Republicans in Congress Are Considering Harsh Medicaid Cuts That Would Shift Costs to Florida and Leave People Uninsured

Congressional Republicans are targeting Medicaid for huge cuts that will make it harder for people to afford and access health care as they push for budget legislation that cuts taxes for the wealthy. The ideas they are considering are harmful both in the magnitude of cuts — hundreds of billions of dollars nationwide — and because they would cause people to lose health coverage and shift massive costs to the state.

Center on Budget and Policy Priorities

Medicaid Helps Keep People Healthy at All Stages of Life

Medicaid covers:



Note: Children are aged 0-18. Non-elderly adults, including those with a disability, are aged 19-64. The category of people with a SUD (substance use disorder) or mental illness applies to those aged 18-64.

Source: CBPP, "Medicaid Threats in the Upcoming Congress"

Among the Medicaid cuts being considered, individually or in combination, are:

Terminating health coverage for people not meeting a work requirement

Nearly all — 92 percent — of non-elderly adults enrolled in Medicaid work for pay or would likely qualify for work requirement exemptions due to having a disability, caring for family members, or attending school.[1] Yet some Republicans are pushing to cut Medicaid by taking away coverage from people who do not meet a work requirement. In Florida, 1.06 million people would be at risk of losing coverage under one version of this proposal.

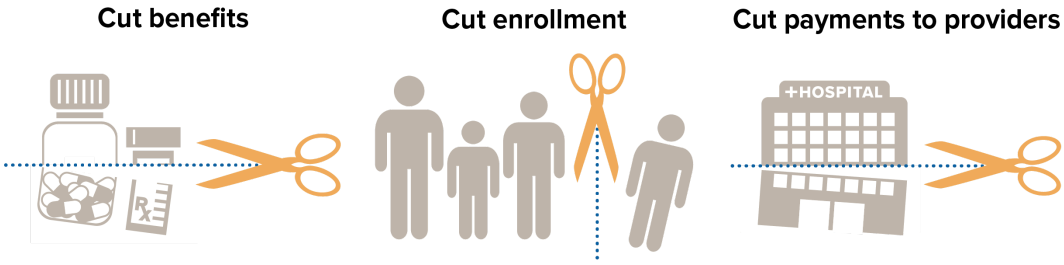
Capping federal funding to states

Some Republican lawmakers want to establish a "per capita cap," meaning the federal government would pay a fixed amount of funding per enrollee and leave states responsible for all remaining costs. In Florida, that could mean a cost shift of between $20 and $38 billion from 2026 to 2035, or an increase in state Medicaid costs of between 9 and 18 percent to offset reduced federal funding.[2]

Faced with federal cuts of this size, Florida could cut people from Medicaid to reduce enrollment, roll back benefits considered "optional" under Medicaid — such as home- and community-based services for seniors and people with disabilities — or shrink payment rates to health care providers.

How Capping Federal Medicaid Funds Would Affect State Budgets

States really only have three ways to cut costs to Medicaid:



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Republicans are also considering other policies that would shift costs to states and lead to harmful cuts at the state level. For example, they could restrict states' use of provider taxes, which would result in Florida losing a key source of funding that supports payments for providers and access to needed health coverage and care for eligible people in Florida.

[1]Jennifer Tolbert et al., "Understanding the Intersection of Medicaid and Work: An Update," KFF, February 4, 2025, https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work-an-update/.

[2]John Holahan et al., "Imposing Medicaid Per Capita Caps and Reducing the Affordable Care Act's Enhanced Match," Urban Institute, February 27, 2025, https://www.urban.org/research/publication/imposing-capita-medicaid-caps-and-reducing-affordable-care-acts-enhanced-match.