



Primer: The Medicaid Machine Is Destroying Lives As It Devours Budgets

By: CRA Staff

Synopsis

Proponents of Medicaid often portray it as a vital safety net, ensuring access to healthcare for low-income individuals and families. This was indeed the intended purpose of Medicaid when it was created as part of President Johnson's "Great Society" initiative in 1965. However, a closer examination of the data reveals a program riddled with failures and corruption that undermine this stated goal. While Medicaid expands "coverage" in the sense that someone else (i.e., taxpayers) mostly foots the bill for its recipients, it does not translate to better health outcomes for those enrolled in the program. It is not insurance in any sense of the term and is little more than a taxpayer-subsidized reimbursement program for the health care bureaucracy.

Studies consistently show that Medicaid beneficiaries often experience worse health outcomes compared to those with private insurance. And the program's fraud and waste, which total more than \$1 trillion, are beyond dispute. However, it is not just the destructive fiscal impact of the program on states and the federal budget that illustrates the harm this monstrosity has inflicted on the broader American public. Medicaid is a critical component of the radical Left's woke and weaponized agenda, serving as a nexus point for facilitating taxpayer-backed abortions, doling out benefits to illegal aliens, and subsidizing the chemical castration and mutilation of America's children in service to radical gender ideology. The latter element will be the focus of this particular paper.

Analysis: Traditional Policy Concerns With Medicaid

The traditional arguments for reforming Medicaid are well-known and underscore significantly important facets of the program's destructive impact on America's health care system and fiscal outlook. Medicaid has plenty of company when it comes to its harmful impact on the nation's overall health care system. The incestuous intersection between government health programs, Big Pharma, managed care organizations, and hospital systems poses a direct and growing threat to the long-term health of the American people. The entire ecosystem increasingly relies on sick people, and the subsidies that trail them, for its profits. Nevertheless, if America is to be made healthy again, reforming the Medicaid program is essential. And the traditional concerns are worth briefly revisiting before diving into the human toll that the program is exacting through its adherence to radical gender ideology.

Medicaid poses a significant and growing threat to the fiscal stability of both state and federal budgets. The Congressional Budget Office estimates that federal spending on Medicaid will total nearly \$8.6 trillion over the next decade, a 31 percent increase above current spending levels.¹ As part of the broader Reconciliation debate, the House Energy and Commerce Committee is working to reduce spending by at least \$880 billion through structural reforms to the program.² This is a significant amount of federal spending being pared down, but even that funding reduction is more than \$1 trillion above existing spending levels over the next decade. Contra the misleading claims of the corporate press and their allies in the progressive political apparatus, this means that such reforms would only be a reduction in the *growth* of spending as opposed to an actual cut to the program.

Since its expansion to able-bodied and healthy adults in 2013 under Obamacare, Medicaid has transformed away from a program intended to help the indigent and instead morphed into a cash cow for both government and corporate healthcare bureaucracies to profit off the spin cycle of skyrocketing taxpayer funding, provider tax gimmicks, and self-reinforcing increases for more bureaucrats to provide more taxpayer-funded services to keep enriching healthcare organizations. After 12 years, only 10 states have held firm on not expanding Medicaid under Obamacare to healthy adults (Alabama, Georgia, Florida, Kansas, Mississippi, South Carolina, Tennessee, Texas, Wisconsin, and Wyoming). Though it's important to note that some non-expansion states, such as Georgia and Mississippi, are slowly growing the program through expanded service coverage, even if they have resisted the inclusion of able-bodied adults. This is a significant sign that the inertia of big government, combined with the perverse incentives embedded within existing health care policy, is marching the American people ever-closer to complete taxpayer-subsidized, government-managed health care.

States manage and run their Medicaid programs, with the federal government providing matching rates between 50 and 90 percent. The never-ending expansion of new services to new populations has significantly ballooned federal and state Medicaid spending and drastically increased the number of Americans enrolled in the program. However, the true impact is in supercharging the radical Left's woke agenda to weaponize government bureaucracies against the American people. A few brief examples:

- **Driving Inflation:** Audits show that fraudulent Medicaid payments total more than \$1 trillion, equal to about \$8,200 per household over the past 10 years.³
- **Rewarding Illegal Immigration:** Medicaid's provider tax scheme operates as a fungible shell game, allowing states like California to expand Medicaid subsidies to illegal aliens.⁴

¹Brown, S. (March 21, 2025). "Primer: Medicaid Reforms Provide Savings Without Cutting Benefits," *Center for Renewing America*.
<https://americarenewing.com/issues/primer-medicaid-reforms-provide-savings-without-cutting-benefits/>

²Hellmann, J. (April 10, 2025). "Congress Now Faces An \$880 Billion Medicaid Question," *Roll Call*.
<https://rollcall.com/2025/04/10/congress-now-faces-an-880-billion-medicaid-question/>

