

2026 Issue Brief

Protect Medicaid Funding

Issue

Medicaid is the nation's largest public health insurance program, covering more than 80 million Americans, including low-income children, pregnant women, seniors, people with disabilities, and working adults.ⁱ It is jointly funded by the federal government and states, giving states flexibility to design and administer their programs within federal guidelines.

For millions of patients, Medicaid is the only pathway to primary care, lifesaving treatments, behavioral health services, and long-term care. It is a critical source of funding for hospitals, community health centers, and other safety-net providers, which rely on the program to serve vulnerable populations.

The One Big Beautiful Bill Act, passed by Congress and signed into law by President Trump last year, made some of the most significant cuts to the program in decades. According to numerous studies, state Medicaid budgets will fall by close to \$1 trillion between 2025 and 2034, while state general funds will lose \$87 billion.ⁱⁱ Medicaid changes are also expected to increase the number of people without health insurance by 7.5 million in 2034.ⁱⁱⁱ

AMGA Member Impact

An AMGA member survey examined the impact on patient access and care if Medicaid cuts are enacted. The survey found:

- **38%** of respondents stated they are cutting patient services currently in anticipation of cuts; **68%** state they are planning cuts in the future.
- **21%** of respondents stated they would close or restructure facilities.
- **30%** would limit pediatric care.
- **37%** would reduce maternity services.
- **23%** would curtail behavioral health offerings.
- **64%** anticipate employee layoffs or furloughs, including frontline clinicians.
- **20%** of rural facilities expect closure or restructuring.

Congress must carefully consider the impacts these proposed cuts will have on Medicaid patients and the healthcare system in general. As shown above, the proposed cuts will diminish access to essential healthcare, impose financial burdens on health systems and medical practices, increase uncompensated care costs, and have far-reaching consequences for communities. These Medicaid cuts could lead to massive disruptions and reduced access to care for all Americans, with implications far beyond the Medicaid population.

AMGA asks Congress to:

- **Eliminate or mitigate the current spending cuts to the Medicaid program.**
- **Develop Medicaid stabilization programs and transition grants for providers, medical groups, and integrated systems of care to assist with**
 - **Reducing Medicaid eligibility administrative waste**
 - **Reducing emergency room utilization for non-Medicaid enrollees without insurance coverage**
 - **Development of navigator programs to connect Medicaid enrollees to community assistance, faith groups, etc.**



ⁱ KFF, Medicaid Enrollment and Unwinding Tracker, 2025, <https://www.kff.org/report-section/medicaid-enrollment-and-unwinding-tracker-enrollment-data/>

ⁱⁱ Rao, Preethi, et al. "State-Level Impacts of Key Medicaid Provisions in the One Big Beautiful Bill Act | Rand." https://www.rand.org/pubs/research_reports/RRA4098-1.html, Rand Corporation, Feb. 2026, www.rand.org/pubs/research_reports/RRA4098-1.html.

ⁱⁱⁱ Ibid