

## Possible Medicaid Cuts and the Current Budget Process

Alliance Daily | Feb. 28, 2025

Late on Tuesday, February 25, 2025, the U.S. House of Representatives approved a budget resolution by a 217-215 vote, with all Republicans apart from one supporting the resolution and all Democrats opposing it. The resolution calls for \$2 trillion in spending cuts and directs the House Energy and Commerce Committee to cut \$880 billion over the next 10 years. The House Energy and Commerce Committee oversees a number of important spending programs, including Medicaid.

The vote and the call for substantial spending cuts has left some alarmed that deep reductions in Medicaid spending are on the table. However, it should be noted that President Donald Trump [has denied that Medicaid will be cut](#).

House Speaker Mike Johnson (R-LA) said the House plans are narrowly targeted at abuse in the program. “Look, Medicaid has never been on the chopping block,” Speaker Mike Johnson said earlier this month. “What we’re talking about is non-benefit-related reforms to the program. Medicaid is infamous for fraud, waste, and abuse. By some estimates, large percentages of the dollars that are allocated there are wasted and stolen, and so we do right to go into those programs, and find that, and show the people what’s happened and make sure it doesn’t happen again. If you eliminate fraud, waste, and abuse in Medicaid, you’ve got a huge amount of money that you can spend on real priorities for the country.”

In addition, Speaker Johnson ruled out per capita cuts during a February 26 [interview with CNN](#). “We’re not going to cut into those programs that way,” said Johnson. “We’re talking about finding efficiencies in every program, not cutting benefits for people who rightly deserve them.”

Johnson also said that changes to the Federal Medical Assistance Percentage are not being considered.

“Our budget does not include policies that reduce benefits or remove Medicaid enrollees from the program,” the House Budget Committee [said](#). “Rather, the budget refocuses Medicaid on the most vulnerable and empowers states with flexibility so they can tailor their Medicaid programs to their populations.” A “refocusing” of Medicaid would involve reforms such as per-capita caps and work requirements, [according to](#) Budget Committee Chairman Brett Guthrie’s (R-KY).

Theoretically, the Energy & Commerce Committee could make \$880 billion in cuts without touching Medicaid, though many observers consider that unlikely.

However, the House vote is merely one step in a larger process and the Medicaid program has devoted defenders in Washington.

“Yesterday’s vote definitely raises the concern level regarding potential cuts to Medicaid. However, it is important to remember where we are in the process,” said Damon Terzaghi, Senior Director of Medicaid & Home Community Based Services at the Alliance. “The Senate passed a very different resolution framework that must be reconciled with the House. Further, we have seen firsthand how hesitant many individuals across the political spectrum are regarding the magnitude of reductions considered within the House resolution, which gives us hope that a more moderate approach will be considered.”

[A 2024 report](#) from the Kaiser Family Foundation (KFF) found that there have been about 700,000 people on waiting lists for Medicaid HCBS every year since 2016, with the rate increasing 2.6 percent from 2023 to 2024.

Stay tuned to Alliance Daily and other communication from the Alliance, as we are following this issue closely and will update our members whenever necessary.