



Threats to Retirees in House Budget Reconciliation Package

On May 22, 2025, the House of Representatives narrowly passed H.R. 1 by a vote of [215-214](#). The bill cuts taxes for the wealthiest Americans and large corporations while slashing health care and food assistance that millions of everyday Americans rely on.

Alliance Position

H.R. 1 is a sweeping bill that will affect the health and finances of every American family.

The Alliance for Retired Americans strongly condemns this legislation and calls on the U.S. Senate to oppose it. For older Americans in particular, the Alliance is concerned about the bill's potential to take away health care, food programs, and services like "Meals on Wheels" and caregiver support.

The bill threatens retirement security by:

Cutting Medicare

Medicare cuts of \$490 billion over 10 years would be automatically triggered because the tax cuts in the bill are so large, affecting all 65 million beneficiaries' earned health benefits. This is due to statutory "Pay-as-You-Go" budget rules that require large tax cuts to be offset by spending cuts elsewhere in the budget to avoid budget deficit increases.

All payments to hospitals, doctors, other health care providers, Medicare Advantage plans, and standalone prescription drug plans would be reduced by four percent per year starting in 2027.

[Medicare cuts](#) of this scale would make it more difficult for beneficiaries to get the care they need at a price they can afford. In response, some health care providers are likely to limit services to Medicare beneficiaries or stop accepting Medicare altogether. Beneficiaries could also face higher co-pays for medical services and prescription drugs.

Cutting Medicaid

H.R. 1 includes [\\$715 billion in cuts to Medicaid](#) over 10 years. These drastic cuts are expected to cause [10.3 million Americans](#) to lose Medicaid coverage by 2034 and jeopardize the operation of hospitals and nursing homes, particularly in rural communities. Medicaid is particularly important to seniors, serving some of the most vulnerable Americans.

- More than 860,000 older Americans rely on Medicaid to pay for their [nursing home care](#)
- An additional 5.6 million seniors receive [home care services and supports](#) funded by Medicaid;
- Many low-income seniors with Medicare depend on Medicaid to help pay for prescription drugs and other medical services.

Putting [6.5 million seniors](#) at risk of losing food assistance

H.R. 1 cuts \$290 billion from the Supplemental Nutrition Assistance Program (SNAP) by imposing new barriers to seniors and families receiving [food assistance](#) and pushing costs onto states. These cuts are especially concerning given that SNAP is our nation's first line of defense against hunger. SNAP also strengthens communities by reducing poverty, improving health outcomes, and supporting the workforce and food supply chain by creating jobs. Each \$1 invested in [SNAP](#) generates \$1.50 in economic activity, according to the Food Research and Action Center (FRAC).

Eliminating Minimum Nursing Staff Requirement for Nursing Homes

H.R. 1 puts the safety and health of [nursing home residents](#) at greater risk. It revokes a rule requiring nursing homes to have a registered nurse on site 24 hours a day and increasing the minimum nursing home resident-to-nursing staff ratio. This provision also harms overstretched nursing home staff.

Locking in High Prices for Needed Prescription Drugs

H.R. 1 creates a [new loophole](#) that will prevent Medicare from negotiating lower prices for some high-cost prescription drugs. This is a significant new giveaway that allows drug corporations to protect monopoly pricing. This loophole comes from a provision in the bill that includes language to exclude so-called "orphan drugs." Orphan drugs are approved to treat only one rare disease or condition but are often prescribed for other conditions.