

The Looming Medicaid Crisis in Florida: Separating Fact from Fiction

Following the House's passage of a budget resolution in early 2025, conversations about Medicaid have become clouded with misconceptions and conflicting claims. Floridians deserve clarity on what these proposed changes might actually mean for healthcare in our state. This fact sheet shines a light on Florida's Medicaid program and analyzes what the potential budget cuts could look like for Floridians. By focusing on verified information rather than speculation, we aim to help Floridians understand what may be at stake for this vital healthcare program.

Facts about Medicaid Coverage in Florida

Medicaid is a medical assistance program that provides access to health care for low-income individuals and families in Florida.

- Approximately 3.9 million Florida residents receive health insurance coverage through a Medicaid program.¹
- Florida Medicaid only covers certain groups of people - those who are blind, disabled, elderly, parents/caretakers, pregnant, former foster care youth, or children through age 18.²
- There are different financial limits to qualify for each Florida Medicaid category.³ For example, a child with a single parent who earns \$1,500/month would qualify for Medicaid, but the parent would not qualify due to being over the income limit for the parent/caretaker category. Every enrollee's eligibility is re-evaluated at least once per year.⁴
- Medicaid covers a wide range of medical services, including inpatient and outpatient hospital care, and physician services. It also covers nursing facility care and home healthcare for seniors and disabled adults who meet the medical and financial eligibility requirements for this care.⁵

Facts about the U.S. House of Representatives' Budget Resolution

The proposed \$880 billion in cuts would have a large impact on Florida's Medicaid budget due to its large share of Medicaid spending.

- In February of 2025, the House passed a budget resolution requiring \$880 billion in spending cuts by the Energy & Commerce

Committee.⁶ The Senate passed a competing budget resolution in March that preserves the \$880 billion in cuts.⁷

- According to the Congressional Budget Office, if the Medicare budget is untouched (as President Trump has promised), these cuts would primarily affect Medicaid, which represents 93% of the committee's jurisdiction.⁸
- With only \$581 billion under the committee's control outside Medicare and Medicaid, mathematical reality means Medicaid would bear most reductions.⁹
- For Florida, \$880 billion in proposed national Medicaid cuts could mean \$4 billion less in Medicaid funding per year, tied for the fourth highest in the nation behind California, New York, and Texas.¹⁰

Facts about Medicaid Fraud

Although some claim the proposed cuts will only address fraud, the amount of fraud and abuse in Medicaid is insignificant in comparison to the \$880 billion cut currently under consideration by Congress. The proposed federal cuts would not reduce fraud but would hurt legitimate Medicaid beneficiaries who genuinely need healthcare.¹¹

- "Improper Payments" as determined by the federal government, are those that do not meet legal requirements or were made in an incorrect amount and are not a measure of fraud.¹²
- Florida's improper payment rate for Medicaid eligibility errors was 3.9% and includes things like missing documents or delayed reviews by



the agency itself, not necessarily enrolling people who didn't qualify.¹³

- A Health Care Fraud and Abuse Control (HCFAC) program already exists, and its most recent annual report shows fraud convictions of numerous types of healthcare providers such as ambulance services, equipment suppliers, and labs, but does not report any fraud by Medicaid beneficiaries.¹⁴
- In Florida, the Medicaid Fraud Control Unit recovers about \$18.6 million yearly from fraudulent healthcare providers - much less than the \$4 billion/year cut in Medicaid funding Florida would experience if Congress passed the \$880 Billion cuts currently under consideration.¹⁵

Facts about Work Requirements

Studies show that Medicaid work reporting requirements have proven ineffective and unnecessarily costly,¹⁶ and they would prove to be particularly burdensome and unnecessary for Medicaid beneficiaries in Florida.

