

# How Cuts to Medicaid Would Impact Students & Families

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The cuts to Medicaid being proposed as part of budget reconciliation would have devastating impacts on school communities, especially those serving students from low-income backgrounds and students with disabilities.

**Medicaid is not just a healthcare program; it's one of the largest funding streams for K-12 school in the country.** Each year, Medicaid provides [\\$7.5 billion dollars to schools for critical health services](#) to help students succeed both in and outside the classroom.

**[Medicaid provides nearly 30 million students](#) in public schools access to the physical and mental health services they need to excel academically.**

- Schools receive [between \\$4-6 billion in Medicaid reimbursements for services provided](#). The proposed Medicaid cuts would have a direct impact on states' ability to continue providing services without cuts to other programs.
- In addition to school-based care, according to the [Joint Economic Committee](#), millions of children could lose access to insurance needed for out-of-school services that help ensure students can come to school ready to learn, including:

- 1.2 million children in California
- 940,000 children in Texas
- 590,000 children in New York
- 280,000 children in Michigan
- 220,000 children in Tennessee
- 190,000 children in Louisiana
- 160,000 children in Massachusetts
- 160,000 children in Kentucky
- 150,000 children in Maryland
- 28,000 children in Delaware

## *Medicaid Provides Students with Access to Services They Need to Succeed.*

- Medicaid funds are allocated to schools through federal and state partnerships. Schools bill [Medicaid for services provided to low-income students and/or those with disabilities under the Individuals with Disabilities Education Act \(IDEA\)](#). For example, if a student receives speech therapy through their Individualized Education Program (IEP), the school pays up front to provide the services they need but can seek reimbursement via Medicaid.
- **School-Based Mental Health Services** — Medicaid funds a variety of health services within schools, including speech therapy, mental-health counseling, and physical therapy. These services are essential for students with disabilities and those requiring additional support to thrive socially, emotionally, and academically.
- **Assistive Medical Technology** — [Medicaid funds provide students with disabilities access to assistive technology and specialized equipment](#) needed to access a quality education like their peers. These include hearing aids, captioning systems, screen readers, adaptive writing tools, and other devices designed to allow students with disabilities to more fully participate in their education.
- **Community Schools** — Community schools serve as hubs that integrate academics, wraparound services, and family engagement to address the varying needs of students, like health and outreach services to students and their families, trauma-informed school counselors and psychologists, wellness rooms, and family and community engagement.
  - Nearly 430 community schools in [California](#) rely on Medicaid resources. As a result of cuts to Medicaid, community schools like these across the country that have been built on the stability of these resources could disappear if faced with significant reductions in funding.

## *All Students are Impacted by Cuts to Medicaid, but Especially Students from Low-income Backgrounds*

- A shift in funding could have a significant impact on the quality of education for ALL students. If schools face cuts to Medicaid funding, they may be forced to divert resources from other areas to ensure they remain compliant with their legal obligations to serve students with disabilities.
  - For instance, proposed cuts to Medicaid could [critically impact staffing and result in the termination](#) of support staff for all students, including occupational therapists, physical therapists, speech therapists, nurses, school-based psychologists, social workers, and school counselors, whose salaries are often funded by Medicaid reimbursements.
- Students from low-income backgrounds and students with disabilities are the primary beneficiaries of Medicaid services, especially in states like [California](#), [New York](#), and [Texas](#). They stand to lose access to necessary services and supports.
- Gaps from Medicaid funding would destabilize the programs that depend on resources, and could result in increased [chronic absenteeism](#), unaddressed chronic health challenges, and a [decrease in academic performance](#).