³Greszler, R. (March 18, 2025). "Saving Medicaid By Cracking Down on Misuse and Abuse," *Economic Policy Innovation Center*.
<https://epicforamerica.org/social-programs/saving-medicaid-by-cracking-down-on-misuse-and-abuse/>

⁴*Ibid.*

- **Funding Abortion:** Because states operate their own Medicaid programs, progressive states often utilize fungible federal funds as loopholes to effectuate taxpayer-backed subsidies for abortions.⁵
- **Diminishing Care:** The Medicaid expansion creates a “crowd-out” effect wherein individuals drop private insurance to receive taxpayer-backed benefits, thereby depriving care to those who need it.⁶
- **Busting Budgets:** Medicaid imposes unfunded mandates on nursing home staff requirements and prescription drug benefits that continue to accelerate the long-term spending baseline and hook more Americans on more services at a lower quality of care.⁷

These issues underscore the critical importance of reforming the program to get costs under control and ensure Medicaid is reoriented to serve vulnerable populations in need of a safety net, as opposed to its status as an unending welfare program attempting to ensnare as many individuals as possible to benefit select bureaucracies. The Center has provided numerous suggested reforms for accomplishing this objective: elimination of the Obamacare-induced Medicaid expansion to healthy adults, termination of the federal funding floor spigot, and a full repeal of the corrupt provider tax scheme fueling the expansion to services and populations outside indigent, low-income households.⁸

These fiscal issues alone are enough reason to reform the program and implement the structural changes needed to get this program under control. However, it’s the program’s service toward advancing the radical gender cult that is perhaps the most disturbing. A deeper dive into the “gender affirming” activities of hospital systems and other healthcare service organizations reveals the extent to which the “do no harm” principle in medicine has been willfully discarded in favor of profit and power. At the nexus of this disturbing movement is Medicaid.

In Focus: A System Profiting from the Mutilation of Children

Hospital systems and other healthcare organizations are driven by their bottom line. The growth in chemical castration and genital mutilation services is extremely profitable and on a rapidly accelerating trajectory. Pushed by a woke gender cult undergirded by a pagan agenda designed to tear apart the nuclear family, procedures that sterilize and “reassign” gender through surgical intervention are expected to grow at a compound annual rate of 11.25 percent through 2030 in the United States.⁹ In 2022, this industry was already north of \$2 billion. If such estimates are

⁵Brown, S. (March 21, 2025). “Primer: Woke and Wasteful Abuses in the Medicaid Program,” *Center for Renewing America*.

<https://americarenewing.com/issues/primer-woke-and-wasteful-abuses-in-the-medicaid-program/>

⁶Brown, S. (March 21, 2025). “Primer: Medicaid Reforms Provide Savings Without Cutting Benefits,” *Center for Renewing America*.

<https://americarenewing.com/issues/primer-medicaid-reforms-provide-savings-without-cutting-benefits/>

⁷*Ibid.*

⁸CRA Staff (March 6, 2023). “CRA Budget In Focus: Medicaid,” *Center for Renewing America*.

<https://americarenewing.com/cra-budget-in-focus-medicaid/>

⁹Market Analysis Report (2023). “U.S. Sex Reassignment Surgery Market Size, Share & Trends Analysis Report By Gender Transition,” *Grand View Research*. <https://www.grandviewresearch.com/industry-analysis/us-sex-reassignment-surgery-market>

correct, the “gender affirming” intervention industry will grow by nearly 133 percent to more than \$4.9 billion in just a few more years.

With that much growth in such a short amount of time, the health care industry sees a long-term money-making opportunity. Every individual placed on the path of “gender affirming” care is a proverbial cash cow. Hormone treatment and puberty blockers are expensive. Such intervention often leads to surgery, which often involves multiple procedures at very high prices. The post-surgical process then requires frequent check-ups, medications, and likely lifelong pharmacological interventions.

There is profit in people’s pain. And where the government can subsidize and reimburse such activities, there is an opportunity for long-term financial windfalls for the health care industry to engage in these activities with taxpayer backstops to pad revenue margins.

An under-analyzed aspect of Medicaid is its use as a taxpayer-funded vehicle for genital mutilation and chemical castration procedures, specifically on minors. These procedures cause irreversible damage, with study¹⁰ after study¹¹ showing significant harmful long-term effects from hormone therapy and “gender-affirming” surgeries.¹² In 2016, the Obama administration paved the way for Medicaid to supercharge the political Left’s radical gender ideology when it interpreted such procedures through the lens of “anti-discrimination” provisions within Section 1557 of Obamacare, opening the door for states to begin funding “gender-affirming” procedures through the program.¹³ It should come as little surprise that the American Hospital Association is actively pressuring Congress to “protect access” to Medicaid.¹⁴

According to the far-left Movement Advancement Project, 27 states now explicitly allow Medicaid to be used for these procedures, with another 10 states that provide either unclear or no policy prohibitions.¹⁵ Americans must understand that nearly all the major hospital systems and major healthcare providers are actively participating in the taxpayer-backed pipeline that is mutilating children for profit—many are even lobbying to expand this pipeline. As such, their posture toward reforming Medicaid and ending these practices will remain one of hostility. There is simply too much money to be made. The breadth of this child-mutilating ecosystem is as staggering as it is evil.

