



ADVOCATES FOR
COMMUNITY HEALTH

United for Health and Innovation

Emerging Issues: Threats to the Medicaid Program

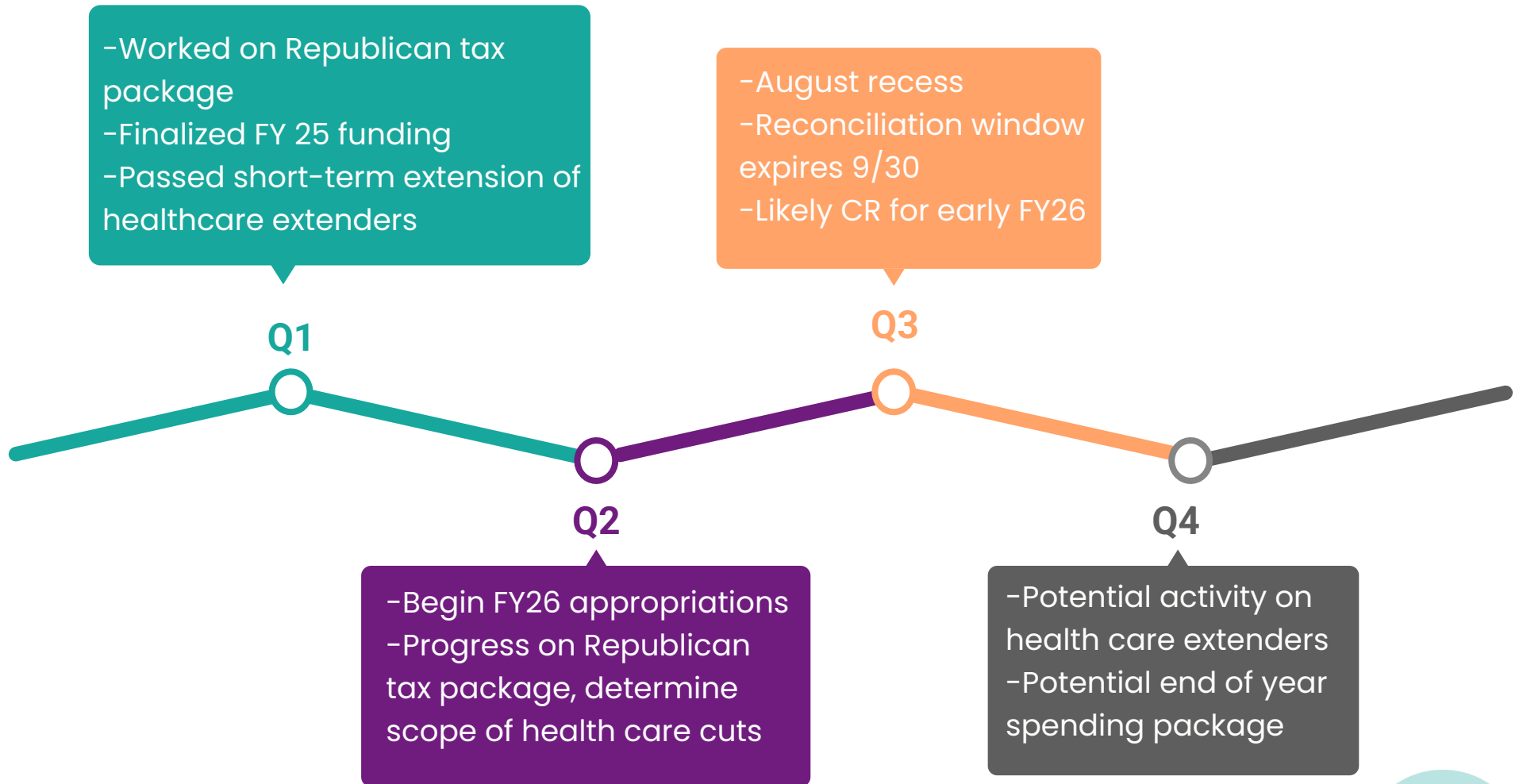
April 22, 2025

Current State of Play

- Congress is putting together a “budget reconciliation” package according to the budget resolution passed by Congress on April 5
- The resolution directed Congress, and specific committees, to find a range of spending cuts, including in the Medicaid program
- The Senate Finance Committee is instructed to increase deficits by no more than \$1.5T
- The Energy and Commerce Committee is instructed to produce \$880B in savings
- We expect drafting and markups to happen through May and June, with potential passage by late July (although more likely September)



2025 Timeline



House Strategy

- Republicans are leading with message that they are targeting “fraud,” controlling costs, not cutting benefits.

Rep. Johnson (R-LA)

“We’re talking about finding efficiencies in every program, not cutting benefits for people who rightly deserve them.”

Rep. Guthrie (R-KY)

“What I’ve learned is as we keep subsidizing health care, the price keeps going up. So my idea with per capita allotments has always been that’ll control costs.”

Rep. Carter (R-GA)

“With Medicaid, we’re concentrating on waste, fraud and abuse. If it’s waste, fraud and abuse, then it’s in danger of being cut.”



Senate Strategy

- Aim to achieve any spending cuts by “reforming” Medicaid, vowing to improve the program rather than cut benefits.
- Others would rather see social safety net programs preserved - especially during a growing recession risk.

Sen. Thune (R-SD)

Thune called the House budget resolution “a first step in what will be a long process, and certainly not an easy one.”

