

How the government shutdown is hitting the health care system – and what the battle over ACA subsidies means

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Democrats demanded that Republicans negotiate with them on ACA subsidies and Medicaid cuts.

Kevin Dietsch/Getty Images News

Major rifts over key health care issues are at the heart of the federal government shutdown that began at the stroke of midnight on Oct. 1, 2025.

This is not the first time political arguments over health care policy have instigated a government shutdown. In 2013, for example, the government shut down due to disputes over the Affordable Care Act.

This time around, the ACA continues to play a central role, with Democrats demanding, among other things, an extension of subsidies for ACA plan insurance premiums that are set to expire at the end of 2025. Democrats are also holding out to roll back cuts to the Medicaid program that President Donald Trump signed into law on July 4, as part of what he called his “One Big Beautiful Bill.”

Without a budget agreement in place, Trump ordered most federal agencies to wind down their nonessential activities. The shutdown will continue until Congress passes either a short-term or long-term funding bill and Trump signs it.

Government shutdowns are nothing new, but as a health policy expert, I worry this time around the impasse may have far-reaching effects on health care.

Even as Democrats stage their battle over access to health care, the shutdown itself could also make it harder for Americans to get the care they need. Meanwhile, Trump has threatened to use the crisis to permanently cut federal jobs on a mass scale, including ones in the health care sector, which could substantially reshape federal health agencies and their ability to protect Americans’ health.

The partisan health care divide

Historically, questions about how the government should support access to health care have long been a source of conflict between the two main political parties. The passage of the ACA in 2010 and its implementation have only intensified this friction.

In the lead-up to the current shutdown, Republicans needed Democratic votes in the Senate to pass a bill that would keep funding the government at existing levels at least until November.

In return for their support, Democrats sought several concessions. A major one was to extend subsidies for ACA insurance policy premiums, which were established during the COVID-19 pandemic. These subsidies addressed a shortcoming in the ACA by decreasing premiums for millions of Americans – and they played a crucial role in more than doubling enrollment in the ACA marketplaces.

Without this extension, ACA premiums are set to rise by more than 75% in 2026, and the Congressional Budget Office estimated that 4.2 million Americans would lose insurance. At least some Republicans seemed open to considering the ACA subsidies, particularly those from districts that were more moderate and that had large numbers of people enrolled in ACA plans. But many have objected to doing that as part of the budget process.

Democrats are also pushing to renegotiate some of the changes made to Medicaid in the budget bill. These include new work requirements that are a cornerstone of Republican demands, under which certain adults would have to work or engage in qualifying activities to maintain Medicaid benefits. Work requirements are set to take effect in 2027, but implementing them would lead to an estimated 5 million people losing their health insurance coverage.

Most contentious, these rollbacks to Medicaid cuts would reverse restrictions that made immigrants who are generally present in the country legally, such as refugees and asylum-seekers, ineligible for Medicaid and ACA coverage. These restrictions, which were included in the budget bill, could lead to the loss of insurance for about 1.4 million lawfully present immigrants, the Congressional Budget Office has estimated.

Republicans have balked at these demands, taking particular issue with the prospect of restoring Medicaid benefits to immigrants. Some Republicans – and Trump himself – have misconstrued the Democrats’ position, saying they are seeking free health care for immigrants in the country illegally.

What kinds of health services might be affected?

Most obviously, large-scale staff reductions would interfere with a wide range of health-related services not considered essential during the shutdown. This includes everything from surveying and certifying nursing homes to assisting Medicaid and Medicare beneficiaries and overseeing contracts or extra payments to rural ambulance providers.



If the shutdown becomes protracted, health care services may be affected.

Tasos Katopodis/Getty Images Entertainment

Some seniors may face an immediate impact as two programs have now lost funding without a new budget in place. One expanded access for seniors to telehealth services. The other allowed people to receive services at home that are generally provided in a hospital.

Crucially, most seniors will continue to receive Social Security payments. However, providers might be hesitant to schedule patients covered by Medicare if the shutdown drags on over a long period of time. This is because payments to medical providers would likely be delayed.

What health services will continue to function?

The Centers for Medicare and Medicaid Services has indicated that there is enough funding for Medicaid, the government program that primarily provides health services to low-income Americans, to support the program through the end of the calendar year. If the shutdown lasts beyond that, states may have to decide whether to temporarily fund the program on their own or whether to reduce or delay provider payments. However, no previous shutdown has ever lasted more than 34 days.

Community health centers are generally expected to receive some funding, at least for now. These providers offer nonemergency medical services for about 34 million Americans each year. Many also provide important services across the nation's schools. However, if the standoff continues for more than a few days, those centers may struggle to keep their doors open.

Health and Human Services has also indicated that it will use all available funding to maintain "minimal readiness for all hazards" and will maintain certain medical services, such as the Indian Health Service. The Veterans Health Administration will also stay open. One of the agencies most affected by previous layoffs, the Food and Drug Administration, has indicated that it would be exempt from further cuts.

A longer-term view

Ultimately, the severity of the shutdown's effects on health care will depend on how long it lasts.

It will also depend on whether Trump makes good on his stated intention to use the shutdown as "an unprecedented opportunity" to reshape the federal bureaucracy. The White House announced plans for potential mass firings of workers, particularly those at "Democrat Agencies."

Whether this threat is simply a bargaining tactic remains to be seen, and it's unclear whether health-related workers and agencies are in the crosshairs. But given that previous layoffs specifically targeted health programs, more permanent reductions in programs that affect health care may be on the way.

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