

What Medicaid Cuts Mean for Iowa




Medicaid is a Lifeline in Iowa

Medicaid plays a critical role in Iowa, supporting the health of children, older adults, people with disabilities and hardworking families — while also providing critical access to care through hospitals, nursing homes and rural providers statewide.

Where Iowa's Medicaid Funding Comes From



 Medicaid Population¹
709,000



Federal Medicaid Contribution²
\$5 Billion



State Medicaid Contribution³
\$1.9 Billion

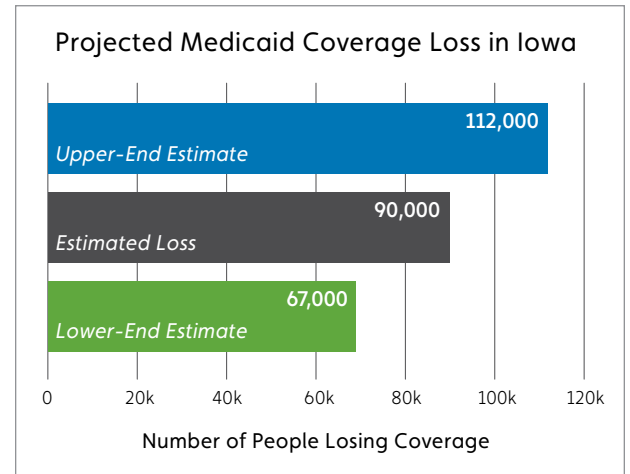
What's at Stake

The proposed Medicaid cuts outlined in H.R. 1 would strip health coverage away from Iowa residents and force significant economic trade-offs, leaving taxpayers footing the bill to cover funding gaps.

The combination of cuts included in the bill would **reduce federal Medicaid funding to Iowa by 13%**, totaling roughly **\$7 billion over the next decade**.⁴

Projected Medicaid Coverage Loss in Iowa⁵

If Congress enacts the proposed Medicaid cuts, up to **112,000 Iowans could lose coverage**. Even under the most conservative estimate, **over 67,000 people would be pushed out of the program** as a result of eligibility restrictions, administrative red tape and reduced funding for outreach and enrollment efforts.



Estimated Economic Impact of Medicaid Work Requirements in Iowa⁶

Work requirements would limit Medicaid eligibility and result in a reduction in economic activity, shrink the workforce and undercut state and local tax revenues.

 **State GDP Loss:**
\$246M – \$345M



State & Local Tax Revenue Loss:
\$14.9M – \$20.9M



Total Jobs Lost:
2,100 – 3,000

Congress must protect Medicaid to keep Iowa families healthy and the state economy strong.

¹ <https://data.modernmedicaid.org/MMA/>

² <https://www.kff.org/interactive/medicaid-state-fact-sheets/>

³ Ibid.

⁴ <https://www.kff.org/medicaid/issue-brief/allocating-cbos-estimates-of-federal-medicaid-spending-reductions-and-enrollment-loss-across-the-states/>

⁵ Ibid.

⁶ <https://www.commonwealthfund.org/publications/issue-briefs/2025/may/medicaid-work-requirements-job-losses-harm-states>