

# Even in States That Fought Obamacare, Trump's New Law Poses Health Consequences

The new law imposes additional paperwork requirements on Obamacare enrollees, slashes the time they have each year to sign up and cuts funding for navigators who help them shop for plans.

August 19, 2025 By Daniel Chang, Sam Whitehead and KFF

---

GOP lawmakers in the 10 states that refused the Affordable Care Act's Medicaid expansion for over a decade have argued their conservative approach to growing government programs would pay off in the long run.

Instead, the Republican-passed budget law that includes many of President Donald Trump's priorities will pose at least as big a burden on patients and hospitals in the expansion holdout states as in the 40 states that have extended Medicaid coverage to more low-income adults, hospital executives and other officials warn.

For instance, Georgia, with a population of just over 11 million, will see as many people lose insurance coverage sold through ACA marketplaces as will California, with more than triple the population, [according to estimates by KFF](#), a health information nonprofit that includes KFF Health News.

The new law imposes additional paperwork requirements on Obamacare enrollees, slashes the time they have each year to sign up, and cuts funding for navigators who help them shop for plans. Those changes, all of which will erode enrollment, are expected to have far more impact in states like Florida and Texas than in California because a higher proportion of residents in non-expansion states are enrolled in ACA plans.

The budget law, which Republicans called the "One Big Beautiful Bill," will cause sweeping changes to health care across the country as it trims federal spending on Medicaid by more than \$1 trillion over the next decade. The program covers more than 71 million people with low incomes and disabilities. Ten million people will lose coverage over the next decade due to the law, according to the nonpartisan [Congressional Budget Office](#).

Many of its provisions are focused on the 40 states that expanded Medicaid under the ACA, which

added millions more low-income adults to the rolls. But the consequences are not confined to those states. A proposal from conservatives to cut more generous federal payments for people added to Medicaid by the ACA expansion didn't make it into the law.

"Politicians in non-expansion states should be furious about that," said Michael Cannon, director of health policy studies at the Cato Institute, a libertarian think tank.

The number of people losing coverage could accelerate in non-expansion states if enhanced federal subsidies for Obamacare plans expire at the end of the year, driving up premiums as early as January and adding to [the rolls of uninsured](#). KFF estimates as many as 2.2 million people could become uninsured just in Florida, a state where lawmakers refused to expand Medicaid and, partly as a result, now [leads the nation in ACA enrollment](#).

For people like Francoise Cham of Miami, who has Obamacare coverage, the Republican policy changes could be life-altering.

Before she had insurance, the 62-year-old single mom said she would donate blood just to get her cholesterol checked. Once a year, she'd splurge for a wellness exam at Planned Parenthood. She expects to make about \$28,000 this year and currently pays about \$100 a month for an ACA plan to cover herself and her daughter, and even that strains her budget.

Cham choked up describing the "safety net" that health insurance has afforded her — and at the prospect of being unable to afford coverage if premiums spike at the end of the year.

"Obamacare has been my lifesaver," she said.

If the enhanced ACA subsidies aren't extended, "everyone will be hit hard," said [Cindy Mann](#), a health policy expert with Manatt Health, a consulting and legal firm, and a former deputy administrator for the Centers for Medicare & Medicaid Services.

"But a state that hasn't expanded Medicaid will have marketplace people enrolling at lower income levels," she said. "So, a greater share of residents are reliant on the marketplace."

Though GOP lawmakers may try to cut Medicaid even more this year, for now the states that expanded Medicaid largely appear to have made a smart decision, while states that haven't are facing similar financial pressures without any upside, said health policy experts and hospital industry observers.

KFF Health News reached out to the governors of the 10 states that have not fully expanded Medicaid to see if the budget legislation made them regret that decision or made them more open to expansion. Spokespeople for Republican Gov. Henry McMaster of South Carolina and Republican Gov. Brian Kemp of Georgia did not indicate whether their states are considering Medicaid expansion.

