



U.S. SENATOR MARIA CANTWELL

WASHINGTON

FEBRUARY 2025 SNAPSHOT: MEDICAID CUTS THREATEN WA HEALTH CARE, ESPECIALLY IN RURAL AREAS

This week, the U.S. House of Representatives is debating legislation that would require the House Energy and Commerce Committee to slash federal spending on Medicaid and other health care programs by \$880 billion. The proposal, which was endorsed by President Trump, would then be considered by the U.S. Senate in the coming weeks.

In fiscal year 2023, the State of Washington received over \$12.5 billion in federal Medicaid funding (accounting for 57% of all federal funding to the state), meaning that the Congressional majority's proposal could have devastating impacts on our state's health care system, especially in Central and Eastern Washington.

The magnitude of the proposed cuts would not spare anyone in our state – not hospital staff, not people with coverage through their employer, and especially not our state's children, 47% of whom are covered by Apple Health, Washington state's Medicaid program. Any cuts in federal Medicaid funding would not only force a reduction in the number of beneficiaries – a significant threat to the 1.8 million Washingtonians who are enrolled in Medicaid – but they would also potentially exacerbate Washington state's budget deficit, since the state would have to make up for the shortfall to try and minimize the loss of crucial health care services.

Republicans have discussed a range of methods for cutting Medicaid, all of which would be damaging nationwide and in Washington state. For example:

- Instituting Medicaid work requirements, which have been found ineffective, would put 782,000 Washingtonians at risk of losing coverage – 42% of enrollees.
- Reducing the federal matching assistance percentage for states that expanded Medicaid under the Affordable Care Act would force Washington state to spend \$2,754,000,000 more to maintain the expansion, and threaten Medicaid coverage for 647,416 Washingtonians.
- Instituting a per-enrollee cap on federal Medicaid funding would cut federal funding by \$879 billion over fiscal years 2026-2032, forcing states to either increase their own spending, cut eligibility or benefits, or reduce payments to health care providers.

- Removing or lowering the 50% floor on federal Medicaid matching rates would increase the Washington state government’s Medicaid costs by \$1,197,000,000, or 18%.

WHAT LOCAL PROVIDERS ARE SAYING

Health care providers from Seattle to Pomeroy are warning about the potential impact of significant Medicaid cuts:

“UW Medicine serves a diverse population and provided more than \$836 million in uncompensated care in 2023. If reimbursement from Medicaid, Medicare, commercial insurers, or government programs were reduced, we would be forced to close beds or cut critical services. This would mean fewer options for patients, especially the most vulnerable in our communities who rely on us the most – leaving many with nowhere else to turn.” – UW Medicine CEO Dr. Tim Dellit

“We’re struggling to keep our doors open ... the only thing left to cut is the hospital itself.” – Astria Toppenish Hospital Administrator Cathy Bambrick

“Medicaid cuts would mean that thousands of children in Central and Eastern Washington would have very poor access to subspecialty care. These babies could die, frankly, because they wouldn’t be able to get diagnosed and they would not get the care that they need.” – Pediatric Cardiologist and Associate Professor of Pediatrics Dr. Jason Deen

“Even a small reduction in our Medicaid reimbursement or a reduction in our patient volumes due to lost or decreased coverage would push our facility into the red and could put us at risk of closure.” – Garfield County Hospital District CEO Mat Slaybaugh

MEDICAID PATIENTS IN WA

More than 1.8 million Washingtonians are enrolled in Medicaid (Apple Health). One in six adults, three in five nursing home residents, and three in eight people with disabilities in Washington are covered by the program.

Data provided by the Washington State Health Care Authority shows that Congressional District 4 (Central Washington) and Congressional District 5 (Eastern Washington) have the highest proportions of adults and total population on Medicaid (Apple Health). In District 4, 70% of children are on Apple Health.

WA MEDICAID PATIENTS BY AGE AND CONGRESSIONAL DISTRICT, JUNE 2024				
Congressional District	Region	Percentage on Apple Health:		
		Children (under 19)	Adults	Total Population
1	Western WA	28%	11%	15%
2	Western WA	48%	17%	24%
3	Western WA	50%	19%	27%
4	Central WA	70%	24%	38%
5	Eastern WA	54%	22%	30%
6	Western WA	47%	18%	24%
7	Western WA	26%	12%	14%
8	Western WA	34%	13%	19%
9	Western WA	56%	21%	29%
10	Western WA	47%	19%	26%
State Total		47%	18%	25%

Source: Washington State Health Care Authority

HOW MEDICAID CUTS WOULD HARM WA HOSPITALS

Hospitals already function on extremely thin operating margins, making Medicaid a crucial source of revenue. According to the Washington State Hospital Association (WSHA), Medicaid funded 23% of inpatient care and 19% of outpatient care for Washington’s hospitals in 2023.

