Medicaid and SNAP Are Lifelines for New Yorkers

Medicaid is a joint federal and state program that provides health insurance and access to long-term supports and services to more than 6,652,419 New Yorkers, including:

Around **54% of working age adults with disabilties**	Around **28% of New York Children**	More than **895,000 adults** receiving long-term supports and services

The Budget Reconciliation Bill is an obstacle course kicking New Yorkers off health care coverage and driving up costs for everyone. It:

- Cuts federal Medicaid support and increases costs for states, counties, tribes, providers, and enrollees.
- Is designed to kick millions of people off coverage.
- Will cost the state $8.4 billion lost federal funding for Medicaid and SNAP in 2026 alone.
- Could cause 1 million New Yorkers to lose health insurance, and 512,000 New Yorkers to lose SNAP
- Will cause an estimated loss of 82,000 jobs in 2026 alone.
- Will cause a loss of $10.5 billion in State GDP in 2026 alone.

The **Supplemental Nutrition Assistance Program (SNAP)** is the nation's most important and effective anti-hunger program. SNAP helps around 15% of New Yorkers put food on the table.

Higher costs of food and health care are already stretching families' budgets. Working families need Medicaid and SNAP now more than ever – and these are popular programs, more than 75% of Americans, across political party lines, have favorable views of Medicaid.

Current Federal Share of Medicaid in New York is $57.3 billion and provides 50% of the total cost. Historically, Medicaid cuts have a devastating impact. When the Federal Medical Assistance Percentage (FMAP) was reduced in 2011 and states adjusted their Medicaid spending, all 50 states cut services. **New York cut 13% of IDD waiver and 27% of Home Health waiver per-participant spending.**

Home and Community Based Services (HCBS) are crucial to people with disabilities

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- When Medicaid and SNAP funding are limited or reduced, or states face additional costs for administering new programs or other new costs, states will be forced to cut spending.
- Home and community-based services (HCBS), which align with most constituents' preferences to age in their homes and communities, are optional benefits and typically not covered by employer-sponsored health insurance.
- HCBS enables 895,000+ New Yorkers to live, work, and participate in their communities, and helps people develop and maintain the skills for competitive integrated employment.
- The vast majority of Medicaid spending on optional services (86%) are services that support people with disabilities and older adults.

The Budget Reconciliation bill would:

- Moratorium on new or increased provider taxes and jeopardize those currently under consideration, which increases in impact over time, and prevents states from financing according to their own needs and priorities.
    - Provider taxes make up 9.32% of the total federal share the cost of Medicaid in New York.
- Prevent new or increased state-directed payments (SDPs), causing budget shortfalls and impacting provider reimbursement rates.
    - The estimated reduction in Medicaid hospital spending if SDPs were limited to 100% of Medicare rates is 7%.
- Roll back existing federal regulations, leading to more difficult enrollment processes that prevent access to health care.
- Change how states determine who qualifies for Medicaid and lower standards of care in nursing homes.
- Double eligibility checks to every six months, adding to paperwork backlog while setting up local systems to fail and people to lose coverage. Stricter renewal processes, including more frequent eligibility reviews, result in eligible people losing coverage, who then often “churn” back on to coverage shortly after. The estimated administrative cost of churning is between $400 and $600 per person.
    - Cause 1.3 million fewer low-income seniors and people with disabilities to get help with Medicare cost-sharing nationally. 30% of Medicare enrollees in New York rely on Medicaid for cost-sharing to avoid catastrophic health expenses. Administrative burden can further delay and wrongly deny needed care.

“Exemptions” and “carve outs” are not as clear-cut as you may think.

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- More than 2 in 3 Medicaid enrollees with disabilities entered through a non-Supplemental Security Income pathway.
- Complex reporting processes, inconsistent employment situations, and lack of robust support systems for beneficiaries mean that people lose coverage.
- Most Medicaid enrollees already work – 64% are working, 12% are caretakers, 10% are disabled, 10% are in school or retired, and 2% could not find work.

Hospital systems at risk

- 11 Rural hospitals in New York are at risk of closure, furthering negative health outcomes for the communities they serve.
- Increased costs to providers drive up uncompensated care, especially in rural areas.
- Families would be prohibited from using Medicaid funding for family planning and reproductive health services.
    - In New York, 49% of females ages 15 to 49 continuously enrolled in Medicaid received family planning services in 2021.
    - In 2021, Medicaid paid for 49% of births in New York.
- Retroactive Medicaid coverage would be limited to one month rather than three, effectively driving up uncompensated care for hospitals and other health care providers. By 2034, health care providers could face an estimated $31 billion in uncompensated care costs.
    - Uncompensated care costs are estimated to rise by $1.8 billion in New York.

Imprudent costs to low-income beneficiaries

- Retroactive Medicaid coverage for enrollees would be limited to one month rather than three, driving up medical debt for individuals and families earning around $20,000 annually.
- A cost sharing requirement would be imposed for adults in Medicaid expansion program with incomes above 100% Federal Poverty Level, not exceeding 5% of an individual's income. Studies find that potential increases in revenue from premium and cost-sharing are offset by increased disenrollment, increased use of more expensive services such as emergency room care, increased costs in other areas, such as resources for uninsured individuals, and administrative expenses.
    - Cost sharing of up to $35 per visit disproportionately harms people with disabilities – the more medical support they need, the higher the potential cost to low-income enrollees – and reducing use of necessary medical services.

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- 30% of New Yorkers on Medicaid, or 2,111,796 people, are enrolled through Medicaid expansion.

Barriers to enrollment

- Enrollees would be subjected to mandatory "community engagement" work requirements to maintain coverage.
  - Work requirements do not increase employment rates for Medicaid and SNAP enrollees.
  - Work requirements will cause between 1.3 and 1.99 million Medicaid enrollees to lose Medicaid.
  - Home health aides, who allow for HCBS supports of people with disabilities, are the most common occupation for Medicaid enrollees.
- In Georgia, where Medicaid work requirements have already been implemented, over 80% of taxpayer dollars went to overhead.
- Federally, work requirements will cost $65 billion in implementation and administrative costs. The calculated breakdown by Medicaid-enrolled population would cost New York $6 billion.

SNAP cuts

- Federal cost-sharing would cost New York an extra $126-$627 per person enrolled.
- Every $1 in SNAP benefits generates up to $1.80 in economic activity. In 2009, SNAP generated $85 billion in local economic activity.
- SNAP is an optional program for states, so state governments may reduce SNAP benefits, restrict eligibility, or even opt out of SNAP entirely.

New York's state budget would have a hole of over $8.4 billion with current SNAP and Medicaid cuts in 2026, and $82 billion over ten years from Medicaid alone. This would force the state to make difficult decisions and potentially cut optional Medicaid services. Optional services include many services that disabled people rely on, including HCBS, employment and education supports, and more.