



Concerns mount over potential loss of Medicaid funds for schools

Efforts in the federal government to reduce spending would put school-based health services in jeopardy, advocates say.

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Dive Brief:

- School advocacy groups are warning congressional leaders that [cuts to Medicaid](#) would jeopardize school-based healthcare for students who have disabilities and who come from low-income families.
- In a letter last week to House and Senate leaders, 65 organizations expressed concern about funding cuts to school-based Medicaid services that include health and mental health services provided by professionals like speech-language pathologists and school psychologists.
- The Republican-led House and Senate are currently debating budget bills that aim for deep cuts to federal spending. While there's no specific plan calling for Medicaid cuts yet, many public school advocates and Democratic lawmakers are warning that it would have to be a target in the [pursuit for cost savings](#).

Dive Insight:

The House on Tuesday narrowly passed a budget blueprint that directs the House Energy and Commerce Committee, which oversees Medicaid and Medicare, to find \$880 billion in spending cuts.

Budget experts, disability advocates and school-related organizations predict much of that money would come from Medicaid allocations. House Speaker Mike Johnson said on Tuesday there is fraud, waste and abuse in the Medicaid system, making it “hugely problematic.”

But Medicaid supporters call the program essential for children and families.

“School-based Medicaid programs serve as a lifeline to children who can’t access critical health care and health services outside of their school,” said the Feb. 17 letter from the groups, including the National Association of Elementary School Principals, [the Council of the Great City Schools](#), and AASA, The School Superintendents Association.

Medicaid is the fourth largest federal funding stream for school districts and provides about \$7.5 billion for school-based Medicaid services, the letter said. It also cited a 2023 Congressional Budget Office analysis that found Medicaid enrollment in childhood led to higher earnings in adulthood.

According to a 2023 proposed rule — since withdrawn — from the U.S. Department of Education, many children with disabilities who receive special education services in schools are also enrolled in Medicaid because of their disability status or based on their family’s income.

In Washington state, of the more than 13,000 young children enrolled in Head Start early learning programs, 12,868 receive Medicaid services, said Joel Ryan, executive director of the Washington State Association of Head Start and Early Childhood Education and Assistance Program. Ryan spoke during a press call Wednesday regarding recent federal initiatives, hosted by several early childhood advocacy groups.

“If you take health insurance away from low-income families, you’re taking it away from Head Start families,” Ryan said. Medicaid cuts would have “a real impact on some of the youngest, most vulnerable kids across our country.”

North Carolina’s Charlotte-Mecklenburg Board of Education, in a Feb. 21 letter to House lawmakers representing its region, said proposed cuts to Medicaid would impact more than 17,000 students in the district who rely on about \$16 million in funding from the program.

“These much-needed funds provide critical services for students with disabilities as part of their Individualized Education Programs (IEPs) and Section 504 plans,” the letter said.