

Virginia Impact Report

How the House Reconciliation Bill will Impact Our Communities

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We all want to live in a place where people have enough to eat and can access medical care when they are sick. When people are paid too little to afford healthy food and their jobs don't offer health insurance, programs like Medicaid and SNAP help families meet their basic needs. Leaders in Congress are rushing to make big cuts to these programs, which will put hundreds of thousands of people across Virginia at risk of going hungry or without health care, while pushing tax choices that will further concentrate wealth in the hands of the already-rich. By understanding the impacts of these choices, we can educate our neighbors, families, and members of Congress about the harm they will cause to our communities. Ultimately, Congress must reject these harmful choices and instead work to strengthen programs like Medicaid and SNAP that strengthen our families.

Health Care

- Medicaid helps individuals and families with low incomes access affordable and comprehensive health coverage.
- The House-passed GOP reconciliation bill cuts roughly \$900 billion from Medicaid and Affordable Care Act (ACA) marketplaces over 10 years,¹ and the bill as a whole — including its failure to extend current policies making coverage in the ACA Marketplace more affordable — would result in 16 million people losing health insurance by 2034.² The proposal includes about \$864 billion in cuts to Medicaid which, on their own, result in kicking 7.8 million off of health coverage and becoming uninsured.
- The policies included in the House bill are expected to result in 277,000 people in Virginia losing Medicaid coverage, including 11,000 children, more than 500 people with disabilities, and 2,500 adults aged 65 and older in federal fiscal year 2028.³ Additional individuals and families in Virginia would lose health insurance due to the failure to extend the enhanced ACA premium tax credits.
- The House reconciliation bill includes new and onerous work reporting requirements for individuals accessing health coverage through Medicaid expansion.
 - Nationally, 92% of adults under 65 who are enrolled in Medicaid work for pay, attend school, care for family members, or have a disability.⁴
 - During each eligibility check, people must prove 80 hours of work, community service, or education in the given month. The proposal contains carveouts for parents of children under 19, people taking care of a disabled adult, those experiencing severe illness, and more.
 - Unfortunately, previous experience with Medicaid work requirements has shown that even those who should be exempt can be denied coverage due to administrative errors or barriers.⁵
 - In Virginia, up to 470,000 people would be impacted and would be at risk of being kicked off coverage. That's almost half (47%) of all adults ages 19 to 64 currently accessing coverage through Medicaid in Virginia.

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Health Care, continued

- The bill requires states to impose new cost-sharing for certain services. Over 147,000 people would have to pay new out-of-pocket costs to access certain health care services.
 - New co-pays of up to \$35 will be charged to access certain health services for individuals accessing health coverage through Medicaid expansion and earning above the federal poverty limit, capped at 5% of the family's income.
 - For a family of three just above the federal poverty limit (101% of FPL = \$26,916), this new provision could cost them up to \$1,345 a year.
- The bill includes increased frequency of eligibility checks for people enrolled in Medicaid expansion coverage. Instead of once per year, the bill would require redeterminations every six months. This will increase already-strained Department of Social Services caseloads by requiring over half a million additional renewals a year.
- Additional national and state estimates on work requirements are included in the Center on Budget and Policy Priorities' "Harsh Work Requirements in House Republican Bill Would Take Away Medicaid Coverage From Millions: State and Congressional District Estimates."

SNAP

- The Supplemental Nutrition Assistance Program (SNAP) helps families pay for their most basic needs.
- The House GOP reconciliation bill would take money out of the pocket of every Virginia family who gets help paying for food, making it harder to make ends meet at the end of the month. It would:
 - harm every family who gets help from SNAP by ignoring evidence of the growing cost of a healthy diet beyond regular inflation,
 - impose new paperwork burdens, including making calculations of utility deductions more complicated and expanding the harsh work requirement to families who are currently exempt because they have school-age children, live in areas with few available jobs, or are at an age when working many jobs becomes physically impossible, and
 - remove all help from many lawful permanent residents who are currently eligible after living in the United States for 5 years (people without lawful residency are already ineligible for SNAP).
- The House GOP bill would also likely shift \$351 million of federal costs onto the state of Virginia, making it harder for Virginia to meet the needs of its residents at the very time that the Trump administration's arbitrary firings of federal workers is hurting the Virginia economy.

