

Partner Talking Points: Impact of the 2025 Federal Budget Reconciliation Bill

- The proposed Federal Budget Reconciliation Bill, also called the One Big, Beautiful Bill (OB BB), passed the House of Representatives at the end of May 2025 and is being considered for a vote by the U.S. Senate. This bill will severely impact health insurance marketplace affordability, access, and operations.
- For Maine's health insurance marketplace, CoverME.gov, the bill proposals will cost millions of dollars, make it more difficult for consumers to enroll in coverage, and likely result in thousands of Mainers losing coverage.
- Mainers who depend on the Marketplaces include working parents, small business owners, farmers, gig workers, early retirees, and lower and middle-class individuals of all ages, political views, and backgrounds. Individuals and families drive our local economies and make both our rural and urban communities thrive.
- Nearly 65,000 Mainers get their private health insurance through CoverME.gov, with 85% of these consumers receiving financial assistance to lower their premiums through healthcare tax credits. The proposed bill creates significant barriers to getting and staying covered through the following actions:
 - Disallows autorenewal for Mainers with health care tax credits, requiring consumers to submit eligibility documentation before renewing, and eliminating grace periods for coverage with financial savings while documents are being verified, putting consumers with lower premiums at risk of losing their insurance and affordable health care (Section 112201).
 - Removes tax repayment limits for consumers if they underestimate household income, exposing people with unpredictable or variable income, to significant tax credit repayment (Section 112203).
 - Shortens the annual Open Enrollment Period to end on December 15th rather than January 15th.
 - Removes premium tax credits for most lawfully present non-citizens (Section 112101-112102) and excludes recipients of Deferred Action on Childhood Arrival from Marketplace coverage (Section 44201(i)).
- CoverME.gov changes required by the proposed bill would negatively impact thousands of Mainers through:
 - Unnecessary documentation and tight timelines annually to verify eligibility for health care tax credits, which are critical to insurance affordability for Maine families.
 - Prohibits families from receiving health care tax credits when there are inconsistencies in income data between what's reported by the consumer and what the federal government has on record until the consumer can produce documentation of their projected income and get timely verification.
 - Eliminates special enrollment periods for people who make less than 150% of the Federal Poverty Level; these individuals make too much income to qualify for MaineCare and typically have jobs that do not offer insurance, including service jobs that we all count on for our economy.
 - Increases premiums by creating additional enrollment steps and documentation requirements which will likely result in fewer younger, healthy people from enrolling. This puts the well-being of these consumers at risk if they end up with an unexpected accident or illness. It also increases premiums for those who remain covered, especially people who are older, live in rural areas, and have health conditions.
 - Reduces the amount of time to enroll and change plans annually – from 10 to 6 weeks.
 - Increases financial burden to consumers who may already struggle to pay high premiums, allowing insurance companies to prevent enrollment if there are even minor unpaid balances.