



NYSAC FACT SHEET

State and Local Impact of Medicaid and SNAP Cuts in House Budget

The proposed House Budget dramatically cuts federal funding for Medicaid, the Affordable Care Act, and supplemental nutrition assistance (SNAP) in New York State.

These cuts of over **\$15 billion annually** would have severe consequences for county governments, healthcare providers, and vulnerable residents across every county.

Key Provisions:

Guts Essential Plan (Affordable Care Act Coverage)

- More than \$7.5 billion in annual federal cuts to New York's Essential Plan (Affordable Care Act) eliminates half the federal funding for current enrollees and cuts reimbursement to healthcare providers.
- Other cuts would lead to \$2.5 billion in federal funding cuts to Medicaid.
- The loss of federal funding to force \$3.3 billion in new Medicaid costs on NY taxpayers.
- Half of all enrollees in the Essential Plan would lose quality health care. The Essential Plan primarily covers individuals and families earning under 250% of the federal poverty level that are not eligible for Medicaid or CHIP, and do not have private health insurance.
- \$1.3 billion increase in uncompensated care costs for hospitals.
- Significant negative economic ripple effects statewide, undercutting affordability and accessibility to health care services for all New Yorkers.
- Uninsured consumers will seek refuge in county social service agencies, aging, and public and mental health departments for resources and care to stabilize their family situations.

Medicaid and Child Health Plus Destabilization

- A second tranche of federal cuts targeting Medicaid would eliminate \$3.1 billion in federal funding for New York State.
- Over 1 million Medicaid enrollees (15% of the program) would lose health insurance coverage.
- Work requirements would increase administrative costs by more than 20%.
- Health care providers operating on slim fiscal margins will find it difficult to maintain services and stay in business, resulting in job losses and local economic impacts.



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SNAP Cuts: Additional Blow to County Finances and Administrative Capacity

- **\$2.1 billion additional state impact** beyond Medicaid cuts.
- Funding ratio shift from current 50% federal/50% state-county to 25% federal/75% state-county burden.
- Work requirements would create **new administrative costs** for counties.
- **Implementation burden** falls on county social service departments already facing staffing challenges.

Cascading Impacts:

Counties share in Medicaid and SNAP costs through local contributions. Lost federal funding will force difficult choices between:

- Increasing local tax burden on residents
- Reducing services for vulnerable populations
- Cutting other essential county programs to cover shortfalls

Healthcare System Collapse Threatens Every County

- Hospital losses exceeding **\$1.3 billion annually** would devastate safety-net facilities.
- Uncompensated care increases as uninsured residents to seek emergency services.
- **Provider closures** would eliminate access points and create healthcare deserts.
- **Job losses** at healthcare facilities would harm local economies.
- **Rural communities** would be particularly vulnerable to access challenges.

Economic Ripple Effects Across All Counties

- Local economic multiplier effect from healthcare job losses.
- Increased emergency service costs for counties.
- Strains will increase on county social service, aging, public and mental health agencies as more residents face health care and financial crisis.



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RECOMMENDATION

These cuts disproportionately target New York State, creating an unfair fiscal burden. The proposed changes would decimate county budgets already strained by post-pandemic challenges. Implementation would require a massive new administrative infrastructure at county expense. The combined impact would threaten the viability of essential healthcare providers in every county. Residents will face higher local taxes, reduced services, or both.

New York's Congressional Delegation must Stand Up for NY and reject the proposed Medicaid and SNAP cuts that would strip coverage from over 2 million New Yorkers and drain billions in critical funding from our counties. These reckless changes will devastate local health care, force property tax hikes, and overwhelm public services across the state.