Tens of millions face Medicaid cutoff, as Trump's "Big Beautiful Bill" work requirements lock into place

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The Trump administration's rule implementing Medicaid work requirements formally takes legal effect Friday, July 31, the same day the public comment period on the nearly 400-page regulation closes. With this deadline, the machinery for the most sweeping restructuring of Medicaid since the program's founding six decades ago has locked into place, stripping coverage from millions of people.

The vehicle for this liquidation is the "One Big Beautiful Bill Act" (OBBBA), signed into law by President Trump on July 4, 2025. The legislation cuts federal Medicaid spending by an estimated $911 billion over 10 years and is projected by the Congressional Budget Office (CBO) to leave 7.5 million more Americans without health insurance by 2034.

The single largest source of "savings" is the work requirement provision now taking effect, which the CBO estimates will cut $326 billion and strip coverage from 5.3 million adults. The Center on Budget and Policy Priorities warns that as many as 15 million people could be placed at risk once the full apparatus is operating. States are now legally bound to begin building the verification systems that will strip healthcare coverage from millions of working class people and must complete the first round of notices to tens of millions of enrollees by August 31.

This seismic change in how Medicaid benefits are distributed has largely flown under the radar. There has been no primetime address, no congressional showdown, no sustained media coverage. The transformation is being carried out through the gray channels of administrative rule-making precisely because its architects understand that the policy is deeply unpopular and its consequences lethal. The Democratic "opposition" has facilitated this broadside against the working class through its refusal to fight Trump's class war policies and support for the ruling oligarchy's drive to war, which is literally robbing Medicaid recipients of life-saving healthcare services.

Medicaid was signed into law by President Lyndon B. Johnson on July 30, 1965—61 years ago this week—as part of the Social Security Amendments that also created Medicare. Jointly funded by the federal government and the states, Medicaid has grown from an appendage to the Medicare legislation into the largest single source of healthcare coverage in the United States, insuring one in five Americans. As of February 2026, an estimated 74.9 million people were enrolled in Medicaid and the Children's Health Insurance Program (CHIP), including 35.7 million children. The program pays for 40 percent of all births, covers 60 percent of nursing home residents and is the nation's largest payer of both behavioral health services and long-term care.

It is this program that President Trump, speaking at a closed White House Easter lunch in April, dismissed—along with Medicare and Social Security—as "little scams." The federal government, Trump declared, should stop paying for daycare, Medicaid and Medicare because "we're fighting wars," insisting that Washington's only legitimate concern was "military protection." The remarks, delivered before an audience of Christian nationalist clergy and fascistic political operatives, expressed with unusual candor the priorities now written into policy: Every social obligation of the state is to be liquidated to feed the war machine.

The policy compels adults aged 19–64 enrolled through the Affordable Care Act's Medicaid expansion to document at least 80 hours per month of work, community service, education or job training—or, alternatively, monthly income of at least $580, the equivalent of 80 hours at the $7.25 federal minimum wage—or lose their coverage. More than 20 million adults are enrolled through the expansion in the 41 states that adopted it. Verification is required at least every six months, with states free to demand monthly reporting.

In one of the legislation's cruelest provisions, the work rule does not apply to a "parent, guardian, caretaker relative, or family caregiver of a dependent child 13 years old or under or a disabled individual," but a parent whose youngest child is age 14 through 17 is fully subject to the requirement, same as a childless adult.

The Centers for Medicare and Medicaid Services (CMS) estimates the amount an adult received in recent years in Medicaid expansion funds at $6,000–$6,500 annually. This means the benefit these recipients "earn" for their 80 hours a month, if they can prove their eligibility, works out to somewhere between $6.25 and $6.75 per hour—well below the federal minimum wage of $7.25, and a fraction of any state minimum wage where these people actually live.

These sums must be measured against war spending. The administration is demanding $200 billion for its illegal war against Iran and has advanced a $1.5 trillion military budget proposal for Fiscal Year 2027, up from the roughly $1 trillion level reached last year. The $326 billion to be extracted from Medicaid recipients over an entire decade—purchased with the health and lives of millions—amounts to barely a fifth of what the Pentagon will consume in a single year. The money stripped from the sick does not disappear; it flows upward through the tax provisions of the same legislation to the corporations and the financial oligarchy, and outward into war.

The interim final rule issued by the CMS on June 1 shocked even the state officials tasked with carrying it out. Most significantly, the rule imposed a restrictive two-part test for the "medical frailty" exemption: It is not enough to have cancer, HIV, Parkinson's disease or a disabling mental illness—the enrollee must also demonstrate that the condition "significantly impairs" their ability to work. States are explicitly prohibited from categorically exempting people with serious diagnoses.

Democratic attorneys general from 24 states and the District of Columbia, joined by two Democratic governors, filed suit in late June challenging the rule, arguing that the frailty test defies the plain language of the statute and puts cancer patients, diabetics and the mentally ill at risk

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of losing coverage they need to survive. Twenty-six states separately asked the federal court in Boston to postpone implementation, arguing they lacked the staff and capacity to meet the CMS timeline and that the rollout would "cause harm and chaos."

