other performance metrics, which customers and advocates have used to track the agency's struggling customer service programs.

The agency removed a menu of live phone and claims data from its website in June and has instead posted a new page that offers a far more limited view of the agency's customer service performance.

The website also now encourages customers to use an online portal for services rather than calling the main phone line or visiting a field office, two options that many individuals with disabilities, as well as those with limited computer skills, rely on for assistance. The agency had previously considered cutting phone services and then scrapped those plans amid an uproar.

The changes are the latest sign of the agency's struggle with website crashes, overloaded servers, and long lines at field offices, following cost-cutting efforts that targeted the agency's customer service system.