¹⁰Martyn, A. (February 3, 2017). “New Report Describes Dangers of Giving Lupron to Kids,” *Consumer Affairs*.
<https://www.consumeraffairs.com/news/new-report-describes-dangers-of-giving-lupron-to-kids-020317.html>

¹¹Wierckx, K. et al (2013). “Prevalence of Cardiovascular Disease and Cancer During Cross-Sex Hormone Therapy in a Large Cohort of Trans Persons: A Case-Control Study,” *European Journal of Endocrinology*

¹²Straub, J. et al (April 2, 2024). “Risk of Suicide and Self-Harm Following Gender-Affirmation Surgery,” *Cureus*.
<https://www.cureus.com/articles/201512-risk-of-suicide-and-self-harm-following-gender-affirmation-surgery#!/>

¹³Owens, I. (March 6, 2025). “Fraud, Child Sex Changes, Health Services for Illegals—Dems Spent Years Growing Medicaid Beyond Recognition,” *The Daily Caller*.

<https://dailycaller.com/2025/03/06/fraud-child-sex-changes-healthcare-for-illegals-dems-spent-years-expanding-medicare-beyond-recognition/>
¹⁴Pollack, R. (April 11, 2025). “We Must Urge Congress to Protect Access to Medicaid, Patient Care and 24/7 Hospital Services,” *American Hospital Association*.

<https://www.aha.org/news/perspective/2025-04-11-we-must-urge-congress-protect-access-medicare-patient-care-and-247-hospital-services>

¹⁵Equality Maps (March 28, 2025). “Medicaid Coverage of Transgender-Related Health Care,” *Movement Advancement Project*.
<https://www.lgbtmap.org/equality-maps/medicaid>

UnitedHealth Group posted revenues of nearly \$400 billion at the end of 2024.¹⁶ The company is one of five for-profit managed care organizations (MCOs) that hold a share of the Medicaid market. According to the latest data, UnitedHealth controls about 9 percent of the total Medicaid managed care market nationwide, with 15 percent of their total membership currently enrolled in Medicaid.¹⁷ This means that UnitedHealth has roughly 7.6 million Medicaid patients in its nationwide membership.

In states like Pennsylvania¹⁸ and New Jersey,¹⁹ where taxpayers subsidize genital mutilation surgery through state Medicaid programs with no age limits, UnitedHealth freely participates in coverage of these procedures. The company even admits that the procedures are irreversible.²⁰ This may explain why UnitedHealth has spent over \$33.6 million in lobbying since 2020, with much of it geared toward maintaining and “protecting” Medicaid.²¹

Elevance Health is another of the five for-profit managed care organizations that hold a share of the Medicaid market. The latest data shows that Elevance controls about 11 percent of the total Medicaid managed care market nationwide, with 20 percent of their total membership currently enrolled in Medicaid.²² This translates to more than 9.1 million Medicaid patients in its membership across 20 states. The company openly states that it is willing to allow mastectomies for girls at the beginning of puberty, which could mean chopping off the breasts of 11 or 12-year-old girls.²³

Centene controls nearly 20 percent of the total Medicaid managed care market nationwide, with 60 percent of its membership currently enrolled in Medicaid. This comes out to more than 13.1 million Medicaid patients in their membership across 29 states. The entire company is infused with DEI and caters its services to intersectional hierarchies while promoting Critical Theory-derived equity in its hiring and promotion processes. Sarah London, the CEO of Centene, bragged that DEI is “core to who we are and central to how we serve our communities.”²⁴ The company flat-out states that its commitment is to health equity and delivering healthcare “to

¹⁶UnitedHealth Group (January 16, 2025). “UnitedHealth Groups Reports 2024 Results,” *UnitedHealth Group Inc.*
<https://www.unitedhealthgroup.com/content/dam/UHG/PDF/investors/2024/2025-16-01-uhg-reports-fourth-quarter-results.pdf>

¹⁷Raphael, J. and Hinton, E. (February 4, 2025). “A Look at Medicaid Enrollment and Finances of the Five Largest Medicaid Managed Care Plans,” *KFF*.

<https://www.kff.org/medicaid/issue-brief/a-look-at-medicaid-enrollment-and-finances-of-the-five-largest-medicaid-managed-care-plans/>

¹⁸Community Plan Medical Policy (March 1, 2025). “Gender Dysphoria Treatment (Pennsylvania Only),” *UnitedHealthcare*.

