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Large cuts to Medicaid and other new policies may create untenable choices for clinicians in the US

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On 13 February 2025, a few hours after the US Senate confirmed Robert F. Kennedy, Jr as Secretary of Health and Human Services, President Trump issued an executive order establishing a "Make America Healthy Again" (MAHA) Commission. That same day the US House Budget Committee voted to progress a budget bill that targets Medicaid with the biggest share of cuts to finance Trump's agenda of border security and tax cuts. The House budget proposal includes at least $880 billion in Medicaid cuts—approximately 11 percent of federal Medicaid funding over the 10 year period.[1]

Medicaid is the largest publicly funded source of health insurance coverage, covering 79 million people.[2] By comparison Medicare covers 68 million people.[3] Medicaid is a federal-state matching programme with the majority of funding (69%) coming from the federal government. States run the programme with federal rules and options. Medicaid is the only source of public financing for long term care—a daunting task with an ageing population. It is the largest source of coverage for mental health and substance use disorder services; and the primary insurer for close to half of children and births.[4] Medicaid is disproportionately important for people living in rural communities where provider shortages are acute and hospitals are operating on thinner margins.[5] Federal Medicaid funding is the largest source of funding going to state governments ($588 billion in state fiscal year 2024).[6]

Large cuts to Medicaid would be devastating to a system that on a per capita basis has been growing more slowly than other payors in the system.[7] Unlike the federal government, states are required to balance their budgets. States would have no choice but to cut eligibility, benefits, and/or provider reimbursement impacting physicians' ability to accept Medicaid patients. The outcome of this debate is critical for people covered by Medicaid and providers who serve them.

One policy that was a feature of Trump's first administration (although largely struck down by the courts) is the imposition of work requirements as a condition of Medicaid eligibility. While the first Trump Administration did this through voluntary agreements with willing states, Congress is considering a mandate on all states to impose these requirements nationwide. States that do not comply will face the loss of significant federal funds.

A common feature of work reporting requirement policies is a list of exemptions. These exemptions typically include one for persons who are "physically or mentally disabled." The question arises as to who will make the determination—and there is a real possibility that clinicians will be tasked with this.

And herein lies a critical issue that may arise for clinicians in the context of Congressional action and Kennedy's "MAHA" agenda. They may be asked to make judgments about their patient's health and behaviours that have the consequence of cutting their patients off from health insurance, limit benefits, or raise costs for "non-compliant" low-income patients.Placing a condition on benefits and eligibility for Medicaid on compliance with a set of government proscribed preferred behaviours is likely to place physicians in the position of violating their ethical obligations to their patients.

We've seen a preview of this movie. During the second President Bush's tenure in 2007, the state of West Virginia received federal permission to limit benefits if a patient was deemed non-compliant with a proscribed list of "healthy behaviours." Many in the medical community were deeply concerned at being asked to make this determination.[8]

Trump's MAHA executive order raises the question of whether the federal government uses carrots or sticks to encourage healthy behaviours—a worthy goal but hard to accomplish.[9] Taking away peoples' health insurance or limiting their benefits as a punishment is unacceptable and ineffective. Clinicians may be asked to "inform" on their patients. Substantial cuts to Medicaid will limit access to care for many of the most vulnerable populations in the United States.

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