

Threat 3: Changes to Medicaid

Due to changes in the law, Medicaid will face \$930 billion in cuts over the next decade. This includes more frequent eligibility redeterminations, increased cost-sharing for states to take on more costs, increased or new co-pays for patients for some services, and additional work requirements. The work requirements will require individuals to report on work or other approved activities, such as pursuing an education, for 80 hours each month to remain eligible; this paperwork requirement is expected to result in individuals losing coverage. The work requirements also now apply to parents with children over 14 years old, which could mean that an additional 100,000 to 400,000 people may lose coverage. Most of these changes won't be implemented until 2027, and their impacts will be more directly felt then and in the following years.

The impact of these cuts will vary greatly among states. According to the [National Academy for State Health Policy](#), the 40 Medicaid expansion states and DC will see between 10% and 21% reductions in federal Medicaid payments, while non-expansion states can expect reductions between 6% and 11%. Beyond the clear funding impacts of the Medicaid coverage reductions, states can anticipate additional administrative costs due to changes in the Medicaid [work reporting requirements](#). Over the next 10 years, according to the [KFF](#), Louisiana, Illinois, Nevada, and Oregon will face the most severe cuts to their federal Medicaid spending, with reductions of 19% or more. Nationally, the average cut to federal Medicaid spending is 14%.

States Most Affected by Medicaid Changes

State	Medicaid Expansion States	Non-Expansion	Wealthier States with Large Undocumented Populations	Trigger Law State
AL	No	Yes	No	No
AZ	Yes	No	No	Yes
AR	Yes	No	No	Yes
CA	Yes	No	Yes	No
FL	No	Yes	No	No
GA	No	Yes	No	No
IL	Yes	No	Yes	Yes
IN	Yes	No	No	Yes
KS*	No	Yes	No	No
MS	No	Yes	No	No
MT	Yes	No	No	Yes
NH	Yes	No	No	Yes
NJ	Yes	No	Yes	No
NY	Yes	No	Yes	No
NC	Yes	No	No	Yes
SC	No	Yes	No	No
TN	No	Yes	No	No
TX	No	Yes	No	No
UT	Yes	No	No	Yes
VA	Yes	No	No	Yes
WI	No	Yes	No	No
WY	No	Yes	No	No

*Kansas has the highest number of at-risk rural hospitals

RISK: Reduced Access to Medical Care Coverage for College Students and Financial Impacts on State Budgets

Due to shifting benefit costs to states, governors will be forced to make difficult decisions about whether to raise taxes, slash state and local programs, or remove people from Medicaid. In addition to the loss of assistance through Medicaid, which will only further exacerbate the basic needs challenges impacting underserved students, there will also be effects on college access and affordability. Medicaid plays a critical role in covering low-income students' health needs: the share of college students with Medicaid coverage nearly doubled from about 7% in 2010 to 13% in 2022, representing roughly [2.7 million students](#). At the same time, about 1.6 million students, roughly [8% of all college students](#), still lacked health insurance in 2022, with higher uninsured rates among students from traditionally underserved racial and ethnic groups and those living in states that have not expanded

Medicaid. Student-parents are especially vulnerable to these changes; nearly 29% of [undergraduate student-parents](#) already experience food insecurity, and changes to SNAP eligibility and the potential for increased administrative burdens could make it harder for them to meet basic needs while pursuing their degrees. As states grapple with reduced federal funding and increased cost-sharing, states may turn to tuition increases and budget cuts for higher education and state financial aid.

How State Advocates Can Drive Change

Advocates should urge state legislators to:

Identify alternative revenue streams: Pursue new or expanded revenue sources to address potential coverage gaps in Medicaid.

Examples: [Massachusetts](#) instituted a statewide “millionaire tax,” formally known as the Fair Share Amendment, which adds a 4% surtax on annual income above \$1 million to help fund public education, transportation, and infrastructure. Similarly, [Washington](#) has found a way to raise additional revenue for higher education through the Worker Education Investment Act (WEIA), which generates dedicated funds to support financial aid, workforce training, and student support services.

Fund free or low-fee healthcare centers on college campuses: Invest in free or low-fee healthcare centers on college campuses to ensure students have access to primary care, mental health services, and preventive care.

Reduce barriers to Medicaid enrollment for students: Streamline eligibility and remove administrative barriers that prevent eligible college students from enrolling in or maintaining coverage through Medicaid.

Provide benefits navigation support for students: Ensure that students have access to trained benefits navigators who can assist them in understanding and enrolling in federal and state public benefits programs.

Collaborate with experts and student support organizations: Partner with experts, college attainment programs, and student-serving organizations to explain the new eligibility rules and help students understand the requirements and how to maintain their benefits.