<https://www.uhcprovider.com/content/dam/provider/docs/public/policies/medicaid-comm-plan/pa/gender-dysphoria-treatment-pa-cs.pdf>

¹⁹Community Plan Medical Policy (January 1, 2025). “Gender Dysphoria Treatment (New Jersey Only),” *UnitedHealthcare*.

<https://www.uhcprovider.com/content/dam/provider/docs/public/policies/medicaid-comm-plan/nj/gender-dysphoria-treatment-nj-cs.pdf>

²⁰*Ibid.*

²¹Lobbying Database (Accessed April 30, 2025). “Client Profile: UnitedHealth Group,” *Open Secrets*.

<https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2024&id=D000000348>

²²Raphael, J. and Hinton, E. (February 4, 2025). “A Look at Medicaid Enrollment and Finances of the Five Largest Medicaid Managed Care Plans,” *KFF*.

<https://www.kff.org/medicaid/issue-brief/a-look-at-medicaid-enrollment-and-finances-of-the-five-largest-medicaid-managed-care-plans/>

²³Young, M. (March 28, 2025). “X Thread: Elevance Health Is a \$171.8 Billion Dollar Healthcare Company That’s Gone Completely Woke,” *X*.

https://x.com/wokal_distance/status/1905718786218660273

²⁴Centene Sustainability Report (Downloaded and Accessed April 25, 2025). “Centene Group 2023 Sustainability and DEI Report,” *Sustainability Reports*. <https://sustainabilityreports.com/reports/centene-group-2023-sustainability-and-dei-report-pdf/>

those who need it most,”²⁵ an admission that its services are explicitly designed to benefit preferred identity groups.

Since 2019, the company has spent more than \$30 million lobbying to expand or “preserve” Medicaid and Obamacare,²⁶ as the majority of its profits rely on this woke and weaponized nightmare.²⁷

Molina Health, which is based in California, controls just 6 percent of the total Medicaid managed care market nationwide, but has nearly 90 percent of its membership enrolled in the program, totaling 5 million Medicaid patients across 18 states.²⁸ The company is explicit that they cover hormone therapy, puberty blockers, and genital mutilation procedures, even in states like Ohio that have passed laws prohibiting such procedures on minors.²⁹

The woke feeding frenzy extends beyond the larger MCOs, trickling down to regional and smaller not-for-profit organizations invested in ballooning government-run welfare programs like Medicaid to contribute to their revenue streams while simultaneously advocating for life-altering gender transition procedures on minors.

Advocate Health, a \$12 billion health care system primarily based in Wisconsin and Illinois, publicly advertised a “gender affirming program” on its website until January 2025. Advocate Health stated that, “services range from simple observation and guidance to puberty suppression and therapy for children of all ages.”³⁰ The company now hides its “gender affirming” advertisements, though there is no evidence that it has ceased such activities.³¹ While Medicaid contributes less than 25 percent of the company’s gross revenue,³² Advocate Health recently merged with another entity that offers services in a Medicaid expansion state (North Carolina) and a state continuously flirting with expansion (Georgia), ensuring that the program will remain critical to the company’s bottom line.

Advocate’s new partner, Atrium Health, also participates in the child chemical castration and genital mutilation business. With operations in North Carolina, South Carolina, Georgia, and Alabama, Atrium is open about its Critical Theory-inspired services, which include a “racial

²⁵*Ibid.*

²⁶Lobbying Database (Accessed April 25, 2025). “Client Profile: Centene Corp.,” *Open Secrets*. <https://www.opensecrets.org/federal-lobbying/clients/summary?id=D000024670>

²⁷Pifer, R. (December 13, 2024). “Centene Lobbies Trump Administration to Preserve Medicaid, ACA Following ‘Tragic’ Year,” *Healthcare Dive*. <https://www.healthcaredive.com/news/centene-aca-subsidies-medicaid-lobbies-trump-admin/735385/>

²⁸Raphael, J. and Hinton, E. (February 4, 2025). “A Look at Medicaid Enrollment and Finances of the Five Largest Medicaid Managed Care Plans,” *KFF*.

<https://www.kff.org/medicaid/issue-brief/a-look-at-medicaid-enrollment-and-finances-of-the-five-largest-medicaid-managed-care-plans/>

²⁹LGBTQ Services (Accessed April 25, 2025). “What Does Molina Cover?” *Molina Healthcare*.

