

New York Moves to Renew Medicaid Social Services Pilot as Feds Rein in Spending

By Amanda D'Ambrosio
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New York is seeking to extend a multibillion-dollar Medicaid pilot that pays for groceries, rent and transportation, even as the Trump administration moves to rein in social-services spending.

State health officials are planning to submit an application to the federal government by the end of September to renew the state's New York Health Equity Reform program, which provides enhanced social service benefits to Medicaid enrollees, Amir Bassiri, state Medicaid director, said Wednesday during a meeting of the Public Health and Health Planning Council. New York received federal approval for its current program, which expires in March 2027, under a Section 1115 demonstration waiver, which allows states to pilot new approaches to their Medicaid programs.

The state has been racing to implement its large-scale pilot since it was approved more than two years ago. Though New York applied for a five-year project, it was granted a three-year runway that has forced it to quickly establish data collection systems, screen members for eligibility and deliver social services. The program is designed to show that covering social services now may reduce medical costs later — but the state is seeking more time to demonstrate results. The push comes amid a federal effort to control Medicaid spending, with the Trump administration more closely scrutinizing such demonstration programs.

"We didn't get the full five years to do this," Bassiri said during the meeting, adding that the state has seen "tremendous progress" so far. "I think we will have the evidence and the justification... to illustrate that more time is needed."

The Centers for Medicare and Medicaid Services approved New York's Medicaid pilot in January 2024 and provided \$6 billion in federal funds, according to the governor's office. In addition to increasing Medicaid payments for social services, the funds covered healthcare workforce investments and support for financially distressed hospitals.

Since the waiver was approved, the state has spent time setting up data and reimbursement infrastructure for new Medicaid benefits, screening New York's 6.4 million Medicaid enrollees for eligibility and delivering some services. The program offers social services to Medicaid enrollees in high-risk groups, including pregnant women, people with severe mental illnesses and high Medicaid users, including those with recurring hospitalizations. That makes up roughly 2 million of the state's Medicaid enrollees, Bassiri said.

Eligibility screening got off to a slow start, but the state has now evaluated more than 1 million Medicaid members, Bassiri said. "Given where we were in the beginning, we're very excited about the momentum we're currently seeing."

Still, the pilot is far from complete. Bassiri did not share data during the meeting about how many Medicaid members have received enhanced social services under the pilot, but noted that the "greatest need identified" is nutrition services. He added that the state is starting to see improved health outcomes and health equity, but cautioned that it is still too early to interpret the data.

A spokesperson for the Department of Health did not respond to questions about how many services have been delivered to Medicaid members under the pilot, as well as what health outcomes the state has observed.

New York is moving to renew its Medicaid pilot as the federal government ramps up oversight of demonstration programs. CMS released guidance earlier this month stating that its chief actuary will ensure all demonstrations are budget neutral, meaning that they will not cost more than what Medicaid would cost normally. The guidance is part of an effort by the Trump administration to curtail Medicaid spending and would apply to all waivers approved on or after Jan. 1, 2027, according to CMS.

Bassiri said the budget neutrality changes pose "no short-term implications" for the state's renewal.

"There will be implications from that in the future," he said.