



August 4, 2026

The Honorable Ron Johnson
Chairman
Committee on the Budget
U.S. Senate
Washington, DC 20510

The Honorable Jeff Merkley
Ranking Member
Committee on the Budget
U.S. Senate
Washington, DC 20510

Dear Chairman Johnson and Ranking Member Merkley,

Thank you for this opportunity to inform Congress' deliberations over the future of Medicaid. An important dimension of Medicaid's operation is its effect on health outcomes.

Critics of the One Big Beautiful Bill Act (OBBBA) claim that its Medicaid provisions will result in worse health and even loss of life. I have attached to this letter an opinion piece that I authored for the *Wall Street Journal* ("[Medicare and Medicaid Fail a Basic Scientific Test](#)," July 21, 2025). It explains that "evidence for [such claims] is wanting. If Medicaid were a drug, the federal government wouldn't approve it—and could penalize its salesmen with prison time for claiming it saves lives."

If policymakers nevertheless believe that restraining federal Medicaid spending costs lives, they should encourage states to fill the gap with additional state-funded subsidies—just as [nine states](#) wholly or partially replaced the additional Covid-era Obamacare premium subsidies after they expired. Where voters support such subsidies, states will replace them. Where voters do not support government subsidies, they should not exist.

I hope this letter aids your deliberations.

Cordially,

A handwritten signature in blue ink that reads "Michael".

Michael F. Cannon
Director of Health Policy Studies
Cato Institute