<https://www.molinahealthcare.com/members/oh/mem/medicaid/overview/coverd/LGBTQ-Services/What-does-Molina-cover.aspx>

³⁰Young, M. (April 10, 2025). “X Thread: Advocate Health Is a \$12 Billion Dollar Company That Offered Puberty Blockers and Sex-Change Therapy to Children,” *X*. https://x.com/wokal_distance/status/1910427336849404298

³¹*Ibid.*

³²Rating Action Commentary (August 9, 2024). “Fitch Affirms Advocate Aurora Health (WI) IDR at ‘AA’: Outlook Stable,” *Fitch Ratings*. <https://www.fitchratings.com/research/us-public-finance/fitch-affirms-advocate-aurora-health-wi-idr-at-aa-outlook-stable-09-08-2024>

equity taskforce” through its association with the Maya Angelou Center for Health Equity at Wake Forest,³³ explicit hiring criteria based on race and other immutable characteristics channeled through intersectional hierarchies,³⁴ and financial commitments that prioritize care for populations predicated on identity-based criteria.³⁵

This infusion of DEI into its organizational operating prism flows seamlessly with Atrium’s ownership of Levine’s Children’s Hospital in Charlotte, which contains the “Levine Children’s Center for Gender Health.”³⁶ This clinic explicitly offers puberty blockers, cross-sex hormone injections, and referrals to surgeons for genital mutilation procedures *on children*.³⁷

Cardinal Health, a \$226 billion healthcare and pharmaceutical services company based out of Ohio, recently released its 2025 Q1 report showing a four percent decrease in revenue.³⁸ The decrease amounted to roughly \$2.1 billion due to a contract expiration with OptumRX, one of the larger pharmacy benefit managers (PBMs) responsible for working with MCOs to administer prescription drug benefits for Medicaid and other patients. While the precise amount of Optum’s revenue that derives from the Medicaid program isn’t known, it remains one of the most active PBMs associated with the program, meaning that Cardinal’s Q1 revenue loss at a minimum partially stems from losing a Medicaid-reliant customer.

The company publicly claims that the death of George Floyd pushed them to infuse Critical Theory and race essentialism into their business paradigm,³⁹ explicitly stating that the United States is systemically racist for the benefit of white people.⁴⁰ This radicalism, underpinning Cardinal Health’s alleged mission to deliver high-quality healthcare services, is evident in the repeated press releases bragging about its DEI culture⁴¹ and place in the Bloomberg Gender-Equality Index.⁴² In 2021, Cardinal Health’s former executive vice-president stated that business and healthcare company leaders should, “Put diversity and inclusion high on your agenda, maybe even first. Focus on it, give it time, and communicate its value to the

³³Easterling, D. et al (December 10, 2024). “Advancing Racial Equity Within an Academic Medical Centre: A Model of Strategic Planning to Make Change Happen,” *BMJ Leader*. <https://bmjleader.bmj.com/content/leader/early/2024/12/10/leader-2024-001001.full.pdf>

³⁴Young, M. (April 9, 2025). “X Thread: Atrium Health is a \$9 Billion Dollar Hospital Network That Gives “Gender Affirming Care to Children,” *X*. https://x.com/wokal_distance/status/1909967500357537918

³⁵Atrium Health News (November 1, 2021). “Atrium Health Pledges \$22.8M Toward Racial Equity Efforts,” *Atrium Health*. <https://atriumhealth.org/about-us/newsroom/news/2021/11/atrium-health-pledges-22-8m-toward-racial-equity-efforts>

³⁶Levine Children’s Center for Gender Health. “Why Choose Levine Children’s Center for Gender Health,” *Atrium Health*. <https://atriumhealth.org/medical-services/childrens-services/childrens-specialty-care/center-for-gender-health>

³⁷*Ibid*.

³⁸Press Release (January 30, 2025). “Cardinal Health Reports Second Quarter Fiscal Year 2025 Results and Raises Fiscal Year 2025 Outlook,” *Cardinal Health*.

<https://newsroom.cardinalhealth.com/2025-01-30-Cardinal-Health-Reports-Second-Quarter-Fiscal-Year-2025-Results-and-Raises-Fiscal-Year-2025-Outlook>

³⁹Young, M. (April 7, 2025). “X Thread: Cardinal Health is a \$227 Billion Dollar Medical and Pharmaceutical Company That Is All-In On DEI,” *X*. https://x.com/wokal_distance/status/1909285382568436193

⁴⁰*Ibid*.

⁴¹Press Release (November 14, 2023). “Cardinal Health Recognized For Its Diverse, Equitable and Inclusive Culture,” *Cardinal Health*. <https://newsroom.cardinalhealth.com/2023-11-14-Cardinal-Health-recognized-for-its-diverse-equitable-and-inclusive-culture>

⁴²Press Release (January 31, 2023). “Cardinal Health Included in the 2023 Bloomberg Gender-Equality Index,” *Cardinal Health*. <https://newsroom.cardinalhealth.com/2023-01-31-Cardinal-Health-included-in-the-2023-Bloomberg-Gender-Equality-Index>

organization.”⁴³ A company in the healthcare services business, with profits at least somewhat tethered to the Medicaid program, has leadership that believes DEI is a higher priority for the company than care or patient outcomes.

