



May 9, 2025

The Honorable Brett Guthrie
Chair
House Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Jodey Arrington
Chair
House Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone, Jr.
Ranking Member
House Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Brendan Boyle
Ranking Member
House Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

Dear Chairs Guthrie and Arrington and Ranking Members Pallone and Boyle,

The American Academy of Nursing (Academy) writes to express grave concern over substantial cuts that will impact Medicaid as a result of the House budget resolution directing the House Committee on Energy and Commerce (Committee) to reduce the federal deficit by \$880 billion over ten years to the outlays under its jurisdiction.¹ With more than 3,200 Fellows, the Academy—an honorific society and policy organization—represents nursing’s most accomplished leaders in policy, research, administration, practice, and academia. Collectively with our Fellows and partners, the Academy aims to create solutions that matter, inspire change that propels transformation, and envision a healthier future. Our organization believes the impact of such significant cuts would impact care for those who need it most.

Congressional Budget Office projections show that federal Medicaid spending accounts for 93% of the mandatory outlays over the next ten years under the Committee’s jurisdiction.² Given the magnitude of the \$880 billion in cuts the Committee has been directed to make, it is inevitable that Medicaid spending will need to be reduced. Drastic cuts to Medicaid would cause substantial harm to millions of people across the United States who rely on Medicaid for their health care. Furthermore, a recent poll shows that people across the United States recognize the critical role of Medicaid and 71% disagree that Medicaid funding should be cut to reduce government spending.³ **The Academy strongly recommends your Committees and all of Congress avoid cuts to this vital program and take action to protect this essential funding.**

Access to Care

Medicaid covers 20% of people living in the United States (over 71 million people) and is a key source of coverage for people with low income, disabilities, and mental illness, as well as children, mothers, and older adults.^{4,5} While Medicaid is a state-administered program, it is funded by both state and federal dollars and federal spending is essential. Federal funding in its current structure of a percentage match through the Federal Medical Assistance Percentage (FMAP) adapts to changes in Medicaid enrollment or costs, ensuring that the program remains dynamic and responsive to the needs of enrollees.

However, to cut federal spending on Medicaid, mechanisms such as restricting states’ use of provider taxes, restricting state directed payments, implementing work requirements, or block grants and per

capita caps on spending are being considered. These proposals would substantially restrict federal spending on Medicaid, harming states and enrollees. For example, block grants or per capita caps on spending would limit federal spending either on the total amount or per enrollee. Reducing spending through these mechanisms would be extremely detrimental to states' ability to meet the health care needs of their populations, which can differ greatly, and would constrain their ability to respond to emerging health related threats.⁶ To adapt to higher enrollment or costs, states would need to spend more of their own funds to account for the fixed federal funding and if unable to do so, states would face difficult cost cutting choices to meet a balanced budget. This could include cutting enrollment or optional benefits, ultimately reducing the number of people who are able to receive coverage or reducing the valuable health care services available to enrollees. Reductions in coverage are harmful to health. Maintaining and promoting Medicaid coverage is essential to ensure that populations receive health care that meets their needs.

Child Health

Nearly 40 million children in the United States are covered through Medicaid or the Children's Health Insurance Programs (CHIP),⁵ covering 40% of children overall, almost 50% of children with special health care needs, and 80% of children living in poverty.⁴ Medicaid ensures children have access to services and screenings that set them up for health across the lifespan, including with Early Periodic Screening Diagnosis and Treatment (EPSDT) services. These include critical physical, mental, developmental, dental, hearing, vision, and other screening tests and treatment along with other services such as immunizations, laboratory tests, and health education.⁷ Access to Medicaid and CHIP improves health outcomes for children. Examples include reducing infant mortality by 50%⁸ and higher survival rates for young adults with cancer.⁹ Medicaid and CHIP coverage also contribute to improvements in school performance and long-term educational attainment.¹⁰ Cuts to Medicaid would seriously harm children's health and could result in missed opportunities to prevent diseases through immunizations or diagnose and treat conditions early on. Families need access to timely, developmentally appropriate and essential care, including regular health care visits for their children.

