



Education | Healthcare | Public Services

Protecting Our Kids & Communities: Impacts of the Trump Tax and Budget Cuts on Medicaid

Congress

The budget resolution that the House of Representatives will vote on this week will require the House Committee on Energy and Commerce to cut \$880 billion—all to pay for tax cuts that primarily benefit the highest earners and corporations.

To reach this figure, analysts believe that most of the cuts will come from Medicaid, the program that provides health insurance for people with disabilities, veterans, new mothers, retirees, students, low-wage workers and other Americans lacking significant resources. Last week the Senate passed its first budget resolution, which includes \$1 billion in cuts that could impact Medicaid, and it is anticipated that the Senate will pursue a much larger second budget resolution in the coming months, with significant cuts to Medicaid, including possible block grants and work requirements.

Healthcare

More than 70 million Americans receive healthcare through Medicaid, and with these cuts many could lose coverage. Medicaid helps provide basic healthcare for children and adults; without it, the only healthcare they will have available is the emergency room of a hospital, which will stress an already burdened system. Without this coverage, many cancer patients won't be able to continue treatment, people could lose access to mental health services, and seniors and people with disabilities could lose coverage for long-term care services, either at home or in nursing facilities.

The impending Medicaid cuts will have a huge impact on AFT members and the communities they serve:

- For nurses and healthcare professionals, cutting Medicaid will mean jobs lost and worse staffing levels and workplace violence.
- Medicaid accounted for 19 percent of all payments to hospitals in 2022. Cutting Medicaid will force more hospitals to close or reduce services.
- Medicaid currently pays for 2 in 5 births in the U.S. and is the nation's largest payer for both behavioral health services (mental health and substance use disorder treatment) and long-term care services (either at home or in nursing facilities). Cutting Medicaid will put even more pressure on an already fragile system and may result in lives being lost.

The AFT is a union of professionals that champions fairness; democracy; economic opportunity; and high-quality public education, healthcare and public services for our students, their families and our communities. We are committed to advancing these principles through community engagement, organizing, collective bargaining and political activism, and especially through the work our members do.

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PreK-12 Education

Medicaid is also crucial to schools. It provides \$7.5 billion annually, the fourth-largest amount of federal funding to K-12 schools.

Medicaid dollars support:

- Equipment, including wheelchairs, lifts and therapeutic bicycles.
- High-quality physical and mental health services, such as targeted case management, health education, cognitive behavioral therapy, catheterization, audiology and physical therapy.
- Medical transportation for select students with Individualized Education Programs.
- Salaries for health professionals, such as speech pathologists, occupational therapists and school nurses.

Overall

- Medicaid spending is the largest source of federal revenue for state budgets. If federal Medicaid funding is reduced, states will be forced to cut other public services or raise taxes.
- A 2023 Congressional Budget Office analysis found that just one extra year of Medicaid coverage during childhood leads to higher earnings and better productivity as an adult, boosting the nation's economy.

Key Talking Points

Why Medicaid cuts are so destructive:

- Congressional Republicans have discussed multiple ways of cutting Medicaid funding, but the bottom line is that “savings” come from taking away people's healthcare or forcing states to pay more.
- The work requirement discussion is a distraction. Most Medicaid recipients are employed or in school. Implementing work requirements would save approximately \$140 billion, far below the amount congressional Republicans are seeking.
- Medicaid is important to both urban communities (e.g., Brooklyn, served by SUNY Downstate) and rural communities (as non-elderly adults and children in small towns and rural areas are more likely than those living in metro areas to rely on Medicaid and the Children's Health Insurance Program for their health insurance).