

Reform and access

Medicaid plays a critical role in ensuring access to healthcare and improving health outcomes for low-income women and children in every state. The program covers roughly half of all births in the US, including many high-risk pregnancies, and provides health coverage for nearly half of all children. Proposed financial reforms to Medicaid, such as structural changes reducing federal support to Medicaid through a block grant or by capping funding to states, eliminating or reducing the enhanced matching rate for the Affordable Care Act (ACA) Medicaid expansion, establishing work requirements that would increase barriers to care, and shifting more costs back to the states would all dismantle critical protections and access to care for pregnant woman and children.¹



Budget cuts in Medicaid would increase the frequency of adverse health outcomes. Slashing the Medicaid budget would lead to long wait times, fewer services, and negative economic impacts in the healthcare sector.³



Under a per capita cap system, states would receive a set amount of federal funding for each Medicaid enrollee. **Benefits would be reduced once the cap is exceeded, forcing states to step in or beneficiaries to lose coverage.**¹



Under a block grant structure, the federal government would give states a single lump sum contribution for Medicaid, with a slight increase each year based on a pre-set formula. A block grant would remain the same even if more people joined the Medicaid rolls **leading to ballooning costs and reduction in benefits.**¹



Work reporting requirements would **negatively affect vulnerable populations by limiting access to healthcare**, especially for individuals with health conditions, disabilities, or caregiving responsibilities who struggle to meet the work criteria. These requirements create additional financial and administrative burdens on both states and individuals, disproportionately impacting vulnerable groups such as people of color, single moms, and those in rural areas.²

March of Dimes urges policymakers to oppose proposals to alter the fundamental nature of the Medicaid program, such as block grants, reducing the FMAP floor, establishing per capita caps, and over burdensome work requirements, which if enacted by Congress, could all render states unable to cover the costs of care for pregnant woman, infants, and families.



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Structures like block grants, per capita caps, and budget cuts generally don't allow for the adjustments in federal funding to account for medical breakthroughs (such as new drug therapies or treatments), infectious disease outbreaks, increased incidence of health conditions, the growing fentanyl crisis, natural disasters, or other unanticipated burdens on the system. In these cases, states and individuals would bear the burden.

Experts agree that a block grant, budget cut to federal assistance, or per capita caps would reduce the federal Medicaid contribution dramatically over time. States would then be forced to either increase revenue to cover Medicaid costs or to cut their spending and eligibility levels. In those situations, the main option states would have to choose are reducing provider reimbursement rates, which could decrease provider participation in Medicaid and make it more difficult for moms and babies to get prenatal care, well baby visits, and other important services.

Along with cuts to Medicaid, there's also an ongoing proposal to make drastic changes to Medicaid by establishing work reporting. The proposal aims to take away coverage from people who don't meet unnecessary and burdensome work requirements.⁴ This proposal would lead to disenrollment for those who may be required to show proof of employment or exemptions, imposing administrative barriers and government red tape leading to coverage loss.² Implementing work requirements to Medicaid will create more complexities and barriers to care.

Taken together, dramatic cuts to Medicaid would mean harmful consequences such as:

Reduced eligibility levels. Cuts could lead to women and their infants without access to health care if they no longer qualify for coverage.

Limited covered services. Women and babies could lose coverage for critical preventive, diagnostic, or treatment services, such as maternity care or newborn screening.

Raising revenue. Either through state tax increases or by cutting other essential services.

Endangered state coverage enhancements. Cuts would also endanger state Medicaid and CHIP optional coverage enhancements, such as presumptive eligibility and continuous coverage for children, presumptive eligibility for pregnancy coverage, and postpartum coverage extension for a year after childbirth, that have led to improved health outcomes.

1. Center on Budget and Policy Priorities (2025 January 7). Medicaid Per Capita Cap Would Harm Millions of People by Forcing Deep Cuts and Shifting Costs to States. Retrieved February 14, 2025, from <https://www.cbpp.org/research/health/medicaid-per-capita-cap-would-harm-millions-of-people-by-forcing-deep-cuts-and>
2. Center on Budget and Policy Priorities. (2025 February 5). 36 Million People at Risk of Having Health Coverage Taken Away by Medicaid Work Requirements. Retrieved January 28, 2025, from <https://www.cbpp.org/research/health/36-million-people-at-risk-of-having-health-coverage-taken-away-by-medicaid-work>
3. March of Dimes Peristats (December 2022). Health Insurance/Income – Medicaid coverage of births: United States 2023. Retrieved February 14, 2025. <https://www.marchofdimes.org/peristats/data?req=99&top=11&stop=154&lev=1&slev=1&obj=18>
4. The Commonwealth Fund (2025 January 14). Work Requirements for Medicaid Enrollees. Retrieved February 14, 2025. <https://www.commonwealthfund.org/publications/explainer/2025/jan/work-requirements-for-medicaid-enrollees>