Sen. Crapo (R-ID)

“I have some issues with it, but I like the fact that they’re moving forward. I’m not going to advise the House on what they should do. I’ll just get ready”

Sen. Cassidy (R-LA)

“...we need to experiment with pilot programs in each state. We need to keep our eye on the ultimate goal, which is value-based care, which is transparency, accountability, access.”



Evolving Political Dynamics

Congress of the United States
Washington, DC 20510

April 14, 2025

The Honorable Mike Johnson
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Steve Scalise
Majority Leader
United States House of Representatives
Washington, DC 20515

The Honorable Tom Emmer
Majority Whip
United States House of Representatives
Washington, DC 20515

The Honorable Brett Guthrie
Energy & Commerce Chairman
United States House of Representatives
Washington, DC 20515

Dear Speaker Johnson, Majority Leader Scalise, Majority Whip Emmer and Chairman Guthrie:

As Members of Congress who helped to deliver a Republican Majority, many of us representing districts with high rates of constituents who depend on Medicaid, we would like to reiterate our strong support for this program that ensures our constituents have reliable healthcare. Balancing the federal budget must not come at the expense of those who depend on these benefits for their health and economic security.

We acknowledge that we must reform Medicaid so that it is a strong and long-lasting program for years to come. Efficiency and transparency must be prioritized for program beneficiaries, hospitals, and states. We support targeted reforms to improve program integrity, reduce improper payments, and modernize delivery systems to fix flaws in the program that divert resources away from children, seniors, individuals with disabilities, and pregnant women – those who the program was intended to help. However, we cannot and will not support a final reconciliation bill that includes any reduction in Medicaid coverage for vulnerable populations.

Consistent concerns from moderate Republicans

Drawing the line between “waste, fraud and abuse” and “hurting beneficiaries”

- A group of ~20 House Rs have expressed an “understanding with the speaker” to not reduce eligibility
 - Representing ACH member states NY, CA, AZ, VA, CO

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Proposed Policy Changes

Most likely



Least likely

Repeal of Biden-era rulemaking

Work/community engagement requirements

Restrictions on provider taxes

Limits on state directed payments

Changes to FMAP

Per capita caps

Block grants

Potential Impact on CHCs

Proposal	Impact
State mandate to put work requirements in place, with payment penalties for non-compliance	Variable. Potential reduction in state Medicaid funding would impact states differently – some may cut benefits, others eligibility, others reimbursement rates
Changes to funding for expansion population – reduced FMAP, per capita caps	Significant. Potential for coverage losses and increase in uncompensated care.
Change to Biden-era regulations, including repealing HCBS changes and making eligibility and enrollment rules tighter	Moderate. Potential for coverage losses among Medicaid enrollees
Caps on provider taxes and/or state directed payments.	Variable. Very uncommon for CHCs to receive SDPs. But, a potential reduction in state Medicaid funding would impact states differently – some may cut benefits, others eligibility, others reimbursement rates

ACH Strategy

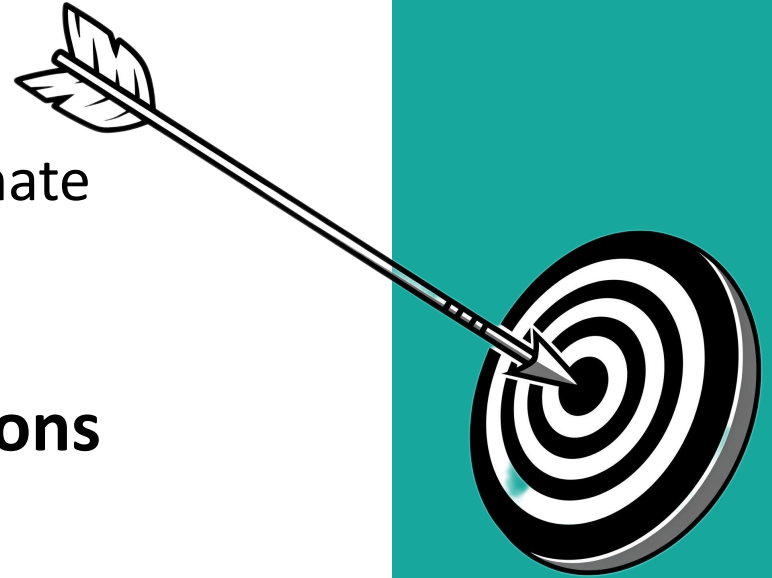
Targeted campaign

- Focus on vulnerable House and Senate members in red states, supporting those who speak out

Grasstops advocacy & communications

- Sign on letter
- Compiling potential impacts, stories

Drumbeat inside the beltway



Points of Influence

- House E&C might do some coordination with the Senate, but they will likely stay aligned to get through an aggressive cuts package
- **Off-committee members can raise issues on the way to the House Floor to get some changes made**
- The Senate Finance Committee will likely have a smaller cuts package; **they are more open to taking member feedback, including off-committee members**
- Once it's through SFC, major changes unlikely
- A full conference is unlikely; House will have to pass Senate

Important Policy Developments

4/15: Trump released an Executive Order directing HHS to require CHCs to pass on savings to patients from Epi-pens and insulin

4/16: A draft of the HHS budget was leaked that include major cuts and changes for CHCs

- Re-do of MUA and HPSAs
- Requirement to provide 340B drugs to pts < 200% FPL at 340B price
- Cuts to discretionary CHC funding (mandatory unclear)
- Elimination of CCBHC grants, other HRSA supplemental funding

Q&A

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