

Why Medicaid Matters

If the Administration and Congress succeed in passing major Medicaid cuts or reforms through reconciliation, the impact on nurses and patients could be swift and severe.

What happens if Medicaid funding is cut?

● Fewer Jobs

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

● Lower Wages

Tight budgets mean stagnant pay and fewer benefits.

● Uncompensated care

Providers still treat uninsured patients but less funding leads to financial strain and possible closures.

● Increased workloads

Fewer staff + same patient load = more burnout.

● Increased Patient Acuity

Patients lacking coverage only results in delayed care, leading to sicker patients needing care.

How Medicaid supports nursing jobs:


- Covers over **40% of births** and nearly **65% of nursing home residents**—driving demand for labor and funding for staff.
- 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 care.



RN Action

 American Nurses Association

Between the Lines

Any reductions or reforms to Medicaid funding jeopardizes 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:

- **Advocate** for stable Medicaid financing.
- **Stay engaged** with the American Nurses Association and lobby for a strong Medicaid Program.
- **Educate** policymakers on how Medicaid cuts directly affect nurses and their patients.