Older Adults and Long-Term Care

Medicaid is critical for older adults as a primary payer for long-term care, including nursing home and home care services, as Medicare generally does not cover these long-term services and supports (LTSS).¹¹ LTSS makes up a large share of Medicaid spending in relation to the size of the population served: in 2020, 34.1% of Medicaid spending went to LTSS and 10.3% of total enrollees received LTSS.¹² While nursing facility care is a mandatory benefit, home and community-based services are generally an optional benefit.¹² Therefore, as states are forced to make cuts, home and community-based services (HCBS) that are key to older adults' health and well-being are at risk of being cut. These services allow individuals to remain in their homes, minimize disruption and maximize quality of life and are often more cost-effective than institutional care. Removing services that benefit older adults is harmful, particularly given that older adults often have complex care needs and are more likely to live on a fixed income and rely on Medicaid benefits. The Academy has consistently called for increased support for older adults to live healthy lives and have the choice in their care as they age, including support to live in their home and community.¹³ Nurse-led initiatives such as the Community Aging in Place: Advancing Better Living for Elders (CAPABLE) program can play an important role by enabling older adults to live at home with autonomy by implementing client-directed changes in their environment that support health.¹⁴ Additionally, Nurses Improving Care for Healthsystems Elders (NICHE) is an evidence-based professional practice model that supports nurse-led innovation in knowledge transfer among clinicians and has led to care improvements for older adults.¹⁵ These programs are examples of innovative initiatives that have been designated as Academy Edge Runners for their demonstrated ability to reduce

costs and improve health care quality through the leadership and ingenuity of nurses.¹⁶ Ensuring that older adults have access to care, including in the home and community-based settings, should be an essential priority and Medicaid is key to protecting these services.

People with Disabilities

Medicaid is an important source of coverage for people with disabilities: 15 million, or 35% of the total population of people with disabilities, are enrolled in Medicaid.¹⁷ People with disabilities enrolled in Medicaid often rely on their coverage for LTSS, which can include home health aide services, personal care services, and transportation.¹⁷ As technology and care advances to enable people with disabilities to live longer, healthier lives, this is predicted to result in an increased demand for LTSS in the future.¹¹ Older adults and people with disabilities account for a greater share of Medicaid spending than other groups, however, given their often complex care needs and use of LTSS,⁴ putting them at particular risk of any cuts to Medicaid spending. It is critical to protect the availability of funding to ensure people with disabilities receive the health care coverage and services that enable them to live healthy lives.

Mental Health

Millions of adults and children across the U.S. are experiencing mental health challenges.¹⁸ Furthermore, suicide rates in the U.S. have risen, with a 12.7% increase from 2012 to 2022, with suicide being the second leading cause of death among youth ages 10 to 24.^{19,20} Medicaid is the single largest payer for mental health services in the United States²¹ and covers nearly one in three adults living with mental illness; i.e. 15 million people.²² Medicaid also provides significant financing for the delivery of school-based behavioral services, providing access to approximately 4 in 10 children nationwide.²³ Reducing coverage for people with mental illness would result in disruptions to essential care and be devastating to health. The Academy is on record in support of policies that promote access to mental health care, including incorporating mental health into primary care services and screenings and growing partnerships between health professionals and communities to expand access to mental and behavioral health resources.²⁴ Continued support and expansion of mental health care resources through Medicaid is essential.