- *In 2023, 92% of adults covered by Medicaid were either working or unable to do so because they were sick or disabled, had caregiving responsibilities, or were attending school.¹⁷*
- *In Georgia where work reporting requirements have been implemented, 98% of individuals failed to satisfy the state's detailed reporting requirements despite being eligible for benefits.¹⁸*
- *Studies found no evidence that these work reporting requirements improved employment rates, but they did increase medical debt and delayed necessary care.¹⁹*
- *Georgia's program was a fiscal failure, as its implementation cost \$26 million through March 2024, despite minimal enrollment.²⁰*
- *In Florida, work requirements would affect a very limited population since 83% of Medicaid*

enrollees would likely be exempt as children, seniors, or disabled adults.²¹

- *The remaining Medicaid population in Florida who may be subject to work requirements are pregnant women, parents, and young adults 19-20 with very low income (e.g., \$476/month limit for a single parent).²²*

Facts about Medicaid for Non-Citizens

Medicaid already has significant restrictions on immigrant eligibility and any additional restrictions would seriously impact Florida's large immigrant population who are here legally.

- *Undocumented immigrants are not eligible for regular Medicaid coverage.²³*
- *Only "qualified non-citizens" who are lawfully present in the United States are eligible for Medicaid.²⁴*
- *Most legal permanent residents (green card holders) must wait five years before becoming eligible.²⁵*
- *A few narrow categories of immigrants are exempt from this five-year waiting period, including refugees, asylees, and Cuban-Haitian entrants.²⁶*
- *Hospitals are compensated for providing emergency care to both undocumented immigrants and those subject to the five-year waiting period if their condition is severe enough to place their health in serious jeopardy, including emergency childbirth services.²⁷*

Facts about the Increased Burden of Federal Medicaid Cuts Upon Florida's Budget

Because Medicaid is Florida's largest source of federal funding, the proposed federal Medicaid cuts could destabilize the entire state economy.²⁸

- *With the \$4 billion projected loss of federal Medicaid funding per year, Florida's annual Medicaid costs would increase from \$14 to*



\$18 billion in order to continue running the Medicaid program without any cuts in coverage.²⁹

- *Alternatively, if the state chose to take the cuts directly from Medicaid, in addition to coverage losses it could result in 45,000 job losses in 2026.³⁰*
- *If the state chose to take the funding out of the K-12 education budget, it would have to reduce spending by \$1,200 per pupil, or 21%.³¹*
- *Because Medicaid costs are largely unpredictable and beyond the state's control, increasing the state's share of Medicaid costs could harm state credit ratings – thus increasing other state project financing costs.³²*
- *Cuts to Medicaid could raise the rate of uncompensated care, which in turn could cause particular strain to rural hospitals that are already at risk of closure.³³*

Conclusion

The estimated \$4 billion/year in reductions to Florida's Medicaid program over the next 10 years directly threaten healthcare access for the state's most vulnerable residents—low-income seniors, disabled adults, children, former foster care adults, and pregnant women. This amount of cuts cannot be accomplished by simply reducing fraud. "Improper payments" as calculated by the federal government are not a measure of fraud and abuse; they measure administrative errors like insufficient documentation, not fraud. Medicaid fraud is already being addressed by state attorneys general, and it is healthcare providers, not beneficiaries, who are being convicted of fraud. Reducing fraud would have a miniscule impact on the Medicaid budget, and federal Medicaid cuts would necessarily shift costs to the states. This shift would significantly impact the lives of legitimate Medicaid beneficiaries who genuinely need healthcare and would also destabilize the state's economy. Implementing work requirements would not help, as they have been shown to increase medical debt and delay necessary care rather than boost employment. Furthermore, contrary to common misconceptions, Medicaid eligibility is already strictly limited to U.S. citizens and a small category of lawfully present immigrants, ensuring resources are directed to those legally entitled to benefits.