WA PATIENTS BY TYPE OF COVERAGE, 2021-2023						
Payer	2021		2022		2023	
	Inpatient	Outpatient	Inpatient	Outpatient	Inpatient	Outpatient
Medicaid	23%	19%	23%	19%	23%	19%
Medicare	44%	39%	45%	40%	46%	39%
Other or Commercial	33%	41%	31%	41%	31%	49%
Hospitals Count	89		95		91	

Source: Washington State Hospital Association

Medicaid patients will not stop needing care. Hospitals will still need to treat these patients – they will just receive less money for it. They'll have to make up the difference somehow. That's why hospital leaders say that cuts to Medicaid will likely result in cuts felt by every patient.

According to WSHA CEO Cassie Sauer, “Cuts to Medicaid don’t just threaten access to care for Medicaid patients. The level of Medicaid cuts being contemplated at the federal level are enormous. These funding cuts will lead to hospitals closing services, and those services will be lost for the whole community. We have already seen closures of maternity services, mental health services, and outpatient services such as physical therapy that have affected entire communities. These will only grow.”

“THESE FUNDING CUTS WILL LEAD TO HOSPITALS CLOSING SERVICES, AND THOSE SERVICES WILL BE LOST FOR THE WHOLE COMMUNITY.”
 WSHA CEO CASSIE SAUER

MEDICAID CUTS THREATEN RURAL HOSPITALS

Medicaid is especially crucial in rural areas. Eight rural hospitals in Washington state receive over 25% of their total reimbursements from Medicaid – seven of which are east of the Cascade mountains.

WA RURAL HOSPITALS BY PAYER MIX, 2022			
Hospital Name	Medicaid	Medicare	Other
Othello Community Hospital (Othello)	58%	15%	27%
Astria Toppenish Hospital (Toppenish)	41%	28%	31%
Samaritan Healthcare (Moses Lake)	30%	36%	34%
Summit Pacific Medical Center (Elma)	29%	30%	41%
Coulee Medical Center (Grand Coulee)	28%	36%	36%
Columbia Basin Hospital (Ephrata)	27%	37%	36%
Klickitat Valley Health (Goldendale)	26%	45%	29%
Three Rivers Hospital (Brewster)	26%	41%	33%

Source: Washington State Department of Health

Multiple rural hospitals report that Medicaid cuts would endanger their financial stability and even put them at risk of closure. That threatens access to health care for entire rural communities — not just Medicaid patients.

For example, Astria Toppenish Hospital’s most recent data shows that 76% of their patients are on Medicaid and/or Medicare, more than double the statewide average. Funding challenges forced the hospital to close its obstetrics unit in 2022 and shut down magnetic resonance imaging (MRI) services in 2023.

“The only thing left to cut is the hospital itself,” says Administrator Cathy Bambrick. **“Areas within the Toppenish service area are at risk of becoming a medical desert within which many residents would live at least 60 minutes from a hospital with trauma care services and farther still from access to one or more kinds of necessary medical services.”** Astria Toppenish Hospital currently cares for 314 patients per day on average.

“THE ONLY THING LEFT TO CUT IS THE HOSPITAL ITSELF.”

ASTRIA TOPPENISH HOSPITAL
ADMINISTRATOR CATHY BAMBRICK

Grand Coulee Medical Center is grappling with similar concerns. **“Any reduction in Medicaid funding could make it harder to sustain operations, potentially increasing the risk of closure,”** according to CEO Kelly Hughes. **“Because of revenue losses, our facility could be forced to cut services, reduce staff, and close our OB services which would be devastating to our patients’ health and wellbeing.”** Multiple hospitals in Washington state have already been forced to shut down their labor and delivery services for financial reasons, [including](#) Astria Toppenish Hospital and Naval Hospital Bremerton. Medicaid financed [35%](#) of births in Washington state in 2023, or 28,297 births.

