



GOVERNOR JOSH SHAPIRO

Impact of U.S. House GOP Medicaid and SNAP Budget Reconciliation Proposals on Pennsylvania

Background

This document provides information on the Medicaid and SNAP programs in Pennsylvania and offers a high-level analysis of the potential impacts of H.R. 1, the Republican budget reconciliation proposal, on Pennsylvania. As currently proposed, the legislation would kick over 300,000 Pennsylvanians off Medicaid, cut over \$1 billion in federal funding currently allocated to Pennsylvania, and strain our hospitals, potentially leading to the closure of as many as 25 rural hospitals across Pennsylvania. The legislation would also add significant new IT and administrative burdens for Commonwealth agencies in the form of unfunded mandates from Washington.

Impact on Residents

The proposed changes are expected to reduce access to both health care and SNAP benefits, particularly for vulnerable populations such as children, older adults, and working families. Delays in enrollment, increased administrative hurdles, and the elimination of retroactive coverage would cause financial hardship and disruptions in care. Rural hospitals — half of which already operate

at a loss — would face unsustainable levels of uncompensated care, threatening access to emergency and critical services for rural Pennsylvanians.

Medicaid in Pennsylvania

Medicaid covers about 3 million people in Pennsylvania, or 23% of the state's population. In FY 2024-25, between assessments and state general funds, the Commonwealth contributed more than \$14 billion to the Medicaid program, which is matched by more than \$30 billion in federal funds.

Of the 3 million individuals receiving Medicaid:

- 750,000 have Medicaid coverage because of Medicaid Expansion;
- 1.3 million are children;
- 423,276 are individuals with a disability;
- 312,000 are older individuals (65+); and
- Almost 10,000 are veterans.

Every year, Medicaid in Pennsylvania covers:

- More than 175,000 Pennsylvanians who receive treatment for a substance use disorder;
- Over 200,000 people who receive treatment for diabetes;
- Nearly 44,000 seniors and people with disabilities in Pennsylvania who receive care in their home or community instead of in a nursing facility;
- More than 45,000 births across the Commonwealth; and
- 61,167 people who need treatment for heart failure.

As a result of H.R. 1, over 300,000 Pennsylvanians could be kicked off of Medicaid. A break down of Medicaid reductions by county is shown below.

To stay within limits created by any financial cuts to the Medicaid program, Pennsylvania and other states would likely be forced to make up funding with state general fund dollars or choose where to make reductions in eligibility, benefits, and provider reimbursement rates. As a result, significant numbers of individuals could lose access to vital healthcare services. Individuals with complex

medical needs, seniors, and people with disabilities could be particularly affected by cuts to necessary services.

The loss of vital health care services will likely result in:

- Increased utilization of uncompensated emergency department and inpatient services;
- Exacerbation of underlying conditions such as diabetes or heart conditions; and/or
- Delays in seeking care or treatment, leading to worsened conditions or advanced diagnoses.

Stagnant or reduced reimbursement rates would severely limit the state's ability to adequately fund care, potentially decreasing the pool of providers willing to participate in Medicaid. Restricted rates would be devastating to inpatient services like skilled nursing and hospital care, the latter of which will still be required to treat emergency patients even if they lose Medicaid coverage because of funding changes. This impact will be particularly felt by rural hospitals.

SNAP in Pennsylvania

The Supplemental Nutrition Assistance Program (SNAP) is a food assistance program that helps nearly 2 million Pennsylvanians — mostly children, older adults, or people with disabilities — buy groceries and feed their household each month.

SNAP benefits have a profound impact on the Commonwealth's economy. In December 2024, SNAP brought \$366,850,460 in federally funded food assistance benefits that support grocers, food retailers, and Pennsylvania's agricultural industry while also helping individuals and families put food on the table.