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SNAP, continued

- Families with children are 2 out of every 3 Virginia families who use SNAP to help buy food.⁶
 - Families with children who are struggling to make ends meet typically receive \$506 a month in SNAP benefits. That's money that makes a real difference for families. SNAP lifted 104,000 people above the poverty line in Virginia, including 42,000 children, per year between 2015 and 2019, on average.
 - Children whose families receive SNAP are more likely to graduate from high school and have lower rates of heart disease years after their families received help buying food.
- Over 133,000 Black families in Virginia receive SNAP to help pay for food. That's 1 in every 5 Black families in our state.
- Many families across the state need SNAP to help put food on the table. This includes:

Region	Number of people getting help through SNAP, April 2025
Central	172,513
Eastern	228,188
Northern	217,682
Piedmont	154,558
Western	91,704

Source: Virginia DSS SNAP Participation Reports, April 2025.

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Tax

- Tax policy affects our shared resources, and some tax policy choices can provide needed support for individuals and families struggling to make ends meet on a paycheck-to-paycheck basis.
- The House GOP reconciliation bill will further concentrate wealth into the hands of the already rich, giving huge tax cuts to millionaires and billionaires. At the same time, the bill makes no permanent commitment to the lowest-income families, who will see an average tax increase by 2029.
 - May 22 analysis shows that in 2026, over two-thirds of the House GOP's proposed tax cuts will go to the richest 20% of households in the country. Just 1% of the cut will go toward families in the bottom 20% of incomes.⁷
 - In Virginia, families in the bottom 20% of incomes, making less than \$31,000 a year, will see an average tax cut of \$100. Those with the highest incomes, making \$843,100 or more a year, will see an average tax cut of \$78,110. That's more than 781 times the average cut for the lowest-income families in Virginia, or about 4.8 times the average annual income for a family in the bottom 20% of incomes (\$16,300).
 - Under the House GOP's tax plan, national estimates show that people with incomes over \$1 million a year would see an average tax cut of \$89,390 by 2027, while households in the lowest 20% of incomes would see an average tax decrease of \$90.⁸
 - Some tax provisions that would benefit lower- and moderate-income families are only temporary and would be scheduled to phase out by 2029. This would raise taxes on households in the lowest 20% of incomes by \$100 by 2029, while people with incomes over \$1 million a year would see an average tax cut of \$79,620.
- The House bill would increase the federal Child Tax Credit by \$500 per child.
 - However, this excludes the 342,000 children in Virginia who are already left out of the full Child Tax Credit, including 127,000 who are Black and 57,000 who are Latino.⁹ Their families will get nothing from the proposed increase, simply because their incomes are already too low to qualify for the current full credit, despite families with higher incomes being able to benefit.
 - The plan would exclude an estimated 87,000 U.S. citizen and lawfully residing children in Virginia from the Child Tax Credit who are currently eligible by requiring both parents (if married) to have a Social Security Number for their child to qualify for the CTC.¹⁰

Endnotes

1. "Estimated Budgetary Effects of H.R. 1, the One Big Beautiful Bill Act," Congressional Budget Office, June 2025
2. Letter to Hons. Wyden, Pallone, and Neal, CBO, June 2025
3. "House Budget Bill Medicaid Proposals: State-by-State Estimates of Impacts on Expenditures and Enrollment," Manatt Health, June 2025
4. "Understanding the Intersection of Medicaid and Work: An Update," KFF, May 2025
5. "Harsh Work Requirements in House Republican Bill Would Take Away Medicaid Coverage From Millions: State and Congressional District Estimates," CBPP, May 2025
6. "A Closer Look at Who Benefits from SNAP: State-by-State Fact Sheets" CBPP, January 2025
7. "Analysis of Tax Provisions in the House Reconciliation Bill: National and State Level Estimates" ITEP, May 2025
8. "How House Republican Agenda Boosts the Wealthy, Does Little (or Worse) for Low-Income Families," CBPP, May 2025
9. "Policymakers Should Expand the Child Tax Credit for the 17 Million Children Currently Left Out of the Full Credit," CBPP, February 2025
10. "New Estimates of the Number of United States Citizen and Legal Permanent Resident Children Who May Lose Eligibility for the Child Tax Credit," Center for Migration Studies, April 2025