

One Big Beautiful Bill Act (OBBBA) – signed into law on July 4, 2025 as Public Law 119-21

Impact of Policy Changes on Older Adults

Top Level Overview

- \$1 trillion in cuts to the Medicaid program over ten years.
- \$545 billion in cuts to the Medicare program through the Statutory Pay-As-You-Go Act, including \$45 billion alone during Fiscal Year (FY) 2026.
- According to the Congressional Budget Office (CBO) estimates, OBBBA's health provisions will result in 11.8 million people losing health coverage by 2034.
- CBO also estimates that as many as 1.3 million dual-eligible individuals could lose their Medicaid coverage between 2026 and 2034.

Start Date	Provision	Description	Potential Impacts
July 4, 2025 Coverage will be terminated no later than January 2027 (18 months from enactment).	Limiting Medicare Coverage (Medicare)	Limits Medicare coverage to U.S. citizens and other limited non-citizen groups.	This change ends Medicare coverage for legal immigrants including those with temporary protected status, refugees, and asylum seekers. These groups will no longer be eligible for Medicare, regardless of how long they have worked and paid into the Medicare program.
July 4, 2025 Implementation of certain provisions delayed until October 1, 2034.	Minimum Staffing Standards for Nursing Homes (Medicare/Medicaid)	The new law prohibits the Department of Health and Human Services (HHS) from implementing the long-term care staffing standards rule , which was finalized in April 2024. New standards were set to roll out starting in 2026 but will now be subject to a nearly 10-year delay.	This rule while supported by the AGS was overwhelmingly opposed by nursing home stakeholders due to its staffing requirements and workforce shortages. The rule would have required long-term care facilities to meet minimum staffing levels, including a 24/7 RN on-site and a minimum of 3.48 total nurse staffing hours per resident day.

Start Date	Provision	Description	Potential Impacts
July 4, 2025 Implementation of certain provisions delayed until October 1, 2034.	Medicare Savings Program (Medicare/Medicaid)	This law imposes a nine-year ban, until October 1, 2034, on implementing improvements to Medicare Savings Programs (MSPs), which included Medicaid coverage of Medicare premiums and cost-sharing for lower-income Medicare beneficiaries. These changes, now on hold, were part of a September 2023 final rule.	The improvements were intended to help lower-income Medicare beneficiaries pay for premiums and out-of-pocket costs. According to CBO, this provision will save over \$66 billion over 10 years.
October 1, 2025 funds will become available. CMS to determine state application deadline no later than December 31, 2025.	Rural Health Transformation Program (Medicaid)	Appropriates \$10 billion per fiscal year to CMS for 2026-2030 (\$50 billion over five years) to disperse to eligible states.	The American Hospital Association projects that rural hospitals will lose \$50.4 billion in Medicaid funding over 10 years under this bill. Since rural hospitals rely heavily on Medicaid revenue, this provision was seen by many as a political band-aid.
January 1, 2026	Physician Reimbursement (Medicare)	The Medicare Physician Fee Schedule conversion factor will be temporarily increased by 2.5 percent from January 1, 2026 to January 1, 2027.	Intended to help clinicians billing under the physician fee schedule cover their costs and continue providing care to Medicare beneficiaries.

Start Date	Provision	Description	Potential Impacts
<p>February 1, 2026 for drug selection</p> <p>Negotiated prices available on or after January 1, 2028.</p>	Drug Price Negotiation (Medicare)	The Inflation Reduction Act of 2022 gave Medicare the power to negotiate lower drug prices beginning in 2026. The OBBBA carves out “orphan drugs” (medications for rare diseases) from this negotiation process.	Will limit Medicare from reducing costs for some of the most expensive drugs.
<p>January 1, 2027 at the latest (can be earlier at state option)</p> <p>Secretary can exempt states from new requirements until December 31, 2028, if they demonstrate good faith towards compliance.</p>	Medicaid Work Requirements (Medicaid)	<p>States will be required to implement work requirements for beneficiaries aged 19-64. To keep their Medicaid coverage, this group must demonstrate 80 hours of work, volunteering, or job training each month.</p> <p>People who are pregnant, have a disability or serious health issue, or have dependent children 13 years or younger won’t have to meet this requirement.</p> <p>Provides \$200M for HHS implementation funding and \$200M for states in FY 2026.</p>	<p>Family caregivers of older adults are not exempt unless the older adult is “disabled” (as yet undefined) and will be subject to the Medicaid work requirements.</p> <p>States may issue optional hardship waivers for specific individuals (e.g. inpatient care, natural disasters, high local unemployment rates).</p> <p>CBO projects that 5 million Americans will lose their access to healthcare due to this one provision.</p>

Start Date	Provision	Description	Potential Impacts
January 1, 2027 at the latest	Supplemental Nutrition Assistance Program (SNAP) (Medicaid)	The bill cuts \$186 billion in federal funding from SNAP through 2034 and also increases the age of people who must comply with work requirements to 64 (was previously between the ages of 18 and 54 to qualify for SNAP).	According to the Urban Institute, about 4.8 million adults aged 60 and older currently participate in SNAP but many are now at risk of losing benefits due to new work requirements.
July 1, 2028	Home and Community Based Services (HCBS) (Medicaid)	Allows states to expand eligibility criteria for Medicaid's home-and-community-based services program by waiving the requirement that individuals require nursing home level care. Provides implementation funding of \$50M in FY2026 and \$100M in FY2027.	This would allow beneficiaries with less severe needs to access HCBS. Since many states already have waitlists, they may be unable to expand enrollment.

Additional Resources and Timelines:

[Implementation Dates for 2025 Budget Reconciliation Law - KFF](#)

[The Implementation Timeline of the One Big Beautiful Bill Act - Center for American Progress](#)