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Contact: Emily Miota, 262-853-6863, emiota@kidsforward.org

\$700B Medicaid Cuts Put Wisconsin Families, Kids, & Rural Hospitals at Risk

The U.S. House Energy and Commerce committee is taking its first step on proposed efforts to **cut at least \$715 B from Medicaid over the next 10 years—which would be the largest Medicaid cut in the health program's 60 year history—and weaken the Affordable Care Act (ACA). The bill would lead to 13.7 million people losing their health insurance.**

The proposal, which is being rushed through Congress, would include significant cuts to BadgerCare, one of Wisconsin's 19 Medicaid-funded programs that provide health insurance and long-term care to more than one million Wisconsin residents. Some members of Congress have said these cuts won't hurt Medicaid enrollees, but the math just doesn't work. The scope of the proposed cuts are too large (more than \$700 billion) to have no impact on people who rely on Medicaid for health care and coverage.

In Wisconsin, Medicaid covers more than 1 million Wisconsinites, including one in three children in rural and urban counties. Across the nation, the [Congressional Budget Office's](#) (CBO) initial estimate is that this proposal will result in nearly 8 million children, adults with low incomes, seniors, and people with disabilities losing health coverage. That number could easily increase because the CBO hasn't analyzed all aspects of the bill.

While the final details and specific impacts on Wisconsin are not yet certain, these proposed cuts—which would include mandatory work verification requirements or job loss penalties, cost-sharing, and more frequent benefit eligibility checks—would impose significant barriers to care, leave many people uninsured, ensure worse health outcomes, impose higher health care costs, and put an incredible strain on Wisconsin's state budget.

"The severity of this decision cannot be overstated - Republicans in Congress are driving a rushed, reckless plan to pay for tax cuts mostly for the wealthiest 1% and asking millions of everyday families who rely on Medicaid and the ACA to pay for it. They are using red tape to deny coverage. It really is that simple," said William Parke-Sutherland, Kids Forward Government Affairs Director. "Congress's budget reconciliation plans pass the buck to state lawmakers, forcing states to shoulder a larger share of the costs for these vital services."

These harmful cuts to Medicaid would add new costs for Wisconsin and disproportionately impact rural providers. It would place states in a deeply harmful dilemma: cut eligibility, health care benefits, or slash reimbursement rates for healthcare providers. Faced with increases in uncompensated care and reductions in provider rates, health care systems would be forced to choose between layoffs, closing rural hospitals, cutting a wide range of services, and charging all patients higher rates.

"Too many of my neighbors are just barely getting by—and I see it every day. Here in Western Wisconsin, 45,000 families depend on FoodShare just to put food on the table. One in five people—including children—rely on Medicaid for the lifesaving health care they deserve. These aren't just numbers. These are our friends, our coworkers, our kids' classmates. As a resident of Eau Claire and someone deeply committed to our community through my work at Kids Forward, I know how critical these services are. We can't afford to turn our backs on each other." — shared Nicole Hoffmann, Strategic Growth Director for Kids Forward and Eau Claire resident.

The legislation would also make drastic cuts to the nation's Affordable Care Act Marketplace, which the Congressional Budget Office estimates will leave more than 5 million people uninsured.

And for the first time, states may be asked to pay for part of the cost of SNAP benefits, also known as FoodShare in Wisconsin. Nationwide, an estimated 3 million people would be cut from receiving food benefits. Shifting costs to states could force Wisconsin decisionmakers to cut critical SNAP benefits, reduce eligibility, or both.

Under the House proposal to cut SNAP by forcing states to pay, Wisconsin would owe a minimum of \$68 million starting in 2028, but could owe as much as \$339 million. Based on the most recent data, Wisconsin would be required to pay \$68 million of food benefit costs. But state error rates vary substantially year-to-year, and there are other policies in House Republicans' bill that could tip Wisconsin over the threshold into owing substantially more in the future, despite their best efforts to improve payment accuracy.

Health insurance is unaffordable and health care costs are out of reach for too many families already. Medicaid and ACA cuts will lead to more medical debt, less financial security, and more people delaying necessary care - driving up health care costs for everyone.

Kids Forward inspires action and promotes access to opportunity for every kid, every family, and every community in Wisconsin, notably children and families of color and those furthest from opportunity. We envision a Wisconsin where every child thrives.