

To: Interested Parties

From: National Institute for Reproductive Health

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Urgent Policy Recommendations to Protect Reproductive Health Access & Mitigate Harm from Federal Budget Cuts

The passage of the Republican Budget reflects a catastrophic shift in national priorities—trading the health and safety of millions for tax breaks for billionaires and fiscal policies that further deepen inequality and erode public trust. Congressional Republicans voted to blow a \$3 trillion hole in the nation's deficit—stripping health care coverage from millions of people and manufacturing a crisis that requires swift and courageous leadership.

Access to the full range of reproductive health care—from abortion to pregnancy care—is crucial for people's health, autonomy, and futures. Protecting critical health care access is not only a moral and ethical imperative—<u>it's what voters expect</u>: at the ballot box, in town halls, and in conversations about their futures.

- 71% of voters believe abortion access shouldn't depend on whether someone can afford health insurance.
- 61% support state governments helping low-income people access the care they need.
- **Nearly 9 in 10** voters support emergency abortion care protections, and 70% say they're more likely to support elected officials who take action to protect access.
- 75% of voters support protecting personal decision-making—regardless of their own views. 1

In the face of this federal retrenchment, state governments now hold the responsibility—and opportunity—to act decisively. When Roe v. Wade fell, states stepped forward. They passed shield laws, allocated hundreds of millions to abortion access, and enacted policies grounded in equity and care. That same urgency is required now.

This memo outlines key steps states can take to:

- Safeguard reproductive health coverage and services;
- Protect patients, providers, and helpers;
- Streamline benefit delivery and reduce costs; and
- Raise revenue to ensure health care programs remain solvent and accessible.

In the wake of federal failure, the question is no longer if states will act, but how—and how boldly. **The time for leadership is now.**



I. States Must Ensure People Maintain Access to Coverage for Reproductive Health Care

The Republican Budget strips insurance coverage from 11.8 million people, defunds critical care systems that are vital to reproductive and pregnancy care access—especially for people with low incomes, young people, immigrants, people of color, and people living in rural communities—and will devastate hospitals and clinics. The \$1 trillion in cuts to Medicaid could force an estimated 140 rural labor and delivery departments across the country to close. 1 in 4 abortion providers nationwide could also be forced to shutter their doors.

To ensure continued access to care and mitigate harm, states should:

- **Sustain and expand investments** in reproductive health funds that cover the costs of abortion care and practical support.
- **Allocate the unused money** required to be collected under Section 1303 of the Affordable Care Act to cover abortion services to be used to fund abortions, as <u>Maryland has already done</u>.
- **Ensure public insurance plans** reimburse health care providers, hospitals, and clinics fairly for providing abortion and pregnancy care.
- **Guarantee pregnancy-related coverage** for all who need it, including those losing Medicaid or those excluded due to immigration status.
- **Invest in birth centers** and other patient-centered models for pregnancy care.
- Require health plans to cover contraception, abortion care, and pregnancy care with no co-pays.

II. Strengthen Privacy Protections for Patients and Providers

As more abortion clinics are forced to close, increasing numbers of people will need to travel out of state or rely on telemedicine to access care—heightening the risk of criminalization and harassment by states hostile to reproductive rights.

This year alone, a New York abortion provider was criminally charged in Louisiana for allegedly mailing abortion pills to a patient in Louisiana, and a Texas judge ordered that provider to pay a \$100,000 penalty. Although New York—invoking the state's shield law—has refused to cooperate with officials in Louisiana and Texas, patients, providers, and helpers remain at risk. Critically, many shield laws do not explicitly cover individuals who assist others in obtaining abortion care.

To protect patients, providers, and helpers, states should:

- Regulate data brokers' ability to collect and sell non-HIPAA protected health data.
- **Segment electronic health records** to ensure information related to sensitive care, like reproductive and gender-affirming health care.
- **Expand shield laws** to ensure they protect not just providers and patients, but also anyone who helps people secure abortions or gender-affirming care.
- **Allow prescribers** to list the name of their practice rather than their personal name on the prescription labels for abortion medications.