The United States Department of Agriculture's Economic Research Service found that for every \$1 billion issued in federal SNAP benefits, it helps grow our

economy by \$1.54 billion through job retention and creation and income for farms and other agricultural producers. This program is an important part of supporting a healthy economy for all Pennsylvanians in every county of our Commonwealth. Loss of SNAP benefits has been shown to correlate with increase costs in Pennsylvania's Medicaid program, particularly for individuals with diet sensitive conditions like diabetes, where loss of benefits led to an increase of Medicaid medical spending of \$263 per member/month.

New Unfunded Mandates from Washington

- H.R. 1 also adds significant new burdens and mandates on states, without providing any new flexibility or support. These unfunded mandates would cost Pennsylvanians nearly \$60 million every year.
- Implementing 6-month redeterminations for the expansion population will require an increase of 500 staff. Costs for wages, benefits, and operating costs are approximately \$37M per year. One-time IT costs are estimated at \$2.5M.
- Implementing work requirements for the expansion population will require an increase of 250 staff. Costs for wages, benefits and operating costs are approximately \$18M per year. One-time IT costs are estimated at \$4M

Potential Medicaid Coverage Loss by County

County	Individuals Receiving Medicaid	Medicaid Expansion	Potential Medicaid Reduction*
STATEWIDE	3,004,813	751,092	-310,000
Adams	16,477	4,027	-1,676
Allegheny	248,310	63,058	-25,871
Armstrong	14,613	3,492	-1,466
Beaver	35,733	8,397	-3,550
Bedford	10,935	2,693	-1,118
Berks	100,110	23,027	-9,817
Blair	33,718	8,237	-3,430

Bradford	14,115	3,025	-1,327
Bucks	90,731	22,557	-9,329
Butler	26,484	6,306	-2,652
Cambria	34,973	8,394	-3,519
Cameron	1,329	316	-133
Carbon	14,905	3,614	-1,509
Centre	14,838	4,106	-1,632
Chester	59,412	14,010	-5,914
Clarion	7,974	1,753	-761
Clearfield	19,414	4,864	-2,006
Clinton	8,974	2,068	-881
Columbia	12,858	3,130	-1,305
Crawford	19,243	4,475	-1,900
Cumberland	45,888	10,673	-4,530
Dauphin	78,789	18,529	-7,830
Delaware	128,659	32,546	-13,372
Elk	6,264	1,314	-582
Erie	77,081	18,289	-7,702
Fayette	40,345	9,762	-4,080
Forest	998	227	-97
Franklin	31,001	7,249	-3,070
Fulton	3,352	771	-329
Greene	9,589	2,362	-980
Huntingdon	9,226	2,066	-890
Indiana	18,387	4,772	-1,942
Jefferson	10,491	2,312	-1,003
Juniata	4,270	977	-417
Lackawanna	59,623	15,443	-6,289
Lancaster	101,010	25,456	-10,474
Lawrence	22,547	5,438	-2,275
Lebanon	29,859	6,621	-2,865
Lehigh	96,753	23,837	-9,893
Luzerne	101,081	24,905	-10,336
Lycoming	27,256	6,247	-2,667
McKean	10,375	2,356	-1,010
Mercer	27,032	6,237	-2,656
Mifflin	10,790	2,452	-1,050
Monroe	38,533	10,981	-4,321

Montgomery	121,375	28,335	-12,009
Montour	3,024	679	-292
Northampton	55,008	13,114	-5,512
Northumberland	25,255	5,856	-2,489
Perry	8,062	1,864	-793
Philadelphia	672,887	183,159	-73,248
Pike	10,989	3,126	-1,231
Potter	3,645	904	-374
Schuylkill	36,532	8,444	-3,593
Snyder	6,607	1,508	-645
Somerset	15,368	3,782	-1,570
Sullivan	1,166	246	-109
Susquehanna	8,852	2,163	-901
Tioga	9,594	2,406	-992
Union	5,600	1,330	-560
Venango	13,449	3,158	-1,335
Warren	8,621	2,122	-881
Washington	43,842	11,483	-4,657
Wayne	10,164	2,736	-1,099
Westmoreland	67,315	16,523	-6,867
Wyoming	5,856	1,535	-622
York	97,257	23,248	-9,762