Cancer Health

Medicaid Cuts Could Mean Hundreds of Thousands of Job Losses Annually

The cuts also could lead to hundreds of billions in reduced economic output.

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As the federal government and states move to cut about $1 trillion over the next decade from Medicaid, researchers estimate annual impacts by 2034 of hundreds of thousands of jobs lost and billions less in state and local tax revenue.

The research published this month in the peer-reviewed journal JAMA Health Forum looked at the long-term economic effects of the Medicaid provisions in President Donald Trump's signature tax and spending bill, which cuts the joint state-federal health insurance program for people with lower incomes or with disabilities and provides tax cuts that disproportionately benefit wealthier Americans.

By 2034, the researchers estimated annual economic impacts to reach 302 000 jobs lost and $135.3 billion in reduced economic output, leading to $11.1 billion in annual state and local tax revenue reductions.

Coverage losses could generate $7.6 billion in medical debt, triggering a further $3.8 billion reduction in economic activity, the study said.

As the single largest source of health coverage in the nation that covers 72 million people — or a fifth of the U.S. population — Medicaid is a key source of revenue to health care providers, as well as a significant funding stream for health facilities. Hospitals are major employers and drivers of local economies.

In New York, for example, Democratic Gov. Kathy Hochul's office estimates that 65,000 jobs could be lost due to cuts in hospitals and community health centers, as well as a loss of $14.4 billion in hospital-related economic activity.

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