Maternal Health

The Academy stands firmly in support of ensuring access to health insurance throughout the perinatal period to promote health for mothers and infants.²⁵ Medicaid is a primary payer for births in the United States—more than two out of five mothers who gave birth in 2021 had Medicaid as the principal source of payment for the delivery (41%).²⁶ Promoting access to health care is critical to ensure mothers can prevent and address complications during and after pregnancy, making it an important step to improve the rate of maternal mortality and poor perinatal health outcomes in the United States. Studies have shown that Medicaid expansions that increased coverage (adopted by forty states and the District of Columbia) led to increased coverage rates before, during, and after pregnancy; increased access to prenatal and postpartum care; and better birth and postpartum outcomes.²⁷ Furthermore, while states are required to provide Medicaid coverage for 60 days after birth, forty-eight states and the District of Columbia have opted to expand postpartum Medicaid coverage to 12 months.²⁸ When facing difficult cost cutting decisions, states may reduce postpartum Medicaid coverage or otherwise reduce benefits available to mothers. Cuts to Medicaid put families' health at risk. Medicaid coverage is an important step to address maternal and infant health and should be protected.

Increased Economic Costs for States

While drastic cuts to Medicaid would cause substantial harm to people across the United States, it would also harm the economy. Loss of Medicaid funding will cause a ripple effect across state economies. It is

estimated that states' gross domestic products (GDPs) would be about \$95 billion smaller, and the total economic output lost would be even deeper (\$157 billion).²⁹ The average state's reduction in its GDP for 2026 would be \$1.9 billion.²⁹ An estimated 888,000 jobs could be lost in 2026.²⁹ More than half of this total would be health care related at hospitals, clinics, doctors' offices, pharmacies, and nursing homes. This means there would be fewer health professionals available to provide care for both public and privately insured individuals with rural hospitals, pharmacies, and nursing homes suffering the most losses. These job losses are not isolated to the health care sector as another 411,000 jobs would also be lost to other industries including retail, construction, and manufacturing.²⁹

Hospitals in states that expanded their Medicaid programs experienced lower rates of uncompensated care for the uninsured. These costs were approximately 2.7% of operating costs compared to 7.3% for hospitals in non-expansion states.³⁰ States with expanded Medicaid programs spent less on their programs for people with mental health and substance use disorders as the funding was already available within the Medicaid program.³¹ Additionally, state tax revenues would decrease by as much as \$7 billion due to a reduction in individual and business income.²⁹ As state budgets must be balanced, non-health related priorities such as education and infrastructure would be impacted as well. States will need to make additional difficult decisions beyond cuts to Medicaid.

The Academy strongly urges you to avoid cuts to Medicaid and take action to protect this essential program. We stand ready to work with you to provide expertise and shape policy solutions that champion health and well-being ensuring healthy lives for all people. If you have any questions or need additional information, please feel free to contact the Academy's Chief Policy Officer, Christine Murphy, at cmurphy@aannet.org.

Sincerely,



Linda D. Scott, PhD, RN, NEA-BC, FADLN, FNAP, FAAN
President, American Academy of Nursing

CC: U.S. House Committee on Energy and Commerce
U.S. House Committee on the Budget

¹ Establishing the congressional budget for the United States Government for fiscal year 2025 and setting forth the appropriate budgetary levels for fiscal years 2026 through 2034, H.Con.Res.14, 119th Cong. (2025).

<https://www.congress.gov/bill/119th-congress/house-concurrent-resolution/14/text>

² Congressional Budget Office. (2025, March 5). *Mandatory Spending Under the Jurisdiction of the House Committee on Energy and Commerce*. <https://www.cbo.gov/publication/61235>

³ National Alliance on Mental Illness. (2025, April 3). *Proposed Cuts to Medicaid Deeply Unpopular Across Party Lines, New NAMI-Ipsos Poll Finds*. <https://www.nami.org/press-releases/proposed-cuts-to-medicaid-deeply-unpopular-across-party-lines-new-nami-ipsos-poll-finds/>

⁴ Rudowitz, R., Tolbert, J., Burns, A., Hinton, E., & Mudumala, A. (2024, May 28). Medicaid 101. *KFF*. <https://www.kff.org/health-policy-101-medicaid/>

