

# Medicaid Cuts Put All Patients in Danger

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## MEDICAID IS ESSENTIAL

More than 72 million Americans rely on Medicaid to access healthcare, which means that hospitals rely on Medicaid payments to stay open and adequately staffed. Funding cuts to hospitals are likely to lead to staffing cuts, putting patients in unnecessary danger, closing essential services and devastating communities. Let's break down exactly how this will happen:

## MEDICAID CUTS MEAN HOSPITAL BUDGET CUTS

- Medicaid payments accounted for 19 percent of all payments to hospitals in 2022.<sup>1</sup>
- Medicaid payments are an even greater share of the budget for facilities that serve vulnerable communities such as rural hospitals, nursing homes, and substance use treatment facilities.
- Patients who lose access to health coverage due to these cuts will still need necessary care, increasing the cost of uncompensated care for hospitals.<sup>2</sup>

## BUDGET CUTS MEAN STAFFING CUTS

- The average hospital relies on Medicaid payments for about 20 percent of its revenue. This means a 30 percent cut to Medicaid would cut the hospital's budget by about 6 percent.<sup>3</sup>
  - With lower revenue, hospitals can cut services, costs, or both. Historically, hospitals cut costs first by reducing spending on labor.<sup>4</sup>
  - The least profitable hospital services are often the first to be cut, which is driving increasing closures of labor and delivery units in low-income and rural areas.<sup>5</sup>
- Unsafe staffing increases the risk of violence and serious injury to healthcare workers when patients and family members lash out at staff over having to wait a long time for care.<sup>6,7</sup>

## UNDERSTAFFING PUTS EVERY PATIENT IN UNNECESSARY DANGER

- Decades of evidence link understaffing and negative patient outcomes.<sup>8</sup> Adding just one more patient to a nurse's workload can mean that each patient has a:
  - 5 percent lower likelihood of surviving in-hospital cardiac arrest;<sup>9</sup>
  - 7 percent higher likelihood of 30-day in-hospital mortality (death);<sup>10</sup> and
  - Increased risk of multiple kinds of infections.<sup>11</sup>
- Patients who lose access to Medicaid may also rely more on emergency rooms to treat complications of chronic conditions that could otherwise be managed with preventive care.
- No matter how they pay for their care, every patient will suffer the impacts of understaffing.



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<sup>1</sup> Medicaid and CHIP Payment and Access Commission, 2022. <https://www.macpac.gov/wp-content/uploads/2024/05/Medicaid-Base-and-Supplemental-Payments-to-Hospitals.pdf>

<sup>2</sup> Kaiser Permanente, 2025. <https://about.kaiserpermanente.org/news/nations-health-suffers-congress-cuts-medicaid>

<sup>3</sup> For additional estimates of impacts on healthcare jobs, see AFT’s analysis here: [https://www.aft.org/sites/default/files/media/documents/2025/Medicaid Case Study 01082025.pdf](https://www.aft.org/sites/default/files/media/documents/2025/Medicaid_Case_Study_01082025.pdf)

<sup>4</sup> American Hospital Association, 2024. <https://www.aha.org/costsofcaring>

<sup>5</sup> *New York Times*, 2024. <https://www.nytimes.com/2024/12/04/health/maternity-wards-closing>

<sup>66</sup> Lipscomb, Jane, “Violence in the Health Care Industry: Greater Recognition Prompting Occupational Health and Safety Interventions.” In: Charney W., ed. *Essentials of Modern Hospital Safety*. Vol. 3. Boca Raton, Fla.: Lewis Publishers, 1994, pp. 29–104.

<sup>7</sup> Lipscomb, Jane. “Violence in the Workplace: A Growing Crisis Among Health Care Workers.” In: Charney, W., Fragala G., eds. *The Epidemic of Health Care Worker Injury*, 1999, Boca Raton, Fla.: CRC Press, pp.163–165.

<sup>8</sup> AFT Code Red Campaign Safe Staffing Literature Review. [https://drive.google.com/file/d/1o5hLJMTb2AN96oZcOfVshrr5Ghj52VHD/view?usp=drive link](https://drive.google.com/file/d/1o5hLJMTb2AN96oZcOfVshrr5Ghj52VHD/view?usp=drive_link)

<sup>9</sup> McHugh et al. 2016. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4841621/pdf/nihms745619.pdf>

<sup>10</sup> Aiken et al. 2014. <https://pmc.ncbi.nlm.nih.gov/articles/PMC4035380/>

<sup>11</sup> Cimiotti et al., 2012. <https://pubmed.ncbi.nlm.nih.gov/22854376/>