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April 28, 2025

The Honorable Mike Johnson  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable John Thune  
Majority Leader  
U.S. Senate  
Washington, DC 20515

Dear Speaker Johnson and Leader Thune:

On behalf of AMGA and our members, I want to express our deep concern over the potential for unprecedented cuts to healthcare programs, including the Medicaid program, in the upcoming reconciliation bill.

AMGA members across the country see firsthand the vital role Medicaid plays in our healthcare system—delivering coverage and wraparound services to vulnerable populations, including children, seniors in need of nursing home or long-term care support, middle-class families with children who have severe disabilities, and low-income families. Reducing access to Medicaid would jeopardize these individuals' ability to receive necessary medical care and threaten the financial stability of healthcare providers nationwide.

Founded in 1950, AMGA is a trade association leading the transformation of healthcare in America. Representing multispecialty medical groups and integrated systems of care, we advocate, educate, innovate, and empower our members to deliver the next level of high-performance health. AMGA is the national voice promoting awareness of our members' recognized excellence in the delivery of coordinated, high-quality, high-value care. More than 177,000 physicians practice in our member organizations, delivering care to more than one in three Americans. Our members are also leaders in value-based care delivery, focusing on improving patient outcomes while driving down overall healthcare costs.

Medical groups and health systems believe that reductions in Medicaid funding will without a doubt result in eliminating patient services for Medicaid patients, significant layoffs of clinical and administrative staff, and closures or restructuring of medical clinics and other care facilities, especially in rural areas. These concerns are reflected in a recent survey of AMGA members on what actions they will take to address cuts to Medicaid and what impact the cuts would have on all beneficiaries. The survey results were alarming, with **85% of respondents** stating they would be forced to eliminate patient services for Medicaid patients. Critically, 51% indicated they would eliminate or limit access to pediatric services for Medicaid patients; 47% will eliminate or limit access to maternity services, including obstetric services. Forty-one percent of respondents indicated they would eliminate or curtail behavioral health services. The impact of eliminating these services to Medicaid patients will only lead to far worse health outcomes and, counterproductively, increased costs as patients choose to get their care in hospital emergency rooms, which are already facing hours-long wait times and overcrowded conditions.



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Importantly, AMGA members emphasized that potential Medicaid cuts do not exist in a silo and will have a ripple effect across our nation's economy. The proposed Medicaid cuts will lead to significant job loss and clinic closures in local communities, impacting **ALL** patients. **72% of the surveyed medical groups** expect to lay off or furlough employees. Seventy-three percent of those layoffs will include nurses and medical assistants, while 51% of medical groups will lay off physicians or advanced care providers. Relatedly, half of the survey respondents indicated they would be forced to close or restructure clinical facilities in their communities, including medical clinics (81%), mental health clinics (47%), and urgent care clinics (38%).

Survey respondents highlighted that the impact of potential cuts would be even more acute in rural areas, with **51%** stating that the facilities most likely to be closed are clinics and ambulatory care centers. Our surveyed members indicated that nearly **48% of rural hospitals or clinics** anticipate closure or restructuring, further jeopardizing healthcare access in underserved areas. Reduced access to preventative and primary care is expected to lead to increased utilization of emergency rooms, driving up overall healthcare costs. Notably, 25% of medical groups and health systems reported they would eliminate their telehealth programs, creating significant access and convenience issues for patients, especially in rural areas.

It is clear from the data that potential cuts to Medicaid, coupled with the existing years of cuts to Medicare reimbursement, will devastate patient access to medical services and will result in significant layoffs and furloughs in local communities. This will have a natural spillover effect as hospital emergency rooms will be overwhelmed with patients who are either no longer on Medicaid or cannot see their physician. The time it takes for all patients to see a provider will extend for weeks as medical groups and systems are forced to downsize their clinical staff.

We urge you to consider the impact that Medicaid cuts will have on access to healthcare across the country. If we can provide more information, please contact me or AMGA's Director of Government Relations, Lauren N. Lattany, at [llattany@amga.org](mailto:llattany@amga.org).

Sincerely,

Jerry Penso, MD, MBA  
President and Chief Executive Officer, AMGA