Matt Kollman, CEO of Skyline Hospital in White Salmon, says rural hospitals are often the only nearby care option for residents. Kollman says funding cuts from any source **“will undoubtedly result in reduction of services, reduction of access or worse – hospital closures.”** According to Washington State Department of Health data, 20% of Skyline Hospital’s payments came from Medicaid in 2022.

In 2023, Medicaid paid for 21% of services at Garfield County Hospital District. The hospital’s operating margin for 2024 was -5%, but it was able to maintain positive net revenue through grants and taxes. Some programs, like the Supplemental Nutrition Assistance Program and the State Health Insurance Assistance Program,

“EVEN A SMALL REDUCTION... WOULD PUSH OUR FACILITY INTO THE RED AND COULD PUT US AT RISK OF CLOSURE.”

GARFIELD COUNTY HOSPITAL
DISTRICT CEO MAT SLAYBAUGH

are funded through Medicaid and highly reliant on federal dollars. Garfield County Hospital District CEO Mat Slaybaugh says, **“Even a small reduction in our Medicaid reimbursement or a reduction in our patient volumes due to lost or decreased coverage would push our facility into the red and could put us at risk of closure.”**

WESTERN WASHINGTON HOSPITALS FACE SIMILAR IMPACTS

Although Central and Eastern Washington have the highest proportions of adults and total population on Medicaid, cuts to the program jeopardize hospitals in Western Washington, too – especially on the rural Olympic Peninsula. Medicaid pays for 10.6% of care at Jefferson Healthcare in Port Townsend. CEO Mike Glenn says, **“Tossing thousands of low-income residents off Medicaid would threaten our finances and possibly lead to reductions in services and staff.”**

Olympic Medical Center, which operates in Port Angeles and Sequim, is already struggling financially. It provides vital services to a population of nearly 80,000 people and has long survived on a narrow 2-3% margin. CEO Darryl Wolfe says that the hospital wants to maintain current access and service levels, but **“further cuts of any sort will further jeopardize our financial position.”**

10% of patients at Island Health in Anacortes are on Medicaid. CEO Elise Cutter says that with Medicaid cuts, **“Island Health will be forced to reduce services that are critical to caring for our community.”** She says that will have a ripple effect on the health of the entire community and survival of the area’s health care system. According to Cutter, taking away health coverage **“drives up mortality rates and drastically reduces the very healthcare services that are critical in the places they are needed most.”**

UW Medicine is a clinical, research, and learning health system that provides health care to vulnerable patients. Dr. Tim Dellit, CEO of UW Medicine and Dean of the University of Washington School of Medicine, says, **“UW Medicine serves a diverse population and provided more than \$836 million in uncompensated care in 2023. If reimbursement from Medicaid, Medicare, commercial insurers, or government programs were reduced, we would be forced to close beds or cut critical services. This would mean fewer options for patients, especially the most**

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UW MEDICINE CEO DR. TIM DELLIT

vulnerable in our communities who rely on us the most – leaving many with nowhere else to turn.” UW Medicine also [operates](#) Harborview Medical Center, the only designated Level I adult and pediatric trauma and verified burn center in Washington state. For the year ending on June 30, 2022, Medicaid [represented](#) 34% of Harborview’s revenue.

Large Western Washington institutions like UW Medicine and Seattle Children’s provide care statewide. Dr. Jason Deen, an Associate Professor of Pediatrics and pediatric cardiologist at the University of Washington who treats children across Washington state, says, **“If a child lives in Richland and they have Medicaid, we can give them equivalent care as if they lived in Bellevue. And really that's only possible with Medicaid.”**

MEDICAID CUTS ENDANGER WASHINGTONIANS' LIVES

Outside of hospital settings, other community providers and nurses say that if people lose access to Medicaid, they might choose to forgo or delay necessary health care. That could damage access to care for entire communities.

POTENTIALLY FATAL LOSS OF SPECIALTY CARE FOR CHILDREN

Children on Medicaid with high medical needs cannot afford to lose access to specialty care. Dr. Deen notes that babies with congenital heart disease need access to a pediatric cardiologist like him. But with Medicaid cuts, he worries, **“thousands of children in Central and Eastern Washington would have very poor access to subspecialty care. These babies could die, frankly, because they wouldn’t be able to get diagnosed and they would not get the care that they need.”** Ultimately, he says that Medicaid cuts **“would devastate our nation’s most important child health care program.”**

