

COALITION OF STATE MEDICAL ASSOCIATIONS

February 27, 2025

The Honorable John Thune
Majority Leader
S-221
U.S. Senate
Washington, D.C. 20510

The Honorable Charles E. Schumer
Minority Leader
S-230
U.S. Senate
Washington, D.C. 20510

The Honorable Michael D. Crapo
Chairman
Senate Finance Committee
219 Senate Dirksen
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
Senate Finance Committee
219 Senate Dirksen
Washington, D.C. 20510

Dear Majority Leader Thune, Minority Leader Schumer, Chairman Crapo and Ranking Member Wyden,

On behalf of all 50 state medical associations and the District of Columbia, the hundreds of thousands of physicians we represent, and the 80 million Medicaid patients we serve, we are united in urging the U.S. Senate to protect Medicaid from the devastating \$880 billion in spending cut targets in the House Budget Resolution. For decades, Medicaid has been the safety net for our most vulnerable patients – children, pregnant women, seniors, the disabled, veterans and low-income working families. If these cuts are enacted millions of our Medicaid patients will lose their coverage and we expect all Medicaid patients to lose some of their existing benefits and access to essential health care services. Once our patients lose coverage, their health conditions will worsen and the financial burden will shift to the states, physicians, emergency rooms, hospitals, and all other patients.

Our states have enacted innovations and efficiencies in our state Medicaid programs that have reduced costs and improved health outcomes. Yet these proposed cuts will jeopardize those advancements, our patient’s health and the viability of the health care system.

The proposed cuts disproportionately harm at-risk and rural communities. Medicaid is critical to providing health coverage to children and families in rural areas where people are more likely to be uninsured and face challenges in accessing much needed health care. Medicaid covers more children and adults in rural communities than in urban areas. It also provides economic security to low-income working families who cannot afford coverage or whose employers don’t provide it. Rural health care is already in crisis across the country and these cuts will exacerbate the rural hospital and nursing home closures, the OB deserts, and the access to care challenges as more providers are forced to leave.

The Medicaid cuts will cause a cascading negative impact on the entire health care system.

As patients lose Medicaid coverage and access to care, more rural hospitals, physician practices, clinics and nursing homes will be forced to close. With these closures, a substantial number of health care workers will lose their jobs. Health care is a major employer in rural areas and across our states. As costs are shifted out of Medicaid, all insured patients across the health care system will experience higher insurance premiums. And finally, these cuts will place incredible pressure on patients and state budgets and states will be forced to choose between cutting services or raising taxes. Because of the enormity of the cuts, states cannot absorb these cuts.

We are concerned about the specific proposals to cut Medicaid:

The per capita caps decouple the level of funding for Medicaid from the actual cost of providing health care for our highest-risk patients. Such a fundamental change in Medicaid funding would place states, providers and patients in a precarious situation when we confront unexpected health care crises, economic recessions, public health crises, and natural disasters. We urge Congress to protect the Medicaid guarantee of health care coverage for the millions of our most vulnerable patients. The financial risk for Medicaid patients cannot be placed solely on providers and states.

The proposed federal matching fund (FMAP) cuts are significant for the vast majority of states and will force states to reduce coverage and benefits, and shift costs to protect care, access to providers, and jobs. This proposal is a direct cost-shift to the states. The federal-state partnership in Medicaid is important and these matching funds are crucial to protecting the health care system.

Provider and Managed Care Organization (MCO) levies are also slated for cuts. States fund their Medicaid programs through a variety of financing mechanisms approved by Congress - 49 states rely on these mechanisms to sustain the Medicaid program. These partnerships with hospitals, skilled nursing facilities, and MCOs have been important funding sources that allow states to innovate.

As physicians, our obligation is to care for those who need us – sick children, the disabled, seniors in nursing homes, veterans and those with chronic conditions, mental health and other special needs. As state medical associations that have advanced innovations, we are committed to working with you to find solutions to protect and improve Medicaid for generations to come. But we urge you to reject Medicaid funding cuts that threaten patient care, coverage, and the viability of our entire health care system.

Sincerely,

Alaska State Medical Association
Arizona Medical Association
Arkansas Medical Society
California Medical Association
Colorado Medical Society
Connecticut State Medical Society
Florida Medical Association
Hawaii Medical Association
Idaho Medical Association

Illinois State Medical Society
Indiana State Medical Association
Iowa Medical Society
Kansas Medical Society
Kentucky Medical Association
Louisiana State Medical Society
Maine Medical Association
Massachusetts Medical Society
MedChi, The Maryland State Medical Society
Medical Association of Alabama
Medical Association of Georgia
Medical Society of Delaware
Medical Society of New Jersey
Medical Society of the District of Columbia
Medical Society of Virginia
Medical Society State of New York
Michigan State Medical Society
Minnesota Medical Association
Mississippi State Medical Association
Missouri State Medical Association
Montana Medical Association
Nebraska Medical Association
Nevada State Medical Association
New Hampshire Medical Society
New Mexico Medical Society
North Carolina Medical Society
North Dakota Medical Association
Ohio State Medical Association
Oklahoma State Medical Association
Oregon Medical Association
Pennsylvania Medical Society
Rhode Island Medical Society
South Carolina Medical Association
South Dakota State Medical Association
Tennessee Medical Association
Texas Medical Association
Utah Medical Association
Vermont Medical Society
Washington State Medical Association
West Virginia State Medical Association
Wisconsin Medical Society
Wyoming Medical Society

cc: U.S. Senators