Senate Passes Budget Resolution Paving the Way for Major Tax Cuts and Medicaid Spending Threats

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written by Jeremy Grabiner | April 9, 2025

On April 5, 2025, the Senate passed their budget resolution after an overnight voter-a-rama on various amendments. The resolution will allow Congressional Republicans craft their budget reconciliation aimed at extending the 2017 Trump tax cuts and instituting new spending cuts. The resolution also allows for $1.5 trillion in new tax cuts over a decade and $5 trillion increase to the federal borrowing limit to avoid hitting the debt ceiling.

The Senate resolution comes after they took up the House of Representatives version of a budget resolution which was previously passed on February 25, 2025. The House version allows $4.5 trillion in tax breaks and $2 trillion in spending cuts, including $880 billion from the Energy and Commerce Committee which has jurisdiction over the Medicare and Medicaid programs. An analysis by the nonpartisan Congressional Budget Office (CBO) shows that budget goals outlined in the House plan cannot be reached without reducing spending on Medicaid, despite commitments from Republicans and President Trump that they will not cut Medicaid.

The Senate voted on an amendment sponsored by Senator Hawley (R-MO) and Senator Wyden (D-OR) to remove the House proposed $880 billion cuts to the Energy and Commerce Committee. The amendment narrowly failed.

Next Steps

The House will now need to adopt the Senate-passed resolution in order to move forward with the reconciliation process.

Medicaid's Importance for AI/AN Communities and UIOs

In 2023, approximately **2.7 million American Indian and Alaska Native (AI/AN) people** were enrolled in Medicaid across the United States, according to American Community Service data. Medicaid is a major source of health care funding, particularly for Urban Indian Organizations (UIOs), which provide essential healthcare services to AI/AN people living in urban areas. The proposed Medicaid cuts would threaten the ability of UIOs to sustain necessary service offerings, potentially reducing access to essential health care services for urban AI/AN people.

Read NCUIH's comprehensive overview highlighting the crucial role Medicaid plays in providing health care to AI/AN communities.

NCUIH's Support for Medicaid

The National Council of Urban Indian Health (NCUIH) worked with Senator Schumer (D-NY) and Senator Smith (D-MN) on proposed Tribal amendments to exempt Native Medicaid Beneficiaries from any cuts to the Medicaid program. Although Tribal amendments were offered, they were unfortunately not considered by the Senate.

NCUIH has also worked with other National organizations working to protect Medicaid during the budget reconciliation process. On March 3, 2025, NCUIH joined 30 national and state level provider groups, health plan associations, and other organizations groups in signing on to the Medicaid Health Plans of America (MHPA) letter to the Chairs and Rankings Members of the Senate Finance and House Energy & Commerce Committees, expressing strong support for the importance of Medicaid and CHIP.

NCUIH also joined the Partnership for Medicaid (P4M)—which is a nonpartisan, nationwide coalition of organizations representing clinicians, health care providers, safety-net health plans, and counties with the goal to preserve and improve the Medicaid program—in calling on Congress to protect Medicaid, while expressing a commitment to work with policymakers to identify more sustainable strategies to strengthen Medicaid and improve on its promise of providing high quality coverage and access to care for populations in need.

- On February 6, P4M issued a statement urging Congress to reject cuts to Medicaid during the budget reconciliation process.
- On February 24, P4M released a statement urging Congress to vote “no” on the budget resolution which includes $880 billion in cuts for the Energy and Commerce Committee, which would likely significantly impact Medicaid.
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