It’s not just the Medicaid program that is churning through young lives in service to a radical ideology and financial gain. Cigna, a health insurance company that operates individual Obamacare plans in 14 states, also has a specialized medical coverage policy for “gender-affirming” care, including payments for mastectomies on 15-year-old girls.⁴⁴

Kaiser Permanente, the largest managed care organization in the United States, has been using its facilities to mutilate the genitalia of minors through gender transition procedures for years.⁴⁵ According to a 2019 report in the *Pediatrics* medical journal, the \$115 billion healthcare consortium had at least one 3-year-old child in its “gender-affirming” care program.⁴⁶ As recently as February 2025, the organization explicitly highlighted its commitment to practice “gender-affirming” treatment on minors under the age of 18, with zero evidence that Kaiser has any age limit at all for this program.⁴⁷ While the organization has stated that it does not perform genital mutilation surgeries on small 3 and 4-year-old children, the brazenness with which Kaiser brags about dispensing chemical castration drugs to minors, providing guidelines on “chest-binding” and “tucking” to kids, and hiding these life-altering procedures from parents through confidentiality agreements is a five-alarm fire.⁴⁸

As of 2024, Kaiser operates in eight states (California, Colorado, Georgia, Hawaii, Maryland, Oregon, Virginia, and Washington) and the District of Columbia. They have spent well over \$19 million since 2021 lobbying for Medicaid and perpetuating failed federal healthcare approaches⁴⁹ and have been the foremost shills of Obamacare’s Medicaid expansion going back to 2010.⁵⁰ Kaiser is one of the primary entities maintaining constant pressure on the 10 remaining non-expansion states to expand Medicaid to healthy adults.⁵¹ This makes business sense given the company operates in states with a total Medicaid population approaching 22 million people and requires Medicaid to continue propelling its business model. It is also no coincidence that

⁴³Benjamin, D. and Komlos, D. (July 12, 2021). “Cardinal Health EVP Explains How Diversity, Equity and Inclusion Can Produce Chemical Reactions That Unleash Amazing Innovations,” *Forbes*.
<https://www.forbes.com/sites/benjaminkomlos/2021/07/12/cardinal-health-evp-explains-how-diversity-equity-and-inclusion-can-produce-chemical-reactions-that-unleash-amazing-innovations/>

⁴⁴Young, M. (March 27, 2025). “X Thread: The Cigna Group Is a \$204 Billion Dollar Healthcare Company That’s Gone Completely Woke,” *X*.
https://x.com/wokal_distance/status/1905348179979370923

⁴⁵Metz, E. (October 23, 2018). “Transgender Health Care and Policy,” *Kaiser Permanente*.
https://residency-ncal.kaiserpermanente.org/wp-content/uploads/2019/02/3_Metz-Erica_Transgender-Health-Care-and-Policy-v5-10.23.18.pdf

⁴⁶Handler, T., Hojilla, J., Varghese, R., Wellenstein, W. et al (November 1, 2019). “Trends in Referrals to a Pediatric Transgender Clinic,” *Pediatrics*. <https://pmc.ncbi.nlm.nih.gov/articles/PMC6855897/>

⁴⁷Young, M. (April 3, 2025). “X Thread: Kaiser Permanente Gave Gender-Affirming Care to a 3 Year Old,” *X*.
https://x.com/wokal_distance/status/1907875354896904678

⁴⁸*Ibid.*

⁴⁹Lobbying Database (Accessed April 25, 2025). “Client Profile: Kaiser Permanente,” *Open Secrets*.
<https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2023&id=D000034986>

⁵⁰McMahon, S. and Horton, C. (February 20, 2025). “Our Nation’s Health Suffers If Congress Cuts Medicaid,” *Kaiser Permanente*.
<https://about.kaiserpermanente.org/news/nations-health-suffers-congress-cuts-medicare>

⁵¹Rudowitz, R. (March 17, 2021). “New Incentive For States to Adopt the ACA Medicaid Expansion: Implications for State Spending,” *KFF*.
<https://www.kff.org/medicaid/issue-brief/new-incentive-for-states-to-adopt-the-aca-medicare-expansion-implications-for-state-spending/>

Georgia, the only state where Kaiser operates that has yet to expand Medicaid, is slowly caving to Medicaid expansion through targeted service expansions⁵² and adherence to the DSM-5 that allows Medicaid to be used for genital mutilation procedures.⁵³

Mutilating children is a profitable business, and Kaiser appears to be more than comfortable continuing to permanently harm children for money, regardless of the human cost. Well-known de-transitioning activist Chloe Cole is currently embroiled in a lawsuit with Kaiser for the damage inflicted upon her by their clinics.⁵⁴ Her success could mean a new tidal wave of lawsuits from chemically castrated and mutilated gender transition patients.

