

Protect Medicaid to Protect Children's Health



Congress must protect Medicaid and the Children's Health Insurance Program (CHIP) from any further cuts or funding freezes to protect children's health coverage and access to care.

Medicaid funding cuts and freezes directly impact children's health. Because children comprise nearly half of all Medicaid and CHIP enrollees — 47.6% — states have little choice but to reduce children's eligibility, children's benefits, and pay for pediatric providers when the federal government withholds or reduces federal Medicaid funds.

The impact on children from the Medicaid provisions of Public Law 119-21, known as H.R. 1, is already becoming clear through new data:

- The Congressional Budget Office now projects **3 million children will lose coverage by 2036 — a 9% decrease** — through a combination of H.R. 1's eligibility restrictions, such as eliminating eligibility for asylees, refugees, and other immigrants, and cost shifts to states, such as restricting states' ability to use state directed payments to increase provider pay and to leverage provider taxes to finance their programs.¹
- As a result of the **\$990 billion reduction in federal Medicaid funding**, experts at the nonprofit research organization RAND have determined that many states will see substantial reductions to their Medicaid budgets, with **20 states expected to see reductions of 5% to 15%**.²
- In response, some state legislatures and governors have already decided to **roll back coverage for lawfully present immigrant children and pregnant women**, as well as certain benefits, such as coverage of home- and community-based services that allow children with disabilities to receive cost-efficient care in their homes with their families.³
- Citing Medicaid cuts, some hospitals in rural areas have **laid off employees providing labor, delivery, and postpartum care**. Most states — 44 and the District of Columbia — have at least one hospital at heightened risk of closure due to the loss of federal funds, with **446 hospitals at risk of closure or reducing services**, disproportionately affecting Black, Hispanic, and low-income families.⁴

¹Swagel, P.L., Dunbar, S., Masi, S., & Sajewski, S. (2026, May 11). *CBO's baseline projections of federal subsidies for health insurance* [Presentation]. Congressional Budget Office. <https://www.cbo.gov/system/files/2026-05/62380-Federal-Health-Subsidies.pdf>

²Rao, P., Baker, L., Girosi, F., Li, E., Kerber, R., & Eibner, C. (2026, February 26). *State-level impacts of key Medicaid provisions in the One Big Beautiful Bill Act*. RAND Corporation. https://www.rand.org/pubs/research_reports/RRA4098-1.html

³Kingdollar, B. (2026, April 28). *North Carolina General Assembly gives final approval to \$319M in Medicaid funding*. NC Newsline. <https://ncnewsline.com/2026/04/28/north-carolina-general-assembly-gives-final-approval-to-319m-in-medicare-funding/>; Houghton, K. (2026, April 7).

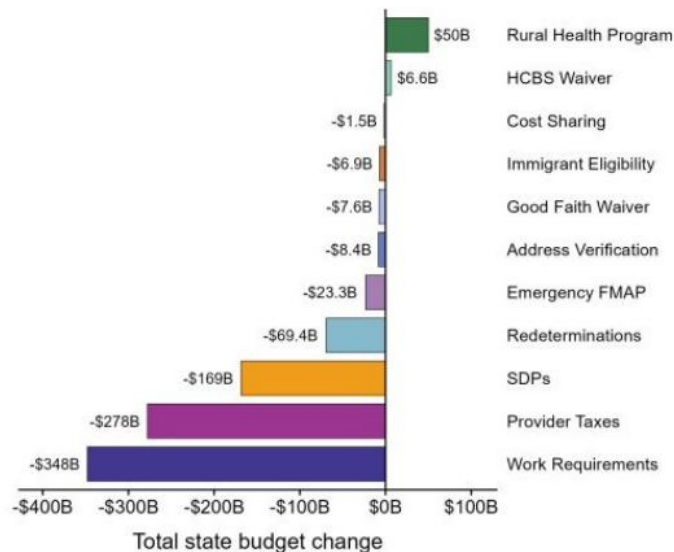
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Medicaid serves children: Nearly half of all U.S. children — 35.9 million out of 72.3 million — rely on Medicaid or CHIP for health care coverage.

In 2023, Medicaid covered 9 million of the 12 million children living in poverty — 80% of children in poverty.

Medicaid is the leading payer for rural obstetric care, covering 47% of all births in rural communities.

Combined Impact of Selected H.R. 1 Provisions on State Budgets (2025-2034)



Source: Rao, P., Baker, L., Girosi, F., Li, E., Kerber, R., & Eibner, C. (2026, February 26). State-level impacts of key Medicaid provisions in the One Big Beautiful Bill Act. RAND Corporation. https://www.rand.org/pubs/research_reports/RRA4098-1.html. Reproduced with permission.

Together, Medicaid and CHIP provide **nearly half of the nation's children** with comprehensive, high-quality, and cost-effective health care coverage that meets children's needs. As states now grapple with substantial losses of federal funds and rush to implement programmatic changes required by H.R. 1, stability in federal funding is especially critical. Congress must work to **reverse the harms to children from H.R. 1** and protect Medicaid from any further cuts or funding freezes that could lead to additional losses in children's eligibility for coverage, benefits, or access to care.

⁴O'Grady, E. (2026, March 31). *The big ugly threat to safety net hospitals*. Public Citizen. <https://www.citizen.org/article/big-ugly-threat/>