

Lutheran Services in America

Lutheran Services in America is one of the nation's largest networks of health and human service providers, with nearly 300 nonprofit organizations operating in 1,400 communities across 46 states, Washington, D.C., and the U.S. Virgin Islands. Together, our network reaches more than 7 million people each year and is powered by over 250,000 employees delivering care and services nationwide. Across the country, our members help strengthen families, support independence for older adults, and expand access to critical services for people with disabilities. Medicaid is a critical foundation for our work and supports both the people our members serve and the providers delivering care.



Here We Stand For People. For Care. For Medicaid.

THE ISSUE

Recent federal policy changes under H.R. 1 have already reduced Medicaid funding and limited state financing flexibility, putting additional pressure on state budgets and local health systems. Additional reductions in federal Medicaid support would be disastrous for millions of Americans and strain providers nationwide.

- ▶ Medicaid is a primary payer for long-term care services and a critical source of support for behavioral health services in the U.S.
- ▶ Reimbursement rates already lag behind the true cost of care, for example, covering only 82¢¹ of every dollar spent on nursing home care since 2019.
- ▶ Medicaid funding is a core pillar of the healthcare system, supporting safety-net providers and rural hospitals that communities depend on.

OUR PRIORITIES

Lutheran Services in America members reinvest resources directly into care, staff and community services. We support policies that:

- ▶ Protect home- and community-based services (HCBS) for older adults, people with disabilities, and children and families across our communities which avoids higher costs and worse outcomes down the line.
- ▶ Strengthen Medicaid funding to maintain access to care, support the workforce, and strengthen care coordination.
- ▶ Align Medicaid reimbursement with the true cost of care to sustain providers and reward high-quality health outcomes.
- ▶ Strengthen the care workforce through adequate Medicaid reimbursement, reducing regulatory barriers, expanding training pathways, and supporting a stable, job-ready pipeline.

WHAT'S AT STAKE

MEDICAID COVERS 1 IN 4 AMERICANS

Nearly 80 million² people in the U.S. rely on cost-effective care covered by Medicaid, including:

- ▶ 7.2 million³ older adults, including 756,000⁴ in nursing homes
- ▶ 37 million⁵ children
- ▶ 16.1 million⁶ rural residents
- ▶ 15 million⁷ people with disabilities.

MILLIONS OF PEOPLE ARE ALREADY LOSING COVERAGE

- ▶ More than 20 million⁸ people have already lost Medicaid coverage since 2023.
- ▶ Up to 10.1 million⁹ more could lose Medicaid coverage in 2028.

MEDICAID HAS STRONG PUBLIC SUPPORT

- ▶ More than 80% of Americans¹⁰ view Medicaid favorably.
- ▶ Nearly two-thirds (65%) of voters¹¹ oppose cutting funding for Medicaid.

Here We Stand PRINCIPLES IN ACTION

- ▶ Medicaid is a critical lifeline that keeps people connected to care, work, and stability.
- ▶ Medicaid is a core pillar of the U.S. healthcare system, keeping people healthier and preventing higher costs for everyone.
- ▶ Addressing fraud, waste, and abuse has always been a core function of Medicaid.
- ▶ Lutheran Services in America members support strong program integrity and believe every dollar should go to eligible people receiving covered, medically necessary services.
- ▶ Policymakers can draw on established partnerships with our members who are deeply rooted in their communities, accountable to stakeholders, and have been delivering care for decades, some centuries, to advance and safeguard Medicaid integrity.
- ▶ Medicaid must be strengthened to ensure consistent access to quality care - including through smart investments like home- and community-based services (HCBS) - for older adults, people with disabilities, and children and families across our communities.



Explore our interactive member map at lutheranservices.org

LUTHERAN SERVICES IN AMERICA URGES LAWMAKERS TO TAKE THE FOLLOWING ACTIONS:

IMPROVE COVERAGE AND ACCESS

- ▶ We urge Congress to oppose any further cuts to Medicaid in future budget reconciliation bills that would reduce access to care and increase costs for all Americans.
- ▶ Support [The Protecting Healthcare and Lowering Costs Act of 2025 \(S. 2556 /H.R. 4849\)](#), restoring funding and repealing harmful H.R. 1 provisions like broad funding deferrals, blanket moratoria, and burdensome eligibility requirements that strain states and risk coverage losses.
- ▶ Strengthen care coordination and coverage by addressing patients holistically, including improving access to housing, transportation, nutrition, and other essential services. This supports better health outcomes and lowers costs.
- ▶ Improve rural health access by increasing investment in and expanding access to telehealth and enabling technology to ensure access and coverage of care.

ENSURE ADEQUATE REIMBURSEMENT

- ▶ Align Medicaid reimbursement with the true cost of care to sustain providers and reward high-quality health outcomes.
- ▶ Support [The HCBS Relief Act of 2025 \(S. 2076/H.R. 4029\)](#), which temporarily boosts the Federal Medical Assistance Percentage (FMAP) for certain approved home- and community-based services (HCBS) in FY2026-FY2027.

ENSURE A SUSTAINABLE HEALTH WORKFORCE

- ▶ Support [The Healthcare Workforce Innovation Act \(H.R. 935\)](#), which supports workforce training and education initiatives across health professions.
- ▶ Support [The Dignity Act of 2025 \(H.R. 4393\)](#), which expands the pool of legally authorized workers through visa modernization and per-country cap reforms.
- ▶ Reintroduce **The Ensuring Seniors' Access to Quality Care Act**, which removes an unnecessary two-year penalty that blocks workforce development.

ENDNOTES

- 1 Assistant Secretary for Planning and Evaluation: <https://aspe.hhs.gov/reports/assessing-medicaid-payments-costs-nursing-homes>
- 2 Medicaid.gov: <https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/medicaid-chip-enrollment-data/december-2025-medicaid-chip-enrollment-data-highlights#>
- 3 Medicaid.gov: <https://www.medicaid.gov/medicaid/eligibility-policy/seniors-medicare-and-medicaid-enrollees#>
- 4 American Health Care Association: <https://www.ahcanca.org/News-and-Communications/Press-Releases/Pages/Just-The-Facts-Medicaid-Critical-Component-Long-Term-Care-System.aspx#>
- 5 Children's Hospital Association: <https://www.childrenshospitals.org/news/cha-blog/2025/04/by-the-numbers-medicaid-is-vital-to-kids>
- 6 American Hospital Association: <https://www.aha.org/fact-sheets/2026-03-02-medicaid-coverage-supports-rural-patients-hospitals-and-communities>
- 7 KFF: <https://www.kff.org/medicaid/5-key-facts-about-medicaid-coverage-for-people-with-disabilities/>
- 8 KFF: <https://www.kff.org/medicaid/kff-survey-of-medicaid-unwinding/>
- 9 Robert Wood Johnson Foundation and Urban Institute: <https://www.rwjf.org/en/insights/our-research/2026/03/millions-could-lose-health-coverage-due-to-new-rules.html>
- 10 KFF: <https://www.kff.org/medicaid/7-charts-about-public-opinion-on-medicaid>
- 11 Morning Consult and Modern Medicaid Alliance: <https://data.modernmedicaid.org/MMA/Polling>

For more information contact

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