

Judge Blocks Planned Parenthood Funding Cut Tied to Trump-Era Medicaid Rule

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A federal judge has temporarily blocked enforcement of a Trump-era provision in the 2025 tax and spending bill that would cut Medicaid funding to Medicaid providers receiving more than \$800,000 in annual reimbursements, including Planned Parenthood affiliates. The decision comes amid mounting legal challenges from Planned Parenthood and more than 20 Democratic-led states, who argue the rule unfairly targets

reproductive health services and could jeopardize access to care for low-income patients.

The provision went into effect on July 4 as part of the 2025 reconciliation act, and critics viewed it as a backdoor effort to limit Medicaid funding to Planned Parenthood affiliates. While federal law already prohibits Medicaid from covering abortions, the new rule would have denied reimbursements for services like cancer screenings, STI treatment, contraception, and routine check-ups provided by organizations that also perform abortions.

U.S. District Judge Indira Talwani issued a preliminary injunction, finding the provision likely unconstitutional because it singled out specific organizations and would severely limit access to critical non-abortion healthcare services for low-income patients. Her ruling halts enforcement of the policy while the legal case proceeds.

Planned Parenthood Federation of America and its affiliates in Massachusetts and Utah filed the lawsuit, stating that nearly 200 clinics in 24 states could lose Medicaid funding and face closure. Nearly half of Planned Parenthood's patients rely on Medicaid for basic healthcare services.

In a separate but related legal move, a coalition of over 20 Democratic-led state attorneys general, led by California Attorney General Rob Bonta, also sued, arguing the law forces states to either violate constitutional rights or shoulder the financial burden of sustaining clinics.

Judge Talwani, appointed by a Democratic president, drew criticism from conservative groups that said taxpayer funds should not support

organizations associated with abortion services. Supporters of the rule maintain it reflects the will of voters seeking greater restrictions on public funding.

The lawsuit comes after a recent Supreme Court ruling, *Medina v. Planned Parenthood South Atlantic*, that held Medicaid beneficiaries do not have a right under federal law to sue states over access to specific providers, raising questions about future access to care.

For now, Talwani's nationwide injunction ensures Medicaid reimbursements continue for Planned Parenthood affiliates and similar providers. The case is ongoing, and its ultimate outcome could have far-reaching effects on access to reproductive healthcare across the U.S.