On Thursday, July 30, U.S. District Judge Richard Stearns of Massachusetts denied the states' request for a preliminary injunction. The ruling means the deadlines stand: The rule took effect the following day, the August 31 notification deadline stands and the work requirements must be operational by January 1, 2027. Nebraska began enforcing the requirements May 1; Arkansas—site of the notorious 2018-19 experiment in which 18,000 people lost coverage in a matter of months—launched its program July 1, with Montana and Iowa to follow.

Who will be cut off

The propaganda portrait of the Medicaid recipient—the "able-bodied" adult "sitting at home watching television," in the words of CMS administrator Mehmet Oz—bears no relationship to reality. A Kaiser Family Foundation (KFF) analysis of federal survey data found that nearly eight in 10 adults subject to the new requirements were either already working the required hours, attending school or not working for reasons—illness, disability, caregiving—that should qualify them for an exemption. Adults aged 50-64 are at greatest risk for losing benefits: Fewer than half work 80 or more hours in a given month, and more than one in 10 describe themselves as retired, a status the law does not recognize.

Nor does steady work guarantee safety: Among adults who met the 80-hour threshold in one month, roughly one in 10 failed to meet it consistently over the following six months. A seasonal roofer, a laid-off autoworker, a home health aide with no pay stubs, a rideshare driver with no employer, a cancer patient whose exemption paperwork arrives a week late—data for each will be fed into an apparatus built to find reasons for termination. In Arkansas, the vast majority of the 18,000 people terminated were working or exempt. They lost coverage because they could not navigate the bureaucratic gauntlet. Only about 1,900 ever got their coverage back.

The verification apparatus prescribed by the rule reveals the policy's real design. At application, states must "look back" one to three months to confirm compliance; at every six-month renewal, at least one month more. States are directed to mine payroll and claims databases first, then demand documentation from the enrollee when the databases come up empty.

Self-attestation is permitted only through 2027. After that, the medically frail may attest to their own condition just once per enrollment period. Those flagged as non-compliant receive a mailed notice and 30 days to prove otherwise before disenrollment—a system that presumes stable housing and reliable mail and internet access among the poorest people in the country. For this massive undertaking Congress appropriated a total of $200 million to be divided among the states, against a CBO estimate that implementation will cost state governments $65 billion over a decade. This is the mechanism working as designed: the administrative maze is not a defect but the instrument through which the "savings" are generated.

The fraud of the Democratic Party

The response of the Democratic Party has been confined to the courts, where predictably they have lost the opening round, and to the ballot box, where they are attempting to convert the destruction of Medicaid and other social programs into a campaign asset for the November midterms. This pitiful stance is not generating a wellspring of support for Democrats. A new CNN poll shows 51 percent of respondents holding an unfavorable view of the party.

Senate Democratic Leader Chuck Schumer's stopgap funding proposal last September, which would have restored the $930 billion in Medicaid cuts, was rejected as expected by the Republicans and quietly abandoned. In January, Senator Bernie Sanders staged a vote on an amendment to shift $75 billion from Immigration and Customs Enforcement to Medicaid. It failed 49-51 and was never intended to do anything but fail, providing the entire Democratic caucus a cost-free "yes" vote. These are not fights, but theatrical gestures unconvincingly performed for the electorate while the party continues to supply the votes that fund the war machine, including the framework financing the war against Iran.

The Democratic Socialists of America and its public faces play their key role in this operation. Sanders, appearing on "Face the Nation" Sunday, July 26, devoted himself to boosting "progressive" Democratic primary candidates in Michigan, Minnesota and Maine, declaring that voters are "sick and tired of the status quo"—as though the Democratic Party were not itself half of that status quo. Representative Alexandria Ocasio-Cortez has toured the country with Sanders denouncing the "oligarchy" while directing every ounce of popular anger back into the party of Wall Street and the CIA. Neither Sanders, Ocasio-Cortez nor the DSA has called for, or will call for, any mobilization of the working class against the cuts. Everything is subordinated to the November midterm elections and the demand that workers entrust their fate to the party that co-authored the crisis.

The Socialist Equality Party insists that the defense of Medicaid cannot be separated from the fight against the capitalist system that is destroying it. Healthcare is a social right, not a commodity or a privilege to be earned through 80 hours of documented labor. The $326 billion being clawed from the sick is a down payment on war. The fight against austerity is therefore inseparable from the fight against imperialist war and the drive to dictatorship.

That fight requires the independent political mobilization of the working class—in workplaces, hospitals, schools and neighborhoods—through rank-and-file committees free of the Democratic Party and the union apparatus that serves it. Against the "little scams" slander, workers must advance their own program: free, universal, high-quality healthcare for all, funded through the expropriation of the pharmaceutical companies, insurance conglomerates and hospital chains, and the redirection of the trillions now consumed by war toward human need. The millions facing Medicaid termination notices in the coming months are not supplicants who must prove they are worthy. They are the class whose labor produces everything—and whose independent struggle, armed with a socialist program, is the only force that can halt this assault.

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