

Medicaid Enrollment Contracts



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This Medicaid budget brief updates a prior release ([June 2025](#)) with the latest data compiled by the Pennsylvania Department of Human Services (DHS). Medical Assistance (MA) is a joint federal and state program administered by DHS that provides comprehensive physical and behavioral health care services to qualified individuals and families. As of April 2025, 3.05 million residents (23%) were enrolled in MA programs, at a fiscal year (FY) 2024-25 cost of \$49.3 billion in state and federal funds. The state General Fund (GF) share (\$14.4 billion) comprised 31% of total state GF spending and is one of the largest programs in the state budget. For FY 2025-26, the latest estimates show \$15.5 billion in state GF spending for MA programs, an increase of 7.8% from the prior year.

Although more frequent eligibility determinations (biannual versus annual) and community engagement (generally work) requirements enacted last summer for the Affordable Care Act (ACA) expansion population do not become effective until January 2027, total MA enrollment has already declined from 3.05 million residents in April 2025 to 2.95 million in April 2026 (-3.3%).¹ Possible reasons for the unanticipated decline could include:

- A significant contraction in SNAP enrollment (-236,000 (-12%) relative to the prior year) following the expansion of the SNAP community engagement requirements for able-bodied adults (effective September 1 and November 1, 2025).² The recent moderate uptick in the state labor force participation rate could imply that some former SNAP recipients have entered the labor force and may now no longer qualify for MA coverage.³
- A “chilling effect” where mixed-status families (undocumented parents with citizen children) are reluctant to enroll in MA due to concerns with potential implications.⁴

Based on a Congressional Budget Office (CBO) [analysis](#) of federal H.R. 1, the IFO projected that Pennsylvania MA enrollment would contract by 280,000 to 310,000 (primarily a reduction in the ACA expansion population) and generate annual state GF savings of \$220 million to \$300 million. With the recent reduction in MA enrollment, it is likely that some of those projected disenrollments and state savings have already begun to be realized. Offsetting those savings, residents who lose MA coverage and remain uninsured will increase costs for hospitals, particularly hospitals that serve a disproportionate share of low-income residents.

Staff Contact

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1 States can apply for a waiver to delay implementation until December 2028.

2 See: [SNAP Individuals and Dollars - PA Open Data Portal](#) (May 2026).

3 See: [Labor Force Expands, but Few Migrants](#) (June 2026).

4 See: [New State-by-State Tracker Shows Declining Enrollment as H.R. 1 Cuts Loom](#) (February 2026).

Medical Assistance Enrollment and Funding

	Fiscal Year		Annual Growth
	24-25	25-26	
Enrollment (000s)			
Disabled and Elderly	884	890	0.7%
Families	1,329	1,262	-5.0%
ACA Expansion	<u>836</u>	<u>797</u>	<u>-4.7%</u>
Total	3,049	2,949	-3.3%
Funding (\$ billions)			
State General Fund (GF)	\$14.4	\$15.5	7.8%
Federal Funds	\$29.9	\$32.8	9.6%
Other Funds ¹	<u>\$5.0</u>	<u>\$5.5</u>	<u>11.5%</u>
Total	\$49.3	\$53.9	9.3%
Cost Per Enrollee (\$000)	\$16.2	\$18.3	13.0%

1 Other funds include state Lottery Fund, Tobacco Settlement Fund, augmentations (e.g., various assessments and intergovernmental transfers) and other funds.

Source: Enrollment is a one month snapshot of April 2025 and April 2026 enrollment from the DHS Enterprise Data Warehouse. Funding data are from the Executive Budget, FY 25-26 includes the Spring Update.