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- ¹ Florida Medicaid Enrollment Map, Florida Agency for Healthcare Administration, January 2025, https://bi.ahca.myflorida.com/t/FLMedicaid/views/MedicaidEnrollmentDashboardExternal/EnrollmentMap?%3Adisplay_count=n&%3Aembed=y&%3AisGuestRedirectFromVizportal=y&%3Aorigin=viz_share_link&%3AshowAppBanner=false&%3AshowVizHome=n
- ² Medicaid Redetermination, Florida Department of Children and Families, <https://www.myflfamilies.com/medicaid>
- ³ Family-Related Medicaid Income Limit Chart, Florida DCF, April 2025, <https://www.myflfamilies.com/document/30446>; SSI-Related Programs - Financial Eligibility Standards, Florida DCF, April 2025, <https://www.myflfamilies.com/document/30451>; Medicare Savings Programs and Low-Income Subsidy Coverage Groups Financial Standards, Florida DCF, <https://www.myflfamilies.com/document/59106>
- ⁴ Family-Related Medicaid Income Limit Chart, *Supra* note 3.
- ⁵ Florida Medicaid's Covered Services and HCBS Waivers, Agency for Healthcare Administration, <https://ahca.myflorida.com/medicaid/medicaid-policy-quality-and-operations/medicaid-policy-and-quality/medicaid-policy/florida-medicaid-s-covered-services-and-hcbs-waivers>
- ⁶ Sahil Kapur, "Republicans can't meet their own budget target without cutting Medicare or Medicaid, budget office says", NBC News, March 5, 2025, <https://www.nbcnews.com/politics/congress/republicans-cannot-meet-budget-target-cutting-medicare-medicicaid-budget-rcna195042>
- ⁷ Alexander Bolton, "Senate passes budget, setting up showdown with House over Trump agenda", The Hill, April 5, 2025, <https://thehill.com/homenews/senate/5233787-senate-republicans-vote-budget-resolution/>
- ⁸ *Id.*
- ⁹ *Id.*
- ¹⁰ Elizabeth Williams, Alice Burns, and Robin Rudowitz, "Putting \$880 Billion in Potential Federal Medicaid Cuts in Context of State Budgets and Coverage", KFF, March 24, 2025, <https://www.kff.org/medicaid/issue-brief/putting-880-billion-in-potential-federal-medicaid-cuts-in-context-of-state-budgets-and-coverage/> see also, John Holahan, Claire O'Brien, Lisa Dubay, "Imposing Per Capita Medicaid Caps and Reducing the Affordable Care Act's Enhanced Match", Urban Institute, February 27, 2025, <https://www.urban.org/research/publication/imposing-capita-medicicaid-caps-and-reducing-affordable-care-acts-enhanced-match>
- ¹¹ See Andy Schneider, "The Truth about Waste and Abuse in Medicaid", Georgetown CCF, January 2025, <https://ccf.georgetown.edu/2025/01/27/the-truth-about-waste-and-abuse-in-medicicaid/>
- ¹² "5 Key Facts about Medicaid Program Integrity", *Supra* note 9.
- ¹³ Andy Schneider, "Medicaid Fraud: The Improper Use of Improper Payments", Georgetown CCF, March 13, 2025, <https://ccf.georgetown.edu/2025/03/13/medicaid-fraud-the-improper-use-of-improper-payments/>
- ¹⁴ Elizabeth Hinton, Jessica Mathers, and Robin Rudowitz, "5 Key Facts about Medicaid Program Integrity – Fraud, Waste, Abuse and Improper Payments", KFF, March 18, 2025, https://www.kff.org/medicaid/issue-brief/5-key-facts-about-medicicaid-program-integrity-fraud-waste-abuse-and-improper-payments/?utm_campaign=KFF-Medicaid&utm_medium=email&hsenc=p2ANqtz-86JZ_84LKWEo2smbPMV_0KWvdJuPxV8VPhRhFNjXSQDrTQkjw9JuZCDdQoA2ULHVusFT-Ab0NOJeUOSgi4gUWof8C7CGzeuwu5eDUIHhO28oFi2Pg&hsmi=352432173&utm_content=352432173&utm_source=hs_email
- ¹⁵ Medicaid Fraud Control Unit, Attorney General State of Florida, <https://www.myfloridalegal.com/page/EBC480598BBF32D885256CC6005B54D1#:~:text=From%20January%202019%20to%20the,Services%20Office%20of%20Inspector%20General;> "Putting \$880 Billion in Potential Federal Medicaid Cuts in Context", *supra* Note 7