-
- ⁵ Centers for Medicare & Medicaid Services. (n.d.). *December 2024 Medicaid & CHIP Enrollment Data Highlights*. <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights>
- ⁶ Rudowitz, R., Valentine, A., Ubri, P., & Zur, J. (2017, June 9). Factors affecting states' ability to respond to federal medicaid cuts and caps: Which states are most at risk? *KFF*. <https://www.kff.org/affordable-care-act/issue-brief/factors-affecting-states-ability-to-respond-to-federal-medicaid-cuts-and-caps-which-states-are-most-at-risk/>
- ⁷ Centers for Medicare & Medicaid Services. (n.d.). *Early and Periodic Screening, Diagnostic, and Treatment*. <https://www.medicaid.gov/medicaid/benefits/early-and-periodic-screening-diagnostic-and-treatment>
- ⁸ Jindal, M., Barnert, E., Chomilo, N., Clark, S. G., Cohen, A., Crookes, D. M., Kershaw, K. N., Kozhimannil, K. B., Mistry, K. B., Shlafer, R. J., Slopen, N., Suglia, S. F., Tiako, M. J. N., & Heard-Garris, N. (2024). Policy solutions to eliminate racial and ethnic child health disparities in the USA. *The Lancet Child & Adolescent Health*, 8(2), 159–174. [https://doi.org/10.1016/s2352-4642\(23\)00262-6](https://doi.org/10.1016/s2352-4642(23)00262-6)
- ⁹ Ji, X., Shi, K. S., Mertens, A. C., Zhao, J., Yabroff, K. R., Castellino, S. M., & Han, X. (2022). Survival in young adults with cancer is associated with Medicaid expansion through the Affordable Care Act. *Journal of Clinical Oncology*, 41(10), 1909–1920. <https://doi.org/10.1200/jco.22.01742>
- ¹⁰ Paradise, J. (2014, July 17). The impact of the children's health insurance program (CHIP): What does the research tell us? *KFF*. <https://www.kff.org/medicaid/issue-brief/the-impact-of-the-childrens-health-insurance-program-chip-what-does-the-research-tell-us/>
- ¹¹ Chidambaram, P., & Burns, A. (2024, July 8). 10 things about long-term services and supports (LTSS). *KFF*. <https://www.kff.org/medicaid/issue-brief/10-things-about-long-term-services-and-supports-ltss/>
- ¹² Colello, K. (2022, September 15). Medicaid Coverage of Long-Term Services and Supports. *Congressional Research Service*. <https://www.congress.gov/crs-product/R43328>
- ¹³ American Academy of Nursing. (2025, March 14). *Letter Re: 89 FR 105605 — Request for Information Regarding the Impact of Ageism in Healthcare*. https://cdn.ymaws.com/aannet.org/resource/resmgr/policydocuments/2025policyactions/AAN_AHRQ_Ageism_Comments.pdf
- ¹⁴ Szanton, S. L., & Bonner, A. (2022). Public health nursing and older adults: The CAPABLE model. *American Journal of Public Health*, 112(S3), S265–S267. <https://doi.org/10.2105/AJPH.2022.306894>
- ¹⁵ Gilmartin, M. J. (2023). Nurses Improving Care for Health Systems Elders (NICHE): An evidence-based professional practice model for an aging nation. *Geriatric Nursing*, 53, 310–312. <https://doi.org/10.1016/j.gerinurse.2023.08.002>
- ¹⁶ American Academy of Nursing. (n.d.). *Edge Runner Models*. <https://aannet.org/page/edge-runner-profiles>
- ¹⁷ Burns, A. & Cervantes, S. (2025, February 7). 5 Key Facts About Medicaid Coverage for People with Disabilities. *KFF*. <https://www.kff.org/medicaid/issue-brief/5-key-facts-about-medicaid-coverage-for-people-with-disabilities/>
- ¹⁸ Panchal, N., Saunders, H., Rudowitz, R., & Cox, C. (2023, March 20). The implications of COVID-19 for mental health and substance use. *KFF*. <https://www.kff.org/mental-health/issue-brief/the-implications-of-covid-19-for-mental-health-and-substance-use/>
- ¹⁹ Department of Health and Human Services. (2024). *National Strategy for Suicide Prevention*. <https://www.hhs.gov/sites/default/files/national-strategy-suicide-prevention.pdf>
- ²⁰ Georgetown University McCourt School of Public Policy. (2025, February 19). *Medicaid's Role in Child, Youth and Adult Mental Health*. <https://ccf.georgetown.edu/2025/02/19/medicaids-role-in-child-youth-and-adult-mental-health/>
- ²¹ Centers for Medicare & Medicaid Services. (n.d.). *Behavioral Health Services*. <https://www.medicaid.gov/medicaid/benefits/behavioral-health-services>
- ²² Saunders, H., Euhus, R., Burns, A., & Rudowitz, R. (2025, February 21). 5 key facts about Medicaid coverage for adults with mental illness. *KFF*. <https://www.kff.org/mental-health/issue-brief/5-key-facts-about-medicaid-coverage-for-adults-with-mental-illness/>
- ²³ Panchal, N., Mudumala, A., & Rudowitz, R. (2024, April 23). Examining new Medicaid resources to expand school-based behavioral health services. *KFF*. <https://www.kff.org/mental-health/issue-brief/examining-new-medicaid-resources-to-expand-school-based-behavioral-health-services/>
- ²⁴ American Academy of Nursing. (2023). *Meeting's Proceedings: Finding Gain in the Losses: Strategic Solutions to the Mental and Behavioral Health Crisis in Children and Youth*. <https://aannet.org/page/finding-gain-in-the-losses-2022>

