

— TOP TAKEAWAYS —

# Rightsizing Medicaid for Those Who Need It Most

## MEDICAID WAS DESIGNED TO HELP THOSE MOST IN NEED

- Medicaid was created to provide for the healthcare needs of pregnant women, the disabled, low-income children, and some seniors.
- Medicaid is a major source of healthcare spending, representing nearly [\\$1 out of every \\$5](#) spent on health care in the U.S. This program also comprises [8%](#) of the federal budget and is heavily relied on by states to finance health coverage and long-term care for low-income residents.
- Misguided policy decisions have shifted the program's mission from helping the truly needy to enabling idleness among the capable.

## MEDICAID'S ENROLLMENT HAS BALLOONED

- Far more people are on Medicaid than those who would be considered truly needy under Medicaid's original mandate.
- In 2023, some 36.8 million (11%) people were living in poverty in the U.S., according to the [Census Bureau](#). Yet, more than double that number were on Medicaid rolls. Some [79.3 million](#) people—or [23.2%](#) of the U.S. population—are currently enrolled in Medicaid, a sharp increase from 2000, when just [44.3 million](#) people ([15.7%](#) of the population) received Medicaid coverage.
- Medicaid also enrolls individuals who do not fall into its traditional coverage categories. These adults are working age, not disabled, not elderly, and childless, but choose not to work (known as ABAWDS).
- According to a 2025 [White House analysis](#), over one in four working-age, able-bodied adults on Medicaid have no children and are not working. This group of people, numbering in the tens of millions, represents a departure from the population for which Medicaid was established to care.

## HOW TO REFORM MEDICAID FOR THE BETTER

- Reform eligibility to prioritize the truly poor and vulnerable. Equalize federal match rates by applying the standard rate to able-bodied adults, reducing state incentives to over-enroll them. Introduce work requirements for able-bodied adults, leveraging over 7 million available jobs to promote independence.
- The federal government should require that audits assess whether states are determining eligibility before providing care to avoid improper payments.
- Illegal immigrants should immediately be removed from Medicaid, and states should be prohibited from using Medicaid dollars on these individuals.
- Verification of income and assets should be required when enrolling individuals.

Click [HERE](#) to read the policy focus and learn how to rightsize Medicaid.