¹⁶ Lindsey Copeland, “Medicaid Work Requirements Continue to Be a Bad Idea, Medicare Rights Center”, February 6, 2025, <https://www.medicarerights.org/medicare-watch/2025/02/06/medicaid-work-requirements-continue-to-be-a-bad-idea>

¹⁷ Jennifer Tolbert, Sammy Cervantes, Robin Rudowitz, and Alice Burns, “Understanding the Intersection of Medicaid and Work: An Update”, KFF, February 4, 2025, <https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work-an-update/#:~:text=Among%20adults%20under%20age%2065,working%20full%20or%20part%2Dtime>

¹⁸ Morgan A. Henderson Laura Spicer Alice Middleton, “Reporting Requirements Matter (A Lot): Evidence From Arkansas's Medicaid Work Requirements”, Health Affairs, March 3, 2025, <https://www.healthaffairs.org/content/forefront/reporting-requirements-matter-lot-evidence-medicaid-work-requirements-arkansas>

¹⁹ *Id.*

²⁰ *Id.*

²¹ See “Florida Medicaid Enrollment Map”, AHCA, January 2025, https://bi.ahca.myflorida.com/t/FLMedicaid/views/MedicaidEnrollmentDashboardExternal/EnrollmentMap?%3Adisplay_count=n&%3Aembed=y&%3AisGuestRedirectFromVizportal=y&%3Aorigin=viz_share_link&%3AshowAppBanner=false&%3AshowVizHome=n

²² “Family-Related Medicaid Income Limit Chart”, *Supra* note 3.

²³ 42 U.S.C. § 1396b(v); 8 U.S.C. 1612(b)(1); 42 C.F.R. § 435.406(a)(2); see also “Key Facts on Health Coverage of Immigrants”, KFF, Jan 15, 2025, <https://www.kff.org/racial-equity-and-health-policy/fact-sheet/key-facts-on-health-coverage-of-immigrants/#:~:text=In%20general%2C%20lawfully%20present%20immigrants,status%20before%20they%20may%20enroll.>

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.*

²⁸ Allyson Crays, Medicaid Cuts Hurt State Economies, National Health Law Program, February 2025, <https://healthlaw.org/resource/medicaid-cuts-hurt-state-economies/>

²⁹ See Erica Monet Li, Florida FY 2024-25 Budget Summary: Health and Human Services, Florida Policy Institute, October 18, 2024, <https://www.floridapolicy.org/posts/florida-fy-2024-25-budget-summary-health-and-human-services>

³⁰ Leighton Ku, Kristine Namhee Kwon, Leticia Nketiah, Taylor Gorak, Maddie Krips, Joseph J. Cordes, “How Potential Federal Cuts to Medicaid and SNAP Could Trigger the Loss of a Million-Plus Jobs, Reduced Economic Activity, and Less State Revenue”, The Commonwealth Fund, March 25, 2025, https://www.commonwealthfund.org/sites/default/files/2025-03/Ku_impact_medicaid_snap_cuts_Tables.pdf#page=4

³¹ Putting \$880 Billion in Potential Federal Medicaid Cuts in Context of State Budgets and Coverage, KFF, March 24, 2025, <https://www.kff.org/medicaid/issue-brief/putting-880-billion-in-potential-federal-medicaid-cuts-in-context-of-state-budgets-and-coverage/>

³² “Medicaid Cuts Hurt State Economies”, *Supra* note 19.

³³ *Id.*