

Why Medicaid Matters

Congress is considering reforms to the Medicaid program that are estimated to cause at least 7.8 million people to lose Medicaid coverage by 2034 and reduce federal Medicaid spending by \$800 billion over the next ten years—a major funding cut that will have serious implications for nurses and patients.

What happens when Medicaid funding is cut?

- **Fewer Jobs**

Reduced federal funding forces hospitals and nursing homes to reduce staff.

- **Lower Wages**

Tight facility budgets mean stagnant pay and fewer benefits.

- **Uncompensated Care**

Providers still treat uninsured patients but high levels of uncompensated care leads to financial strain and possible closures.

- **Increased Workloads**

Fewer staff + same patient load = more burnout.

- **Increased Patient Acuity**

Patients lacking coverage delay needed care, leading to nurses treating sicker patients.

How Medicaid supports nursing jobs:

- Covers over **40% of births** and nearly **65% of nursing home residents**—driving demand for nurses and need for funding to sustain staffing levels.
- Provides **home health coverage**, sustaining jobs for RNs in long-term care and community settings.
- **Primary payer** for safety-net hospitals and long-term services and supports, which employ thousands of nurses.

The Big Picture

- Medicaid accounts for **18% of all healthcare spending**.
- **Cuts mean fewer resources** for hospitals, nursing homes, and community clinics—affecting pay, job stability, and patient access to care.



Between the Lines

Any reductions or reforms to Medicaid funding could jeopardize the stability of the program and coverage for patients. States will be forced to make hard choices to either cut services or reimbursements—or both since states must achieve balanced budgets.

In-Depth Analysis: Potential Impact of Medicaid Cuts

● Financial Ripple Effect

- Medicaid accounts for **19% of hospital revenues** nationwide. Less funding means staff reductions, hiring freezes, and lower pay scales.
- Cuts to Medicaid's long-term care coverage could lead to **fewer nursing positions** in nursing homes and home health agencies.
- According to the Economic Policy Institute, each direct job in the health care and social assistance sectors supports approximately 1.06 additional jobs in the economy.

● Impact on Hospital Stability

- **Rural hospitals** rely heavily on Medicaid reimbursements. Many operate on razor-thin margins, and cuts could lead to unit or facility closures, **forcing nurses to relocate or switch specialties**.
- **Urban safety-net hospitals** serve high volumes of Medicaid patients. If federal funding drops, expect **higher nurse-to-patient ratios, increased burnout, and lower job satisfaction**.

● Effects on Patient Care

- Fewer insured patients could lead to **sicker patients** and hospitals and clinics absorbing more costs, stretching resources thinner for nurses due to the **increase in uncompensated care**.
- If Medicaid reimbursement rates fall, hospitals may reduce non-emergency services, leading to **longer wait times and worse patient outcomes**.

● State-level Repercussions

- States may **cut Medicaid benefits** or **reduce provider payments**, since they are constrained by balanced budget requirements—meaning **lower wages for nurses in public and non-profit settings**.
- Some states **may shift costs to beneficiaries or restrict access to providers**—further limiting access to nurses.

What you can do:

- **Oppose** proposed Medicaid reforms that hurt nurses and their patients.
- **Support** policies that promote stable Medicaid financing.
- **Collaborate** with the American Nurses Association to strengthen Medicaid.