In the annals of history, the mass mutilation of children in the name of radical gender ideology rivals the evil actions of Josef Mengele—and every state, organization, physician, hospital administrator, professor, researcher, and politician that continues to endorse and defend such heinous violence on our most vulnerable should be remembered that way. Further, any program or entity that facilitates this barbarism must be targeted, at a minimum, for significant spending reductions and reforms, if not outright elimination.

It is immoral to do anything less. The safety of our nation's children depends on it.

Policy Recommendations: Save the Safety Net By Severing Weaponization

A growing number of states are banning genital mutilation surgery and chemical castration procedures, particularly for kids. Nevertheless, even states that have passed such prohibitions remain under scrutiny. And it's not clear that medical professionals are following the law, suggesting harsher punishments are likely needed at the state and local level to protect children from an industry increasingly desperate to profit off the mutilation of minors in service to radical gender ideology.

Before its law banning such barbarism on children in 2023, Texas hospitals and healthcare facilities performed at least 435 documented chemical castration and genital mutilation procedures on minors.⁵⁵ Children's Medical Center Dallas served as the most prolific offender, with at least 49 chemical castration procedures on minors.⁵⁶ It remains under investigation for its extensive participation in harming minors through irreversible procedures. Unsurprisingly, the hospital relies heavily on Medicaid for at least 60 percent of its revenue,⁵⁷ explaining its

⁵²Baruchman, M. (February 20, 2025). "There's A Push to Cover More Georgians With Limited Medicaid Expansion," *Atlanta Journal-Constitution*. <https://www.ajc.com/politics/state-lawmakers-want-to-add-family-caregivers-to-medicaid-roles/V5MAYT3ZCBCXHWDCZZQ3DJ7U/>

⁵³Eldridge, E. (June 21, 2023). "1 Year Later, Georgia's Mental Health Parity Act Is Providing A Framework for Change," *Georgia Public Broadcasting*. <https://www.gpb.org/news/2023/06/21/1-year-later-georgias-mental-health-parity-act-providing-framework-for-change>

⁵⁴Press Release (April 19, 2024). "Breaking—Chloe Cole Pursues Punitive Damages in Medical Malpractice Lawsuit," *Center for American Liberty*. <https://libertycenter.org/breaking-chloe-cole-pursues-punitive-damages-in-medical-malpractice-lawsuit/>

⁵⁵Database Search (Accessed April 24, 2025). "State Breakdown: Texas," *Stop The Harm Database*. <https://stoptheharmdatabase.com/state/texas/>

⁵⁶*Ibid.*

⁵⁷Rating Action Commentary (July 1, 2024). "Fitch Revises Children's Health of Texas' Outlook to Negative; Affirms IDR at 'AA,'" *Fitch Ratings*.

<https://www.fitchratings.com/research/us-public-finance/fitch-revises-children-health-of-texas-outlook-to-negative-affirms-idr-at-aa-01-07-2024>

extensive efforts lobbying to preserve the ever-increasing spending baseline for the Medicaid program.⁵⁸

Children’s Mercy Hospital in Kansas City has facilitated at least 34 chemical castration and genital mutilation procedures on minors,⁵⁹ with research data showing that at least some of the participants receiving “gender-affirming care” were as young as 8-years-old.⁶⁰

The increasing use of taxpayer funds to finance gender transition procedures, including irreversible surgeries and hormone therapies, for both adults and minors, is a major issue. This practice raises serious ethical, medical, and fiscal questions.

It is true that the long-term physical and psychological effects of gender transition procedures, particularly on developing adolescents, are still being studied and debated within the broader medical community in the United States. President Donald Trump’s Department of Health and Human Services recently issued a 409-page report reviewing the best available data on treating gender dysphoria and echoing concerns highlighted by Dr. Hilary Cass in England.⁶¹ Indeed, numerous European nations, including Sweden, Finland, France, and the United Kingdom, have begun banning or severely restricting such procedures on minors out of the obvious concern that “gender-affirming” procedures inflict irreversible damage on children.⁶² The chief concerns are increased risks of osteoporosis, blood clots, cancer, and, of course, sterilization. All of these devastating risks occur while simultaneously failing to resolve gender dysphoria or, in many cases, exacerbating depression and mental illness intrinsically associated with such dysphoria.

Policy proposals for reforming Medicaid are often tethered exclusively to the fraud and fiscal harms of the program. These include, but are not limited to, reforming eligibility determinations, imposing penalties for improper payments, eliminating provider taxes, eliminating the expansion to able-bodied adults, implementing work requirements, and rolling back unfunded mandates enacted by the failed Biden administration.⁶³ These are obvious, necessary, and should be baseline proposals for any policymaker serious about saving the Medicaid safety net and getting the nation’s fiscal house in order. But it’s also true that such reforms will significantly diminish Medicaid as an engine for enriching bureaucracies profiting off the mutilation of children. The loudest opponents of this effort will be the industries that stand to profit from it.

