

SUBJECT: Ending Taxpayer Subsidization of Open Borders

May 27, 2025

Dear Colleague:

On February 19, 2025, President Donald J. Trump signed an executive order titled “[Ending Taxpayer Subsidization of Open Borders](#).” The executive order reflects a national priority to uphold the rule of law, defend against the waste of hard-earned taxpayer resources, and protect benefits for American citizens in need. The Centers for Medicare & Medicaid Services (CMS) is committed to faithfully implementing the President’s executive order.

The plain text of federal law, including the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) (PRWORA), generally prohibits illegal aliens from obtaining most taxpayer-funded benefits. Title IV of the PRWORA states that it is national policy that “‘aliens within the Nation’s borders not depend on public resources to meet their needs,’ and that “‘[i]t is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.’” Federal Medicaid funding is generally only available for limited Medicaid coverage necessary for treatment of an emergency medical condition, including emergency labor and delivery, and not related to an organ transplant procedure, for individuals who meet all Medicaid eligibility requirements except satisfactory immigration status. *See* Section 1903(v)(1) through (v)(3) of the Social Security Act.

To ensure that federal money is not used to pay for or subsidize healthcare for individuals with an unsatisfactory immigration status in a manner contrary to federal law, CMS is ramping up financial oversight activities of state claiming in this area, to the extent consistent with applicable law. Activities are expected to include focused reviews of Medicaid expenditures reported by states on the quarterly CMS-64 and in-depth financial management reviews (FMRs). All states are encouraged to review their policies, internal controls, public assistance cost allocation plans, and IT systems to ensure that the state is claiming medical assistance and administrative expenditures in accordance with federal law. CMS will be assessing existing eligibility requirements in federal regulations and will be proposing revisions as may be necessary.

CMS remains committed to working with states and welcomes your input on this critical issue. Thank you for your work to ensure compliance so that together we may continue to provide quality health coverage to America’s most vulnerable citizens.

Sincerely,

/s/

Drew Snyder
Deputy Administrator and Director