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The Republican-led House passed a budget resolution Tuesday calling for a $2 trillion reduction in federal spending over the next 10 years. To meet that target, lawmakers are now eyeing cuts to a broad range of programs including Medicaid, which provides health coverage for millions of low-income Americans.

Any such cuts would be felt across Washington, where roughly 1 in 5 people — 1.8 million total — are enrolled in Apple Health, the state’s Medicaid program.

Depending on whether and how Congress ultimately decides to act on Medicaid, potential cuts could affect not just Medicaid recipients but the state budget, medical care providers and beyond.

**Why might Medicaid get cut?**

The budget resolution adopted Tuesday directs the Energy and Commerce Committee, which oversees Medicaid, to find $880 billion in savings over the next 10 years. Because federal health care spending is substantial, cuts represent a source of potentially significant savings. Republicans are looking for ways to reduce spending to pay for tax cuts.

“It doesn’t come as a surprise,” said Erin Vernon, associate professor of economics at Seattle University, specializing in health economics. “This is something that’s been talked about for a really long time at the Republican side as a way at the federal level to cut funding, and it’s something that’s consistently brought up.”

The tax cuts that the Republicans are seeking include lower taxes for businesses and individuals — a policy many Democrats oppose.

“There are those who think to give the tax break to corporations, somehow you’re going to get it out of the hide of these very individuals that are counting on Medicaid,” U.S. Sen. Maria Cantwell, D-Wash., said in a hearing earlier this month.

**What could cuts look like?**

Congress has a range of options it can pursue to reduce Medicaid spending. To understand how these options would work, it helps to first break down how Medicaid is funded.

In 2014, with the implementation of the Affordable Care Act, Medicaid eligibility was expanded significantly to include anyone making up to 138% of the federal poverty limit. (Previously, being low-income alone wasn’t enough to qualify; additional criteria included being a child, having a child or having a disability, among others.)

For those covered by traditional Medicaid, the federal government pays 50% of costs, or more in low-income states. For those covered by the 2014 ACA expansion, the federal government pays 90% of costs, while states pay the remaining 10%.

One widely discussed way to cut federal Medicaid spending is to reduce that 90% reimbursement. Alternatively, Congress could also set state-by-state limits on Medicaid spending based on enrollment. In states where spending is greater than such a cap, states would have to shoulder the excess.

Republican lawmakers have [said](https://www.cnn.com/2025/02/26/politics/mike-johnson-speaker-medicaid-trump-agenda/index.html) that Medicaid itself isn’t directly targeted for cuts. “Now, that said, what we are going to do is go into those programs and carve out the fraud, waste and abuse and find efficiencies,” House Speaker Mike John said in a CNN interview Wednesday.

But Democratic lawmakers were skeptical, pointing out that it would be difficult for the Energy and Commerce Committee to find $880 billion in savings without touching the program.

“Give me a break,” said U.S. Sen. Patty Murray, D-Wash., in a virtual news conference Thursday. “There is only one way in that committee and that is to have decimating cuts to Medicaid.”

Republicans have also floated the idea of imposing work requirements for certain Medicaid recipients.

**How would this affect people on Medicaid in Washington?**

Health insurance for many low-income people in Washington exists in large part because the federal government foots so much of the Medicaid bill.

According to KFF, a health research organization, more than [800,000 adults in Washington](https://files.kff.org/attachment/fact-sheet-medicaid-state-WA) are covered by Medicaid due to the ACA expansion. Federal Medicaid spending in the state totaled over $12.8 billion in fiscal year 2023.

If the federal government scales back funding, states will have to face difficult decisions about how to make up the difference. In Washington, if the federal government scaled its 90% reimbursement for expanded Medicaid coverage down to 50%, the state would need to spend $42 billion over 10 years to cover the gap, according to a KFF [analysis](https://www.kff.org/medicaid/issue-brief/eliminating-the-medicaid-expansion-federal-match-rate-state-by-state-estimates/).

“If the cuts are pretty large, it would be nearly impossible for states to continue Medicaid as is, and just fund it themselves,” Vernon said. Washington is facing a projected [budget gap of up to $15 billion](https://www.seattletimes.com/seattle-news/politics/ferguson-proposes-4b-in-cuts-furloughs-in-face-of-wa-budget-shortfall/) over the next four years.

“That leaves three other things: They can cut beneficiaries and limit enrollment, or they can cut the benefits those beneficiaries are able to get, or they can further reduce payments to medical providers.”

If low-income people lose Medicaid coverage, they may have to choose between affording health care or other basic needs like food and rent, said Erica Sessle, CEO of Lifelong, a nonprofit that operates Medicaid-funded programs including aging services and HIV care and prevention.

“Medicaid is the foundation of Washington’s safety net,” Sessle said. “What’s being proposed by the House will impact low-income individuals, older individuals, people with HIV.” Sessle added that effects down the line will lead to poorer health outcomes among vulnerable people and strain hospitals and emergency services.

**How would Medicaid cuts affect the Washington health care system overall?**

Rural areas in Washington would be hardest hit due to having larger Medicaid recipient populations.

In Central Washington, 38% of the total population is on Apple Health, and in Eastern Washington, 30% is on the program, according to a report on enrollment by congressional district published by Cantwell’s office.

“Any cuts — whether it’s less people covered by Medicaid or the payments are cut or less of the medical procedures are now paid for by Medicaid — impact rural hospitals, whose revenue is dependent on Medicaid,” Vernon said. “There’s a concern, especially in rural areas, that clinics and hospitals that serve this population might not be able to continue operations.”

Hospitals facing the prospect of less revenue might have to cut down on the services they offer, said Jacqueline Barton True, vice president of advocacy and rural health for the Washington State Hospital Association. Service reductions wouldn’t just affect Medicaid recipients but everyone within a community who relies on those services, she said. “We are extremely concerned.”