

BECKER'S

PAYER ISSUES

The states that would be the hardest hit by Medicaid cuts

Jakob Emerson - Updated an hour ago February 26, 2025

Almost 11 million people would become uninsured if Medicaid expansion states can't fulfill spending obligations left by potential federal Medicaid cuts, according to a Feb. 24 analysis from the Urban Institute and the Robert Wood Johnson Foundation.

Under the ACA, Medicaid expansion states receive additional funding called the enhanced Federal Medical Assistance Percentage, or enhanced FMAP. Eliminating the enhanced FMAP has been floated by some federal lawmakers to reduce government spending.

If the enhanced FMAP ends, states would need to collectively find \$44.3 billion in lost federal funding for 2025, which equates to an average spending increase of 25.6% for each state that expanded Medicaid.

Elon Musk's Department of Government Efficiency, launched under President Donald Trump, is [ramping up its efforts](#) to crack down on federal healthcare spending. The department is [zeroing in on](#) what it sees as wasteful expenses at CMS, potentially leading to Medicaid cuts or changes such as work requirements, stricter eligibility, or funding caps.

On Feb. 25, House Republicans [passed](#) a budget resolution that orders the Energy and Commerce Committee, which oversees Medicare and Medicaid, to find \$880 billion in savings from fiscal years 2025 through 2034. The budget resolution does not specify how the committee must cut costs by \$880 billion, but Medicare and Medicaid are by far the largest programs under its oversight.

State Medicaid spending increases needed to make up for proposed federal funding cuts:

Editor's note: This list only includes states that have expanded Medicaid under the ACA

North Dakota: 46.9%
Indiana: 39.7%
Montana: 36.2%
Nebraska: 33.5%
Oregon: 33.1%
Colorado: 31.5%
Washington: 31.0%
New York: 30.9%
California: 29.4%
Louisiana: 29.3%
Virginia: 29.2%
New Mexico: 28.7%
Rhode Island: 27.5%
North Carolina: 27.5%
Arizona: 26.4%
Kentucky: 26.4%
Maryland: 25.3%
New Hampshire: 25.1%
Hawaii: 25.0%
New Jersey: 24.5%
Oklahoma: 24.5%
Illinois: 24.5%
Connecticut: 23.5%
South Dakota: 23.5%
Pennsylvania: 23.2%
Idaho: 23.1%
Delaware: 22.6%
Michigan: 21.6%
West Virginia: 21.3%
Ohio: 21.0%
Iowa: 20.2%
Nevada: 19.4%
District of Columbia: 18.7%
Minnesota: 17.6%
Utah: 17.0%
Alaska: 16.8%
Missouri: 15.4%
Arkansas: 14.3%
Maine: 11.7%
Massachusetts: 10.7%
Vermont: 10.1%

Increase in uninsured population if states reverse Medicaid expansion:

New York: 195.1%
District of Columbia: 141.9%
Kentucky: 104.3%
Michigan: 99.6%
Pennsylvania: 96.9%
West Virginia: 96.7%
Iowa: 93.2%
Louisiana: 89.5%
New Mexico: 87.6%
Arkansas: 78.8%
Massachusetts: 78.2%
Montana: 76.6%
California: 74.5%
Ohio: 74.4%
Indiana: 74.2%
Rhode Island: 74.2%
Oregon: 72.0%
Connecticut: 71.5%
Delaware: 58.6%
New Jersey: 51.4%
Washington: 51.2%
Colorado: 49.7%
Arizona: 48.5%
Maryland: 47.4%
Minnesota: 44.2%
Virginia: 44.0%
Maine: 42.1%
Hawaii: 41.7%
Nevada: 37.9%
Nebraska: 36.3%
Illinois: 35.7%
Oklahoma: 35.0%
Idaho: 34.6%
North Dakota: 33.9%
Vermont: 33.6%
North Carolina: 33.5%
Missouri: 32.0%
Utah: 28.4%
Alaska: 28.2%
South Dakota: 25.5%