FARM FAMILIES LOSING CARE

A future without rural hospitals would be bleak for our state’s farmers. As Skyline Hospital CEO Matt Kollman says, **“Imagine being a senior citizen and driving 150 miles round trip in the dead of winter for routine care. Imagine being a farmer with stroke symptoms (where every minute equals brain function) and you have to be transported an additional 90 minutes to receive the care you need. Medicaid cuts for rural hospitals are a short-sighted solution to a chronic issue.”**

Garfield County Hospital District CEO Mat Slaybaugh echoes Kollman’s concerns about the impact of cuts on the farming community. Slaybaugh says, **“It is not uncommon for our small family farmers to be on a Medicaid program or utilizing tax credits to get insurance coverage. Cuts to the Medicaid program would have a major impact on our community’s ability to access healthcare.”**

MORE ER VISITS AND SLOWER EMERGENCY RESPONSES

According to Jessica Grove, a registered nurse who works in home health in the Spokane area, **“If Medicaid is cut, you're going to see a drop in people doing preventative care for diseases like diabetes. So you're going to start seeing people who have diabetes that is poorly managed, clogging up the ERs. Or people are going to be dying in their homes – just because they waited too long. They can't afford the ER, they pass away in their home. And that's the reality. People will die from this.”**

**“THAT’S THE REALITY.
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RN JESSICA GROVE

In Washington, Medicaid [covers](#) 3 in 8 people with disabilities and 3 in 5 nursing home residents – people who often have heightened medical needs and cannot go without health care.

Mike Glenn, CEO of Jefferson Healthcare on the Olympic Peninsula, says, **“we have learned that patients without insurance put off regular doctor visits, important prescriptions, and other preventative care measures. This inevitably leads to delayed diagnosis, advanced disease, and high-cost ED visits. Squeezing Medicaid is penny smart, dollar foolish policy, placing lives on the line.”**

**“SQUEEZING MEDICAID IS
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JEFFERSON HEALTHCARE
CEO MIKE GLENN

Danielle Garbe Reser is the CEO of Blue Mountain Action Council in Walla Walla. Of the 3,482 adult individuals they served in Fiscal Year 2024, 1,041 reported having Medicaid. Reser points out that cutting Medicaid would put pressure on hospitals and drive up costs for the entire system. In her community, she notes, **“Walla Walla's ER is full as it is, so it would be really challenging if people don't have coverage to do preventative visits and only wind up at the hospital when it's a more expensive emergency.”**

EMERGENCY CARE COULD ALSO BE DEVASTATED

Emergency transport services receive substantial funding from Medicaid. Washington State Council of Fire Fighters (WSCFF) President Dennis Lawson says, **“Firefighters and EMTs are often first on the scene in a medical emergency, when every second matters. If Medicaid reimbursement for emergency transportation is cut, many fire departments across the state could face significant budget shortfalls. Every Washingtonian should be concerned about any funding cuts that could lead to slower response times in a life-threatening emergency.”**

“EVERY WASHINGTONIAN SHOULD BE CONCERNED ABOUT ANY FUNDING CUTS THAT COULD LEAD TO SLOWER RESPONSE TIMES.”

WSCFF PRESIDENT DENNIS LAWSON

The City of Bellingham reports that Medicaid is a major funding source for its emergency medical services. According to Mayor Kim Lund, **“In Bellingham, every year we are reimbursed by Medicaid for \$5 million in ambulance services – the equivalent of 32 full-time firefighter-paramedics. Cuts to Medicaid could mean cuts not only to people who use the program; it could mean cuts to public safety services for our whole community.”**

LOSS OF COMMUNITY HEALTH CARE

Aaron Wilson is the CEO of CHAS Health, a Federally Qualified Health Center (FQHC) in Spokane. CHAS Health employs nearly 1,900 staff in living wage jobs.

According to Wilson, over the past 12 months, the organization has provided over 306,000 visits for Washington Medicaid patients, including over 180,000 medical visits, 36,000 behavioral health visits, and over 80,000 dental visits.

Many of these patients would be devastated by cuts to Medicaid.

For example, one CHAS Health patient who nearly died due to a collapsed lung was able to receive life-saving treatment because he had Medicaid. After treatment and physical therapy, he was able to start work again and support himself; now, he is able to afford his own insurance.

FQHCs like CHAS Health provide comprehensive services to people regardless of their ability to pay. Their services can include primary care, behavioral health, and dental care. Medicaid provides a significant portion of funding for FQHCs across Washington state.