III. Reduce Administrative Burdens & Improve Efficiency to Protect Access and Outcomes

Red tape and structural barriers increase the costs of providing and receiving care without improving outcomes. States can look for ways to reduce costs that improve care and benefit programs by reducing administrative burdens, improving efficiencies, and eliminating unnecessary rules and regulations.

One key opportunity is in maternal health. Birth centers and midwifery care can <u>improve health outcomes</u> <u>while reducing costs</u>. Birth centers and midwifery care are associated with <u>improved outcomes</u>—fewer cesarean births, higher breastfeeding rates, and reduced racial and ethnic disparities—while saving Medicaid systems an average of \$2,000 per pregnancy. Yet, outdated or restrictive state regulations continue to prevent birth centers from opening or force existing ones to close.

To address this, states should:

- **Reform certificate-of-need laws and building codes** that create unnecessary barriers to opening or sustaining birth centers.
- **Repeal requirements** that birth centers enter into transfer agreements with hospitals that add costs without improving care.
- **Align regulations** to conform with national standards set by the American Association of Birth Centers and eliminate mandates for physician supervision that are not evidence-based.

States should look for other ways to reduce costs while improving access to care and patient outcomes.

Programs that benefit people with low-incomes and people of color are often rife with red tape—aimed at ferreting out nonexistent fraud or "undeserving" people. These administrative burdens enact a <u>significant</u> <u>cost</u> on both state budgets and the recipients. In its first year, for example, Georgia's Medicaid work requirement—which applies only to the expansion population—<u>cost \$40 million</u>, with nearly 80% of that going towards administrative and consulting fees rather than paying for care, and only enrolled 4,500 people. One study estimated that 95% of the people who lost coverage when Arkansas implemented work requirements were still eligible for Medicaid. This isn't surprising given that there is very little fraud among people receiving benefits such as Medicaid and SNAP. States should audit their own procedures to reduce costs, improve access, and focus on care—not bureaucracy.

States should, among other things:

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- **Improve the use of existing data sources** to streamline income verification across programs like Medicaid and SNAP.
- **Shift state agency culture** from fraud detection to customer service, helping eligible people get the benefits they need.
- **Redesign forms and processes** using behavioral science principles to make applications easier to complete, reduce errors, and lower staffing costs. ²



IV. Protect Programs by Choosing Better Priorities

While federal leaders chose to balance their budget by slashing health care and nutrition programs, states don't have to follow that playbook. At a time when hospitals are closing and people are losing access to care, states can make different choices—by prioritizing public investment and ensuring those with the greatest resources contribute their fair share.

Polling shows clear <u>public support</u>:

- 63% of Americans believe tax rates on large corporations should increase;
- 58% say households earning over \$400,000 should pay more in taxes.

States can consider revenue strategies that reflect public values and protect critical services, including:

- Reassessing or closing tax loopholes that don't deliver public benefit;
- Targeting costly tax expenditures that divert funds from health care;
- Aligning state tax codes with values of equity and shared responsibility.

Combined with cost-saving reforms that reduce administrative burden, these measures can help protect care, keep clinics open, and support the communities most at risk from federal disinvestment.

States Must Act Now

The consequences of federal divestment are already being felt. Planned Parenthood affiliates in D.C. and Colorado have announced they can no longer accept Medicaid. Over 300 rural hospitals are at risk of closure.

States should not wait to respond. We recommend:

- Calling emergency legislative sessions where necessary to address urgent coverage gaps;
- Extending and expanding Medicaid eligibility and postpartum coverage to ensure continuity of care:
- Launching or scaling public abortion funding programs to meet rising need;
- **Codifying ACA** and reproductive health protections in state law;
- Capping or eliminating cost-sharing for reproductive and gender-affirming health services.

This is a moment for bold, coordinated state leadership. Waiting means more families without care, more providers forced to close, and more lives at risk.

Please contact NIRH's Vice President of Policy and Research, Kelli Garcia, for any questions or further information at kgarcia@nirhealth.org.