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Viewpoint: Cutting Medicaid would devastate Michigan health care, economy

Brian Peters Guest writer April 28, 2025, 12:56 p.m. ET

Key Points Al-assisted summary 1

- Proposed cuts to Medicaid funding threaten healthcare access for millions of Michiganders, including children, seniors, and working families.
- The Protect MI Care coalition, comprising healthcare providers and community organizations, urges Congress to reject Medicaid cuts to safeguard healthcare access for all Michiganders.

Medicaid is more than just a government program — it's a lifeline for millions of Michigan families and a cornerstone of our health care system. Right now, there are proposals in Washington that would cut or cap Medicaid funding or change how the program works. If those changes go through, it will put the health and financial stability of all Michigan providers and the patients they serve at risk — including children, seniors, people with disabilities and working families.

That's why, on behalf of Protect MI Care, a coalition of health care providers, advocates and community organizations, we're urging our elected leaders to stand up for the people of Michigan and protect Medicaid.

We recently launched the Protect MI Care coalition alongside more than 100 organizations from across Michigan, representing health care, education, community and social service groups. Together, we sent a clear message to Congress: do not cut or cap Medicaid benefits or funding. Our coalition stands united in protecting access to care for every Michigander who relies on Medicaid to maintain their health and independence.

Medicaid is the backbone of Michigan's health care system. More than 2.6 million people in our state depend on Medicaid for essential care — including more than 1 million children, seniors who need long-term services, people with disabilities seeking independence and working families struggling to afford private insurance.

Medicaid covers a wide range of services, from basic checkups to cancer treatments and lifesaving medications. In fact, nearly half of all children in Michigan are covered by Medicaid, and in 2024, 45% of all babies born here relied on the program. In many rural counties, Medicaid covers the majority of births, making it crucial for keeping birthing services open in those communities.

Beyond basic health care, Medicaid also plays a critical role in behavioral health and substance use treatment, especially in rural and underserved areas. And while the personal health benefits are obvious, Medicaid is also a powerful economic engine. The program supports more than \$24 billion in annual health care services in Michigan, with more than three-quarters of funding coming from the federal government. Medicaid expansion alone has brought more than \$1 billion in federal funds to our state and supports more than 10,000 jobs in our communities.

The threat in Washington is real. Proposals to cut Medicaid by \$880 billion over the next decade would have devastating consequences for Michigan. In just one year —2026— our state could lose \$2.2 billion in federal funding, see \$4.9 billion in lost economic activity and take a \$2.9 billion hit to our state's GDP. These aren't just numbers — they represent fewer doctors and nurses, closed clinics and hospitals, and longer waits for care.

If these cuts happen, impossible choices must be made. Access to care would shrink, costs would shift onto state budgets and local providers, and coverage for seniors, children, veterans, people with disabilities and working families would be at risk.

The effects would ripple far beyond those who rely on Medicaid — every hospital, mental health clinic and nursing home that depends on Medicaid funding would feel the impact. When facilities close, it's not just Medicaid patients who lose out — it's everyone in the community, regardless of what kind of insurance they have.

That includes you. We simply cannot afford these losses.

To our leaders in Congress: we urge you to listen to the voices of Michigan's families, health care workers and community organizations. Say no to any budget proposal that includes cuts to Medicaid. Protect Michigan families. Protect our healthcare system. Protect MI Care.

Brian Peters is CEO of the Michigan Health & Hospital Association.

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