



June 4, 2025

Chair Hertel & Members of the Senate Health Policy Committee,

For decades, the Medicaid program has provided health care coverage for millions of people, including children and parents, low-income adults, older adults, pregnant patients, individuals with mental health and substance use disorders and individuals with disabilities, in communities large and small, urban and rural.

Michigan Academy of Family Physicians (MAFP) represents over 4,200 family medicine physicians, residents, and medical students dedicated to providing physician-led, team-based, patient-centered primary care for all ages. MAFP is alarmed by proposals to implement cuts or other structural changes to Medicaid during the federal budget reconciliation process. Cuts to Medicaid will have grave consequences for patients, communities and the entire health care system. With reduced federal funding, it will be harder for patients to access care, Michigan may be forced to drop enrollees from coverage, and it will limit the health care services patients can access and cut payment rates. Slashing already-low Medicaid payment rates will make it even harder for physicians to provide care to people covered under Medicaid and will ultimately increase health care costs as patients are forced to forgo vital preventive care.

Our members are not alone in support of Medicaid and concern for potentially reduced funding. Americans widely support Medicaid, with [two-thirds](#) of adults in the U.S. saying they have had some connection to the Medicaid program, through their own coverage or coverage of a loved one. Imposing arbitrary restrictions and limitations on Medicaid enrollment runs counter to the mission of the program, which is to provide people with the health care coverage--and peace of mind--that they need.

Medicaid is a lifeline for Michigan's most vulnerable — from visits with a primary care physician, to maternal health care and pediatrics, to labor and delivery services, to behavioral health and to preventive care that saves lives. To that end, it is of the utmost importance that the Michigan Legislature protects this vital program.

Medicaid is a state-federal partnership, which means it is jointly financed by federal and state funds. Medicaid is both wide-reaching and favorably viewed by most Americans. Data from January shows that two-thirds of adults say that they or someone close to them has direct experience with Medicaid and more than threequarters have a favorable view of Medicaid, including the majority of Democrats, Independents, and Republicans.

Furthermore, the Michigan Department of Health and Human Services (MDHHS) estimates that these cuts would lead to a \$2.33 billion reduction in payments to Michigan hospitals, potentially destabilizing hospital finances, particularly in rural and safety-net facilities.

Medicaid plays a crucial role in supporting Michigan's economy. The state's health care industry has a total economic impact of \$77 billion per year, and Medicaid expansion alone has created more than 30,000 new jobs.



**With fewer patients and a greater share of uninsured patients, many safety net providers would struggle to stay open.** Safety net providers like [community health centers](#) and public hospitals are important sources of care for people who are uninsured or have low incomes. As a result of Medicaid cuts, these physicians would likely have more patients without insurance, straining their ability to retain staff. If they had to reduce staffing or couldn't keep their doors open, individuals ranging from children to veterans, seniors, and others could lose key physicians offering preventive, behavioral, and other services.

**The loss of physicians would reduce access to primary and specialty care.** As Medicaid cuts cause physicians to limit services or leave the area, all individuals in the community would have less access to health care. When physicians leave, people with other kinds of coverage, including employer-based coverage, private insurance through the ACA marketplace, or coverage provided to current and retired military families, lose access to those health care professionals as well.

I urge you to consider the devastating effects these cuts would have on our communities and to oppose any measures that would reduce Medicaid funding or cut services provided or people covered. Protecting Medicaid is essential to ensuring the health and well-being of millions of Michiganders.

Thank you for your attention to this critical matter.

Sincerely,

A handwritten signature in blue ink, appearing to be "R. Klamo".

Rachel M. Klamo, DO, MS, FAAFP  
President, Michigan Academy of Family Physicians