⁵⁸Health Brief (July 1, 2013). “On the Hill: Texas Children’s Patients Lobby for Medicaid During Family Advocacy Day,” *Texas Children’s*. <https://www.texaschildrens.org/content/news/hill-texas-childrens-patients-lobby-medicare-during-family-advocacy-day>

⁵⁹Database Search (Accessed April 24, 2025). “State Breakdown: Missouri,” *Stop The Harm Database*. <https://stoptheharmdatabase.com/state/missouri/>

⁶⁰Young, M. (April 23, 2025). “X Thread: A Hospital in Missouri Gave ‘Transgender Medicine’ to an 8-Year-Old,” *X*. https://x.com/wokal_distance/status/1915116152419983599

⁶¹Office of Population Affairs. (May 1, 2025). Gender dysphoria. U.S. Department of Health and Human Services. <https://opa.hhs.gov/gender-dysphoria-report>

⁶²Galvin, G. (December 13, 2024). “The UK Is the Latest Country to Ban Puberty Blockers for Trans Kids. Why is Europe Restricting Them?,” *Euro News*.

<https://www.euronews.com/health/2024/12/13/the-uk-is-the-latest-country-to-ban-puberty-blockers-for-trans-kids-why-is-europe-restrict>

⁶³Brown, S. (March 21, 2025). “Primer: Medicaid Reforms Provide Savings Without Cutting Benefits,” *Center for Renewing America*. <https://americarenewing.com/issues/primer-medicare-reforms-provide-savings-without-cutting-benefits/>

As part of the ongoing policy and budget discussions, lawmakers should also consider Medicaid reforms that:

1. Implement statutory language that prohibits any federal program from funding chemical castration and genital mutilation procedures, with a trigger that enacts a 30-day countdown that cuts off federal funding to states that continue to use their Medicaid dollars for such barbarism.
2. Prohibit the coverage of hormone drugs and other puberty blockers within Medicaid.
3. Prohibit any “gender-affirming” surgeries within Medicaid.
4. Short of fully repealing provider taxes, prohibit intergovernmental transfers and new provider taxes in states that utilize Medicaid dollars for “gender-affirming” care.

Simultaneously, the Executive Branch should launch prosecutions of hospital systems, MCOs, and other health care organizations profiting off sterilizing, castrating, and mutilating children. The Department of Justice should send an unmistakable signal that this radical gender cult has brutally harmed Americans, and states should pass laws providing for a full right of action that allows patients and de-transitioners to sue doctors and medical systems that have butchered their bodies and shortened their lives to elevate a woke, pagan religion.

Medicaid’s role as an engine for the mutilation of the nation’s children is but one of many fundamental problems with the program. It is devouring state and federal budgets. It is delivering poor health outcomes for its enrollees. And it is driving the United States toward a socialist health care system that will ration care and put people in an early grave. Gutting its role in the broader gender cult is critical and yet another of the many reasons the program must be drastically reformed. But even if successful, this effort to sever Medicaid from the castration and mutilation industry ultimately remains insufficient for taming this woke and weaponized nightmare. Structural policies that end the expansion to able-bodied adults, liquidate the provider tax scheme, and terminate the hospital system hamster wheel are all necessary as well.

These policies, implemented together, will not only generate hundreds of billions in savings but will send an unmistakable message to the big government-big corporation health care machine that Americans will no longer tolerate chopping up their children for profit.

Conclusion

The Medicaid program in its current form is actively harming Americans, failing to provide care for those who truly need it, and serving as an engine to enrich bureaucracies and health care corporations off the mutilation of children. It simply cannot remain as it is. Lawmakers must shut off the federal spigots in the Medicaid expansion that crowd out care for those who need it, eliminate the corrupt provider tax scheme, require citizenship verification for use of Medicaid services, prohibit the use of *any federal dollars* for chemical castration and genital mutilation procedures, and withhold funding to states that seek to circumvent such prohibitions.

The threat of Medicaid as a woke weapon of the radical Left is not something new. The rise of “health equity” in America’s institutions, health care organizations, and medical schools raised alarm bells years ago.⁶⁴ The moment has finally arrived to do something about it.

Bold action, tied to significant policy reforms, is urgently needed to rescue both taxpayers and vulnerable populations from the morally corrupt and fiscally unsustainable trajectory of this weaponized welfare program. Only through such decisive action can we ensure a more effective healthcare safety net for those who truly need it and guarantee to our children that we will no longer inflict irreversible harm on them in service to a diabolical woke dogma.

⁶⁴CRA Staff (March 6, 2023). “Medicaid: Emerging Woke and Weaponized Nightmare,” *Center for Renewing America*. <https://americarenewing.com/issues/medicaid-emerging-woke-and-weaponized-nightmare/>