May 12, 2025

The Honorable Brett Guthrie
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Frank Pallone
Committee on Energy and Commerce
2322A Rayburn House Office Building
Washington, D.C. 20515

**Re: Impact of Proposed Medicaid Cuts on Institutions of Higher Education and Academic Medicine**

Dear Chairman Guthrie and Ranking Member Pallone:

On behalf of the American Council on Education and the undersigned higher education associations, I write to raise serious concerns about the impact of substantial cuts to the Medicaid program in proposals to meet the House Budget Resolution instructions to cut $880 billion from programs in your committee's jurisdiction. The enactment of such significant cuts will harm the health and financial security of millions of college students, have damaging financial consequences for public higher education, and for the future of academic medicine.

Medicaid is more than just a health insurance program; it is an essential support structure that enables millions of students to pursue higher education while maintaining access to critical physical and behavioral health services. According to recent data,[1] 3.4 million low-income college students relied on Medicaid for healthcare in 2023, a sharp increase of 1.4 million from 2010. This trend underscores a rising reliance on public health programs to support student well-being. Among traditional college students (ages 18–24), Medicaid enrollment nearly doubled between 2010 and 2023. For non-traditional students (ages 25–34), who often juggle school with work or family obligations, coverage rose from 10 percent to 18 percent, an 8-percentage-point increase over the same period.[2] This development comes on top of the serious mental health challenges students are grappling with, as nearly 50 percent screen positive for depression and anxiety, both of which undermine retention and graduation rates.[3] This data reflects a growing reliance on Medicaid among students balancing education with financial challenges. Cutting Medicaid would have wide-ranging negative consequences for low-income students and the institutions that support their education and healthcare.

[1] ACE analysis using U.S. Census Bureau's Microdata Tool for 2010 and 2023

[2] Id.

3 Healthy Minds Network, Healthy Minds Study 2023–2024 Data Report

The proposed Medicaid cuts will also create a significant strain on state budgets, forcing state governments to make difficult and harmful funding decisions. States would have to choose between providing health care for their most vulnerable residents and other important funding, including investments in higher education. This would exacerbate the long-term decline in state support for public higher education and inevitably lead to increased tuition, reduced services and programs, and cuts to state student financial aid programs, raising the cost of attending college for students and their families. Regrettably, history has shown that when states need to make cuts, state support for higher education is often the first area targeted because of the ability to shift costs to students and families without raising taxes.

Medicaid cuts will have a disproportionate impact on academic medicine and teaching health systems and hospitals, especially in rural and underserved communities. These systems and hospitals serve as critical safety net providers for vulnerable populations while driving medical research, innovation, and training. Teaching health systems and hospitals are already under enormous financial pressure as they seek to provide patient care while supporting critical research and the education of our country's future medical professionals. They are also important economic engines in communities across the country, serving as stable employers and catalysts for innovation and other economic growth. The proposed drastic reductions to federal Medicaid funding will cause a significant increase in the number of uninsured Americans. As a result, teaching health systems and hospitals will see large increases in uncompensated care costs and bad debt, putting pressure on their budgets and making it more difficult to invest in research and training. Additionally, the cuts would threaten patients' access to critical services, particularly in rural and underserved communities, and potentially leading to rural hospital closures.

Under the proposed cuts, many college students may lose access to health coverage, including mental health care, which is vital to academic success. Students relying on individual market coverage could see increased out-of-pocket costs, forcing them to choose between healthcare and paying for tuition, books, or other essential needs. This financial strain could lead to higher dropout rates and worsened health outcomes, undermining both student academic success and workforce development.

The potential Medicaid cuts would not only harm the most vulnerable Americans, including potentially millions of students, but also jeopardize support of student health, medical training, and public higher education. We urge you to reject significant cuts to Medicaid.

Sincerely,

Ted Mitchell
President

On behalf of:
American Association of Collegiate Registrars and Admissions Officers
American Association of Community Colleges
American Association of State Colleges and Universities
American Indian Higher Education Consortium
Association of American Medical Colleges
Association of American Universities
Association of Catholic Colleges and Universities
Association of Governing Boards of Universities and Colleges
Association of Jesuit Colleges and Universities
EDUCAUSE
National Association of College and University Business Officers
National Association of Higher Education Systems
State Higher Education Executive Officers Association