MEDICAID FUNDING FOR FEDERALLY QUALIFIED HEALTH CENTERS BY CONGRESSIONAL DISTRICT, 2023

Congressional District	Region	Number of FQHCs	Number of FQHC Patients	Medicaid Revenue	Medicaid Revenue as Percentage of Total FQHC Revenue
1	Western WA	5	429,943	\$488,400,000	59%
2	Western WA	3	314,652	\$317,700,000	68%
3	Western WA	4	283,039	\$267,700,000	59%
4	Central WA	10	420,160	\$416,600,000	48%
5	Eastern WA	7	400,273	\$473,600,000	44%
6	Western WA	4	327,192	\$330,000,000	57%
7	Western WA	7	444,022	\$497,000,000	48%
8	Western WA	5	359,175	\$360,100,000	55%
9	Western WA	7	444,022	\$497,000,000	48%
10	Western WA	4	357,745	\$353,000,000	58%

Source: Washington Association for Community Health analysis of the Health Resources and Services Administration's Uniform Data System

Medicaid also funds a wide range of care outside traditional health care systems. For example, school nurses can receive funding from Medicaid. Liz Pray, a school nurse in Moses Lake, says, **“Without the school nurse, there would be an unneeded burden on our medical system as a whole, outside of the school setting.”**

At Washington State University’s student-focused Cougar Health Services, about 1 in 7 patients depend on Medicaid for insurance. If Medicaid work requirements were put into place or eligibility tightened, those students might lose access to health care. Medicaid

revenue is critical for operating WSU's health clinics; in Fiscal Years 2023-24, Cougar Health Services received \$195,514 in Medicaid revenue for medical care, \$93,207 for pharmacy care, and \$5,721 for vision care.

As families struggle with their ability to afford quality health care, Medicare funding reductions could mean longer wait times at the emergency room, slower response times for emergency vehicles, or even the closure of local hospitals.

Some services – like special care for students – cannot be cut. To cover the costs Medicaid will not, state and local taxes may need to increase.

Hospitals may have to raise their rates on non-Medicaid patients to recoup their costs, because people are not going to stop getting sick.

In the end, we'll have to pick up the tab in higher local taxes, higher health insurance premiums, and higher medical bills when the federal government reduces its share of Medicaid.

APPENDIX

WA RURAL HOSPITALS BY PAYER MIX, 2022			
Hospital Name	Medicaid	Medicare	Other
Othello Community Hospital	58%	15%	27%
Astria Toppenish Hospital	41.2%	27%	31%
Samaritan Healthcare	30%	36%	34%
Summit Pacific Medical Center	29%	30%	41%
Coulee Medical Center	28%	36%	36%
Columbia Basin Hospital	27%	37%	36%
Klickitat Valley Health	26%	45%	29%
Three Rivers Hospital	26%	41%	33%
Astria Sunnyside Hospital	25%	31%	43%
North Valley Hospital	24%	50%	26%
Harbor Regional Health	24%	32%	44%
Mason General Hospital	23%	46%	31%
Morton General Hospital (Arbor Health)	22%	58%	20%
Quincy Valley Medical Center	22%	30%	48%
Mid-Valley Hospital	21%	30%	49%
PeaceHealth United	20.2%	50.5%	29.2%
Skyline Hospital	20%	44%	36%

Lake Chelan Health	19%	21%	60%
Ocean Beach Hospital	19%	59.5%	21.5%
Lincoln Hospital	18%	50%	32%
Odessa Memorial Healthcare Center	16%	65%	19%
Olympic Medical Center	15%	59%	26%
Kittitas Valley Community Hospital	15%	37%	48%
Whitman Hospital and Medical Clinics	13%	49%	38%
Pullman Regional Hospital	13%	34%	53%
Tri-State Memorial Hospital	13%	59%	28%
PeaceHealth Peace Island Medical	12.7%	58.9%	28.4%
Jefferson Healthcare	12%	57%	31%
PMH Medical Center	12%	46%	42%
Island Hospital	10.8%	54.4%	33.9%
Snoqualmie Valley Hospital	10%	50%	40%
Garfield County Memorial Hospital	9.6%	78.1%	12.3%
Dayton General Hospital	9%	54%	37%
Cascade Medical Center	9%	44%	47%
Forks Community Hospital	9%	36%	55%
Willapa Harbor Hospital	1.3%	40%	59%

Source: Washington State Department of Health