

May 8, 2025

United States Senate
Washington, DC 20510

Dear Senators and Representatives:

The undersigned labor organizations write to urge you to reject the inclusion of any cuts to the Medicaid program in budget reconciliation legislation currently under discussion in Congress, and instead work to preserve and strengthen this crucial component of the American health system.

While a majority of our members have access to high-quality health coverage achieved through collective bargaining and other union initiatives, like every other U.S. resident they also experience the impact of Medicaid in their own lives and their broader communities. Medicaid and CHIP not only provides health coverage for 80 million people, including nearly 40 percent of all children, 1.6 million veterans and workers receiving low wages, but it does much more. For instance, it pays for the majority of home- and community-based long-term services and supports that enable seniors and people with disabilities to live as independently as possible at home or in their communities—allowing their family members to participate in the workforce secure in the knowledge that their loved ones are receiving the care they need. Medicaid also supports students with disabilities, as well as other health services in schools, providing the fourth largest stream of federal education funding. It helps more than 10 million seniors afford their Medicare premiums, and covers some health costs for low-income people enrolled in Medicare, and it is the largest payer for mental health services in the U.S., including treatment for substance use disorder.

Preserving Medicaid coverage for the millions of people who currently have it or may need it in the future is in line with our longstanding belief that all Americans should have access to high-quality, affordable health coverage. One report suggests that 34,000 people will die annually if federal Medicaid funding is significantly reduced, and 15,000 will die annually from implementing strenuous work requirements.¹ Moreover, we are deeply concerned about the potential effect of large Medicaid cuts on the workforce and on the jobs and compensation of our members. Thanks to the Affordable Care Act's Medicaid expansion, millions of adults in the 40 states that have opted to comply with the expansion requirement now have health coverage, including some 15 million working adults who have low-wage jobs that do not offer other affordable coverage. Indeed nearly one in four U.S. residents now participates in Medicaid, reflecting the crucial role the program plays as part of the U.S. health system.

As one of the largest payers in the health care market, Medicaid also supports the jobs of millions of workers, including many of our members, who work in hospitals, clinics, nursing homes, schools, home care, and other health settings. Many of the proposals currently under discussion, especially the imposition of work requirements and cuts aimed at the ACA expansion population, would reverse the coverage gains made in recent years and lead to higher rates of uninsurance that would then increase uncompensated care costs for providers.

¹ Center for American Progress, [Congressional Republicans' Proposals to Slash Medicaid Could Cost Tens of Thousands of Lives](#), April 23, 2025.

In turn, providers with market power are likely to pass on these increased costs to employers, Taft-Hartley funds, and other payers—raising health costs for *all* working families. At the same time, increased budgetary pressure on providers will directly affect their ability to maintain jobs and staffing levels, and to provide adequate compensation and safe working environments to healthcare workers. Indeed, one analysis of the impact of a \$880 billion cut to Medicaid found that it would lead to loss of 477,200 health care jobs; when the trickle-down effect on local economies is taken into account, job loss (*i.e.*, both direct health and other jobs) totals 888,000.² These job losses will inevitably impact the quality of care healthcare facilities are able to provide to patients.

A cut of \$880 billion in federal funding for Medicaid to meet the instructions included in the House budget resolution would amount to about 12 percent of expected federal spending—by far the largest cut in the history of the Medicaid program. But even smaller cuts will have a substantial impact on state budgets, as Medicaid represents 56 percent of federal funding for the states. The loss of revenue will force state and local governments to make cuts in health care and other areas. Some congressional leaders have suggested that it is possible to enact Medicaid cuts without harming patients, workers, or providers, and that instead they will target “waste, fraud, and abuse.” Thus far we have seen no specific proposals that address this concern; rather, the main concepts that have circulated include imposing burdensome work requirements on adults, most of whom already work, various cuts to funding for the ACA expansion population, limits on the ability of states to raise revenue through provider assessments, and rescission of nursing home staffing and other recent Medicaid final rules that were carefully crafted to protect consumers and strengthen Medicaid.

Make no mistake: these and similar proposals on the table will strip coverage from adults and children who depend on it to stay healthy so that they can go to work and school. They will also lead to cuts in provider rates and health care jobs, particularly in the Medicaid home- and community-based services programs and in hospitals each of which employs more than half a million union workers. In addition, they will put pressure on other areas of the state budget, leading to cuts in areas such as education, transportation, child care, public safety, housing, public health and other public employees.

As Congress considers proposals to add work requirements to Medicaid, it is crucial to understand that for many low-wage workers, Medicaid is a lifeline to essential healthcare that their employers do not provide. These workers are already underpaid and overworked, yet they should not be blamed or demonized for relying on Medicaid to meet their health needs. This system fails to make work pay for many individuals, and it is crucial to acknowledge that work requirements often penalize those who are already struggling to make ends meet, exacerbating their challenges rather than offering real solutions.

We urge you to stand with working families and communities across the country by rejecting any cuts to Medicaid and instead work to strengthen and expand this vital program. Thank you for your attention to this urgent matter. We look forward to continuing to work with you to protect the health and economic security of all Americans.

² The Commonwealth Fund, [How Potential Federal Cuts to Medicaid and SNAP Could Trigger the Loss of a Million-Plus Jobs, Reduced Economic Activity, and Less State Revenue](#).

Sincerely,

AFL-CIO

AFT: Education, Healthcare, Public Services

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Actors' Equity Association

Alliance for Retired Americans

Amalgamated Transit Union (ATU)

American Federation of Government Employees (AFGE)

American Federation of Musicians

Association of Flight Attendants-CWA

BCTGM International Union

Communications Workers of America Union (CWA)

Department for Professional Employees, AFL-CIO (DPE)

International Alliance of Theatrical Stage Employees (IATSE)

International Association of Bridge, Structural, Ornamental, and Reinforcing Iron Workers

International Association of Machinists and Aerospace Workers (IAM)

International Association of Sheet Metal, Air, Rail and Transportation Workers Union

International Brotherhood of Boilermakers

International Brotherhood of Electrical Workers (IBEW)

International Federation of Professional and Technical Engineers (IFPTE)

International Organization of Masters, Mates & Pilots

International Union of Painters and Allied Trades

LIUNA

National Association of Letter Carriers

National Education Association

National Federation of Federal Employees (NFFE-IAM)

National Nurses United (NNU)

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SAG-AFTRA

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