

Cuts to Medicaid would hurt Central Oregon

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As Congress debates the federal budget, Medicaid has become a prime target for spending cuts — a decision with profound implications for Central Oregon. Current proposals include potential cuts in Medicaid of up to \$880 billion over the next decade.

Supporters of these cuts argue they will promote efficiency, reduce federal spending, and encourage self-sufficiency through work requirements. They claim Medicaid is riddled with fraud and mismanagement, and that giving states more control through block grants or per capita caps will spark innovation and better tailor services to local needs.

This narrative, however, overlooks the reality faced by millions who depend on Medicaid for their health and financial security. Cuts to federal funding would hit Oregon especially hard, particularly in rural areas. Roughly one in three Oregonians relies on Medicaid, including 28% of Deschutes County's population and 47% of Jefferson County's — where nearly 8 in 10 children (79%) receive coverage through the program.

Beyond healthcare access, Medicaid is a vital economic engine. Oregon received over \$11 billion in federal Medicaid payments in 2023. These funds support hospitals, clinics, and healthcare jobs. Reducing Medicaid funding would ripple through Central Oregon, potentially leading to clinic closures, medical staff shortages, and longer wait times — affecting everyone, not just Medicaid recipients. Furthermore, while Medicaid cuts are proposed to support tax cuts, the Center for Budget and Policy Priorities has estimated that nearly half of the resulting tax benefits would flow to individuals earning over \$320,000 annually — a group disproportionately concentrated outside of Oregon.

Ongoing discussions about Medicaid reform propose implementing work requirements, requiring recipients to work, volunteer, or participate in job training for a specified number of hours each month to retain their healthcare coverage. Proponents believe such policies encourage self-reliance, but extensive evidence shows they primarily lead to coverage losses without increasing employment. Requirements to prove employment add a new layer of bureaucracy and paperwork that frequently leads to denials of coverage. Rather than looking for ways to make the program more efficient, work requirements may add to the cost of the system. Notably, the state of Georgia spent over \$26 million implementing the nation's only work requirement program, with 90% of that going to increased paperwork. They are now proposing to scale back key parts of that initiative after mounting evidence that it has failed to achieve its goals. This experience offers an important case study — and a warning—for federal officials weighing the implementation of work requirements nationally.

Our state would be particularly vulnerable to the pitfalls of work requirements. Estimates suggest that 63% of the state's adult Medicaid enrollees could risk losing coverage under such policies. This would disproportionately affect rural communities, where job opportunities can be scarce and administrative burdens are felt more acutely.

Medicaid is not perfect, but it plays a vital role in our healthcare system. It has earned broad respect for the security it provides to millions. A Navigator Research/Global Strategy Group poll released in January found that 81% of registered voters oppose Medicaid cuts, including 74% of Republicans. Congressional leaders who want to support their constituents should prioritize improving Medicaid's efficiency and safeguarding program integrity while bolstering its ability to meet urgent needs in Oregon, including, in particular, access to mental health care and substance use treatment. The long-term costs of a sicker, uninsured population far outweigh the short-term budget savings. Oregon deserves policies that strengthen its health and economic resilience, not ones that gamble with its future.

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