



Republicans say Medicaid cuts won't happen. But does their budget work without them?

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ARI SHAPIRO, HOST:

House Republicans have to get their spending bill passed by Friday to avoid a government shutdown. They can likely afford to lose just one vote, and that's the easy part.

AILS CHANG, HOST:

Then they'll have to get working on their plan to extend \$4.5 trillion in tax cuts passed under the Trump administration, a plan that will require huge cuts in government spending. Republicans are adamant that cuts to Medicaid are a nonstarter. Here's how Speaker Mike Johnson on NBC's "Meet The Press" last week.

KRISTEN WELKER: Are cuts to Medicaid, Medicare and Social Security off the table?

MIKE JOHNSON: Yes, and don't take my word for it, Kristen. Go do a word search of the budget resolution that we passed on Tuesday. There is not one mention of Medicare, Medicaid or Social Security.

CHANG: But the nonpartisan Congressional Budget Office released a report last week that said the Republicans' budget likely would require cuts to Medicaid or Medicare. To explain the math on this, we're joined by Edwin Park, a health policy expert at Georgetown University's McCourt School of Public Policy. Welcome.

EDWIN PARK: Thank you.

CHANG: OK, so technically speaking, it is true, literally true, what Speaker Johnson said, that the budget bill does not mention Medicaid anywhere. It tells the House Committee, which has jurisdiction over Medicaid - that's the House Energy and Commerce Committee - it tells that committee to find \$880 billion in cuts over the next decade, right?

PARK: That's correct.

CHANG: And just very simply, let me just ask you very directly, can it do that without cutting any federal funding for Medicaid?

PARK: It cannot, unless you're cutting Medicare. And both Speaker Johnson, other House Republican leaders and President Trump have said that they do not want to cut Medicare. So if you take Medicare off the table, Medicaid constitutes 93% of all mandatory spending that remains under the jurisdiction of the Energy and Commerce Committee.

CHANG: OK, well, that argument has been floated, but Republicans say that they can cut spending without cutting any benefits in either Medicare or Medicaid because they're going to do this by eliminating waste and fraud. Is there \$880 billion worth of waste and fraud in the system?

PARK: Simply, no. If you look at the major Medicaid cut proposals that are under consideration, they're the same proposals that were included in the failed 2017 repeal and replace plans, and they all involve major cost shifts for the cost of Medicaid on to states - because the federal government and states share in the costs of the program - making it harder for states to finance their share of the cost of Medicaid, or imposing more red tape on those who are already working or who aren't able to work because they're disabled, have chronic conditions. They may be caregivers or in school.

CHANG: Just to get back to fraud for a moment, Speaker Johnson has talked about how there is about \$50 billion worth of fraud in Medicaid each year. Is that an accurate estimate?

PARK: It is not. What he's trying to do is equate a measure that's used in the federal government to assess improper payments. But he's trying to equate these improper payments as fraud, and the vast majority of improper payments are not because the payments shouldn't have been made, but there were some errors in terms of the documentation related to that payment or errors in terms of some of the procedural steps that were taken in making those payments. But there's no finding that that was actually fraud or even payments that should not have been made.

CHANG: Well, \$880 billion would be something like - what? - an 11% cut to federal funding for Medicaid, right? So, like, however that cut of \$880 billion happens, what would it mean for Medicaid if we see more than a tenth of the federal spending on the program eliminated?

PARK: I think millions of people would lose coverage, and millions of additional people would lose access to needed care as a result. Many of the proposals that are being considered to achieve this \$880 billion target involve shifting cost to states or making it harder for states to finance their share of the costs of Medicaid. So states are essentially left holding the bag. They're going to have to make the painful choices in terms of cutting eligibility, cutting benefits, cutting payments to providers like hospitals and nursing homes that serve Medicaid beneficiaries. And in fact, that's one of the reasons it's politically attractive to some federal policy makers, is because they're not explicitly cutting Medicaid benefits. They're making states'

legislatures, governors have to make the politically painful choices that they'll have no choice but to make in light of these massive cost shifts that they could face.

CHANG: Edwin Park, with Georgetown University's McCourt School of Public Policy. Thank you so much for making this so clear.

PARK: Thank you for having me.

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