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Fact Sheet: Medicaid's Crucial Role in Pennsylvania & What Impact Republican Medicaid Cuts Could Have

ENERGY & COMMERCE COMMITTEE DEMOCRATS

MEDICAID PROVIDES HEALTH COVERAGE TO 2.68 MILLION PENNSYLVANIA RESIDENTS – OR 21.4% OF ALL PENNSYLVANIANS

To view the number of Medicaid beneficiaries under 65 in your district, click [HERE](#).

To view the number of all Medicaid beneficiaries by county, click [HERE](#).

Who relies on Medicaid for health coverage in Pennsylvania?

- 39% of [all children](#)
- 35% of [moms giving birth and their newborn babies](#)
- 47.3% of [working-age adults with disabilities](#)
- 64% of [people living in nursing homes](#)
- 17% of [Medicare beneficiaries](#)
- 17.8% of [adults aged 19-64](#)

What is Medicaid called in Pennsylvania?

Medicaid goes by many names. For example, in Pennsylvania, Medicaid is also known by:

- **Pennsylvania Medical Assistance**
- The insurance companies that cover Medicaid beneficiaries—**Aetna Better Health, AmeriHealth Caritas (AmeriHealth Caritas Pennsylvania and Keystone First), Gateway Health, Geisinger Health Plan, Health Partners Plan, Pennsylvania Health & Wellness, United Healthcare Community Plan, and UPMC Health Plan**
- Pennsylvania's Medicaid home and community-based services program—**Community HealthChoices (CHC) Program/Services My Way (SMW) Program**

MEDICAID IS A SIGNIFICANT SOURCE OF FEDERAL FUNDING TO PENNSYLVANIA

What role does Medicaid play in Pennsylvania's budget?

- Federal Medicaid funding to Pennsylvania was **\$29.4 billion in 2023—64% of all federal funding to Pennsylvania.**¹
- Most of **Pennsylvania's** Medicaid expenditures are matched by the federal government at a rate known as the [Federal Medical Assistance Percentage or FMAP](#)—Pennsylvania's FMAP is **55%**.
- The federal matching rate for services provided to the Affordable Care Act (ACA) Medicaid expansion population (adults 19-64 not eligible on another basis such as pregnancy) and family planning services is 90%.

SLASHING FEDERAL MEDICAID FUNDING WOULD LEAVE PENNSYLVANIA WITH THE HARD CHOICE OF WHOSE COVERAGE AND BENEFITS TO CUT

Medicaid is a [lean](#) program. It has grown to cover more people, but per-person spending growth has been [much lower](#) than other payers. With few options for how to fill the budget hole left by cuts to Medicaid funding, states will consider cuts to coverage and benefits, leaving more people uninsured and underinsured.

¹ The author's calculations based on the [National Association of State Budget Officers State Expenditure Report data](#).

Who could lose coverage in Pennsylvania?

Federal law requires states to cover certain groups of people, while [others are optional](#). With less federal Medicaid funding, Pennsylvania policymakers may consider cutting coverage for optional groups like:

- **Elderly and disabled adults** such as those who are institutionalized or eligible for home and community-based services.
- **Individuals who need breast or cervical cancer treatment** and do not have other treatment coverage.
- **Postpartum moms** whose pregnancies ended in the prior 12 months.
- **Adults with disabilities, chronic health conditions, and behavioral health care needs.**
- Pennsylvania also may consider reducing [income eligibility levels for mandatory eligibility groups](#), such as **children, pregnant women, and parents/caretakers.**

For Pennsylvanians who remain on Medicaid, what benefits could they lose?

Federal law requires states to cover certain benefits for adults, while [others are optional](#). Pennsylvania policymakers may consider cutting optional benefits such as:

- **Home- and community-based services (HCBS)** that allow the elderly and people with disabilities to receive services in their own homes or communities rather than institutional settings. In Pennsylvania, nearly 14,800 people are [on a waiting list](#) for Medicaid HCBS—that number would only grow.
- **Dental services.**
- **Optometry services.**
- **Hospice services.**

CUTTING FEDERAL MEDICAID FUNDING WOULD CLOSE HEALTH CARE PROVIDERS' DOORS IN PENNSYLVANIA AND REDUCE QUALITY OF SERVICES

With more people uninsured and underinsured, providers will experience an increase in uncompensated care. Making matters even worse, states are very likely to further cut Medicaid provider payment rates as another way to make up for the loss in federal funding.

How does Medicaid support Pennsylvania's hospitals?

- In addition to payments for services provided to Medicaid managed care plan enrollees, **Pennsylvania hospitals [received](#) nearly \$2 billion in Medicaid payments in 2023**, including approximately \$1.6 billion in Medicaid Disproportionate Share Hospital (DSH) and other supplemental payments that help to offset uncompensated care for Medicaid patients and the uninsured.

How does Medicaid support Pennsylvania's nursing homes and other facilities?

- **64% of Pennsylvania's nursing home residents [rely on](#) Medicaid** as their primary source of coverage.
- Pennsylvania mental health facilities, nursing facilities, and intermediate care facilities for people with disabilities **[received](#) nearly \$1.4 billion in Medicaid payments** in 2023.

How does Medicaid support home and community-based services providers in Pennsylvania?

- In 2021, **270,000 people in Pennsylvania [relied on](#) Medicaid for HCBS.**
- Nationally, Medicaid accounted for nearly [70% of home and community-based services spending in 2022](#).

How does Medicaid support [community health centers](#) in Pennsylvania?

- **45% of Pennsylvania [community health centers' revenue](#)** came from Medicaid in 2023.
- **48% of [community health center patients](#)** in Pennsylvania have Medicaid.