-
- ²⁵ American Academy of Nursing. (2024). *American Academy of Nursing Statement: Reducing Maternal Mortality and Morbidity and Advancing Maternal Health Equity*. <https://aannet.org/page/maternal-health-position-statement-2024>
- ²⁶ Valenzuela, C., & Osterman, M. (2023). Characteristics of Mothers by Source of Payment for the Delivery: United States, 2021. *National Center for Health Statistics*. <https://www.cdc.gov/nchs/products/databriefs/db468.htm>
- ²⁷ Guth, M., & Diep, K. (2023, June 29). What does the recent literature say about Medicaid expansion? Impacts on sexual and reproductive health. *KFF*. <https://www.kff.org/medicaid/issue-brief/what-does-the-recent-literature-say-about-medicaid-expansion-impacts-on-sexual-and-reproductive-health/>
- ²⁸ KFF. (2025, January 17). *Medicaid postpartum coverage extension tracker*. <https://www.kff.org/medicaid/issue-brief/medicaid-postpartum-coverage-extension-tracker/>
- ²⁹ Ku, L., Namhee Kwon, K., Nketiah, L., Gorak, T., Krips, M., & J. Cordes, J. (2025, March 25). *How Potential Federal Cuts to Medicaid and SNAP Could Trigger the Loss of a Million-Plus Jobs, Reduced Economic Activity, and Less State Revenue*. <https://www.commonwealthfund.org/publications/issue-briefs/2025/mar/how-cuts-medicaid-snap-could-trigger-job-loss-state-revenue>
- ³⁰ Medicaid and CHIP Payment and Access Commission (MACPAC). (2023). Annual analysis of Medicaid Disproportionate share hospital allotments to states. In *Annual Analysis of Medicaid Disproportionate Share Hospital Allotments to States* (pp. 82–83). <https://www.macpac.gov/wp-content/uploads/2023/03/Chapter-4-Annual-Analysis-of-Medicaid-DSH-Allotments-to-States.pdf>
- ³¹ Harker, L. & Sharer, B. (2024, June 14). Medicaid Expansion: Frequently Asked Questions. *Center on Budget and Policy Priorities*. https://www.cbpp.org/sites/default/files/6-16-21health_series3-18-24.pdf