Brandon Charochak, a spokesperson for McMaster's office, said South Carolina's Medicaid program

focuses on “low-income children and families and disabled individuals,” adding, “The state’s Medicaid program does not anticipate a large impact on the agency’s Medicaid population.”

Enrollment in ACA marketplace plans nationwide has more than doubled since 2020 to 24.3 million. If enhanced subsidies expire, [premiums for Obamacare coverage would rise](#) by more than 75% on average, according to an analysis by KFF. Some insurers are already signaling [they plan to charge more](#).

The CBO estimates that allowing enhanced subsidies to expire will [increase the number of people](#) without health insurance by 4.2 million by 2034, compared with a permanent extension. That would come on top of the coverage losses caused by Trump’s budget law.

“That is problematic and scary for us,” said Eric Boley, president of the Wyoming Hospital Association.

He said his state, which did not expand Medicaid, has a relatively small population and hasn’t been the most attractive for insurance providers — few companies currently offer plans on the ACA exchange — and he worried any increase in the uninsured rate would “collapse the insurance market.”

As the uninsured rate rises in non-expansion states and the budget law’s Medicaid cuts loom, lawmakers say state funds will not backfill the loss of federal dollars, including in states that have refused to expand Medicaid.

Those states got slightly favorable treatment under the law, but it’s not enough, said Grace Hoge, press secretary for Kansas Gov. Laura Kelly, a Democrat who favors Medicaid expansion but who has been rebuffed by GOP state legislators.

“Kansans’ ability to access affordable healthcare will be harmed,” Hoge said in an email. “Kansas, nor our rural hospitals, will not be able to make up for these cuts.”

For hospital leaders in other states that have refused full Medicaid expansion, the budget law poses another test by limiting financing arrangements states leveraged to make higher Medicaid payments to doctors and hospitals.

Beginning in 2028, the law will reduce those payments by 10 percentage points each year until they are closer to what Medicare pays.

Richard Roberson, president of the Mississippi Hospital Association, said the state’s use of what’s called directed payments in 2023 helped raise its Medicaid reimbursements to hospitals and other health institutions from \$500 million a year to \$1.5 billion a year. He said higher rates helped Mississippi’s rural hospitals stay open.

“That payment program has just been a lifeline,” Roberson said.

The budget law includes a \$50 billion fund intended to insulate rural hospitals and clinics from its changes to Medicaid and the ACA. But [a KFF analysis](#) found it would offset only about one-third of the cuts to Medicaid in rural areas.

Trump encouraged Florida, Tennessee, and Texas to continue refusing Medicaid expansion in his first term, when his administration gave them an unusual 10-year extension for financing programs known as uncompensated care pools, which generate billions of dollars to pay hospitals for treating the uninsured, said Allison Orris, director of Medicaid policy for the left-leaning think tank Center on Budget and Policy Priorities.

“Those were very clearly a decision from the first Trump administration to say, ‘You get a lot of money for an uncompensated care pool instead of expanding Medicaid,’” she said.

Those funds are not affected by Trump’s new tax-and-spending law. But they do not help patients the way insurance coverage would, Orris said. “This is paying hospitals, but it’s not giving people health care,” she said. “It’s not giving people prevention.”

States such as Florida, Georgia, and Mississippi have not only turned down the additional federal funding that Medicaid expansion brings, but most of the remaining non-expansion states spend less than the national average per Medicaid enrollee, provide fewer or less generous benefits, and cover fewer categories of low-income Americans.

Mary Mayhew, president of the Florida Hospital Association, said the state’s Medicaid program does not adequately cover children, older people, and people with disabilities because reimbursement rates are too low.

“Children don’t have timely access to dentists,” she said. “Expectant moms don’t have access nearby to an OB-GYN. We’ve had labor and delivery units close in Florida.”

She said the law will cost states more in the long run.

“The health care outcomes for the individuals we serve will deteriorate,” Mayhew said. “That’s going to lead to higher cost, more spending, more dependency on the emergency department.”

[This story](#) was published by KFF Health News on August 8, 2025. It is republished with permission.