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Republicans' Claims of "Fraud" Are a Pretext for Unpopular and Drastic Medicaid Cuts

By Allie Gardner

Republicans in Congress are moving forward with a budget plan that would cut hundreds of billions of dollars from Medicaid. In recent weeks, congressional Republicans have used the pretext of eliminating "fraud, waste, and abuse" to justify cutting Medicaid as part of legislation to pay for tax cuts skewed to the wealthy. Republicans can only achieve the large-scale cuts they are seeking through policies^[1] that would harm enrollees and take coverage away from millions of people, including millions who gained coverage through the Affordable Care Act (ACA) Medicaid expansion.

More than 80 percent of the public^[2] – including people across the political spectrum – oppose cutting the program, including a majority of people who voted for President Trump and of rural residents. In a recent survey^[3], two-thirds of adults reported that they currently have or have at some point had some connection to Medicaid – either they or someone they knew received Medicaid – and even more of those surveyed were found to have a favorable view of the program. With the public on the side of Medicaid^[4] but Republicans seeking to cut billions from the program to partially pay for the tax cuts they want to enact, it's not surprising they are trying to shift the conversation and duck responsibility for cutting people's health care.

Currently, Medicaid provides health coverage to 1 in every 5 people^[5] across the country, at all stages of life. The program pays for 41 percent of births^[6] in the United States, covers all medically necessary treatments, screenings, and services for the over 30 million children^[7] enrolled in Medicaid, and pays more than half^[8] of the cost of long-term services and supports for seniors and people with disabilities. Medicaid also covers over 20 million adults with low incomes^[9] in the 40 states (and D.C.) that have adopted the ACA's Medicaid expansion, which has helped uninsured rates reach record lows in those states and nationally.

We should strengthen these programs, and there is widespread agreement that they should work as efficiently as possible. Medicaid has complex responsibilities that it fulfills efficiently^[10], and it has robust mechanisms to ensure program integrity. Counterintuitively, Republican proposals to cut Medicaid spending could add inefficiencies and undermine ongoing and future efforts to improve program integrity^[11], not strengthen the program.

For example, the Centers for Medicare & Medicaid Services has taken proactive action to reduce what are known as "improper payments" – payments either found to be made in error or, in the case of many payments, ones that may be legitimate but did not include sufficient paperwork and documentation^[12] in the case file – through new rules^[13] on eligibility documentation and record retention procedures.

Additionally, there are already mechanisms in place to identify and address the rare cases of Medicaid fraud, which is almost exclusively committed by dishonest health care providers (not beneficiaries) who intentionally deceive the program^[14]. Every state has a Medicaid Fraud Control Unit^[15] tasked with prosecuting fraud as well as patient abuse and neglect. Additionally, the federal government has increased program integrity efforts based on recommendations from the Government Accountability Office^[16], and leveraged federal and state auditors to strengthen oversight and monitoring, especially of managed care organizations and provider screening and enrollment requirements.

Rare cases of fraud and improper payments – which make up a small fraction of Medicaid spending – simply do not add up to the massive cuts Republicans are looking for. To cut hundreds of billions of dollars in Medicaid, Congress will have to enact changes^[17] to Medicaid that will take coverage away from people and, for those who can keep their coverage, limit what services they can access. Policies that have been floated^[18] to reduce Medicaid spending would not actually address fraud, and in fact, in some cases would hinder efforts to ensure program integrity.

For example, repealing the Biden Administration's eligibility and enrollment rule would eliminate requirements to regularly check for changes in addresses, which helps identify when individuals have moved out of state, as well as the new standards for maintaining records which would help reduce improper payments.

More importantly, these proposals^[19] would jeopardize health coverage for millions of Americans. For example, one proposal would take Medicaid coverage away from enrollees if they don't meet a work requirement. This is unnecessary and burdensome: the overwhelming majority of adults^[20] under age 65 who are covered by Medicaid work; Medicaid ensures working adults with low incomes have access to health coverage since many do not have employer-sponsored insurance available. For those who are not working, most have caregiving responsibilities, attend school, or have a disability-related barrier to work.

Furthermore, research has shown that work requirements don't actually support employment^[21], and the Congressional Budget Office recently concluded^[22] that, if a work requirement were added to Medicaid, "employment status of and hours worked by Medicaid recipients would be unchanged." Instead, terminating health coverage could make it harder^[23] for people to manage their health and obtain or maintain employment. Work requirements also come with high administrative costs^[24] to implement and are likely to drive up improper payments because they would require new complex policy related to exemptions, countable hours, and activities, introducing the likelihood of more errors as states implement new procedures and documentation requirements.

Medicaid cuts should be rejected: they will take away people's coverage and access to care and harm their health.

^[1] [/research/health/congressional-republicans-cant-cut-medicaid-by-hundreds-of-billions-without-hurting](https://www.cbpp.org/research/health/congressional-republicans-cant-cut-medicaid-by-hundreds-of-billions-without-hurting)

^[2] <https://www.kff.org/medicaid/poll-finding/kff-health-tracking-poll-public-views-on-potential-changes-to-medicaid/>

[3] <https://www.kff.org/medicaid/poll-finding/7-charts-about-public-opinion-on-medicaid/>

[4] <https://modernmedicaid.org/wp-content/uploads/2025/04/MMA-Poll-Memo-4-2-25.pdf>

[5] <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html#:~:text=79%2C308%2C002%20people%20were%20enrolled%20in,Map>

[6] <https://www.kff.org/medicaid/state-indicator/births-financed-by-medicaid/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

[7] <https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/downloads/october-2024-medicaid-chip-enrollment-trend-snapshot.pdf>

[8] <https://www.kff.org/medicaid/issue-brief/10-things-about-long-term-services-and-supports-ltss/>

[9] <https://www.kff.org/affordable-care-act/state-indicator/medicaid-expansion-enrollment/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

[10] <https://research.health/medicaid-per-capita-cap-would-harm-millions-of-people-by-forcing-deep-cuts-and#medicaid-controls-costs-more-effectively-cbpp-anchor>

[11] <https://oversight.house.gov/wp-content/uploads/2025/03/Wagner-Written-Testimony.pdf>

[12] <https://blog.understanding-the-medicaid-payment-error-rate-measure>

[13] <https://ccf.georgetown.edu/2024/04/11/medicaid-eligibility-and-enrollment-rule-explainer/>

[14] <https://www.cms.gov/files/document/overviewwaprovidersbooklet072616pdf#:~:text=The%20rules%20governing%20Medicaid%20define%20%E2%80%9Cfraud%E2%80%9D%20as:%20An,unauthorized%20benefit%20to%20himself%20or%20some%20other%20person.>

[15] <https://www.oig.hhs.gov/fraud/medicaid-fraud-control-units-mfcu/>

[16] <https://www.gao.gov/assets/gao-25-107743.pdf>

[17] <https://www.cbo.gov/publication/61235>

[18] <https://www.politico.com/f/?id=00000194-74a8-d40a-ab9e-7fbc70940000>

[19] <https://research.health/medicaid-threats-in-the-upcoming-congress>

[20] <https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work-an-update/>

[21] <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00538>

[22] <https://www.cbo.gov/system/files/2023-04/59109-Pallone.pdf>

[23] <https://www.kff.org/medicaid/issue-brief/the-relationship-between-work-and-health-findings-from-a-literature-review/>

[24] <https://www.gao.gov/assets/gao-20-149.pdf>