



HEALTH & HUMAN SERVICES FUNDING AND ACCESS

The Issues

Coverage Instability from Work and Reporting Requirements.

Recent federal and state policy shifts have introduced new work and reporting requirements for some Medicaid enrollees and shorter, six-month eligibility redetermination cycles. These changes increase administrative complexity and risk coverage loss among people who remain eligible but cannot meet verification demands on time. While Pennsylvania succeeded in reenrolling most individuals after the pandemic unwinding, the new biannual reporting requirements threaten to reverse those gains. States that have implemented similar measures have seen coverage losses not because of ineligibility, but because of administrative barriers—missed forms, employment documentation errors, or confusing renewal notices.

Behavioral Health Infrastructure Strain. Amid coverage instability, the behavioral health system shows signs of stress. Counties must navigate unpredictable funding cycles—grants, special appropriations, and often piecemeal allocations—making long-term planning challenging. Crisis response mechanisms (mobile teams, warm handoffs) and outpatient follow-up services frequently cannot scale to meet demand. The behavioral health sector too often functions as a parallel track rather than fully integrated into primary health, limiting coordination of care.

Federal Risk & Policy Volatility. The Medicaid program in Pennsylvania is exposed to federal shifts. Proposed cuts to Medicaid funding (reductions in matching rates or tighter eligibility mandates) pose risks of cost shift to states and local providers. The governor has warned that federal cuts could trigger coverage losses and rural hospital closures. Delays or opaque guidance from federal agencies complicate state planning and raise the fiscal risk of overextension.

The Impacts

People who remain eligible may lose access to care. Interruptions in coverage can lead to lapses in medications, therapy, or needed follow-up services, particularly for those with chronic health conditions, serious mental illness, or substance use disorders.

Behavioral health access gaps intensify. Even with coverage, demand often outpaces capacity. After crisis encounters, follow-up care may be unavailable—or too far, too delayed, or insufficiently funded to absorb additional patients.



The burdens of these policies fall more heavily on rural, underserved, or low-income areas. Counties with limited resources are less able to absorb funding volatility or scale services in response to demand spikes.

Nonprofit providers and clinics operate under financial uncertainty. When funding is unpredictable, they delay hiring, restrict service expansion, or withdraw from harder-to-serve communities. Administrative burdens and uncompensated care further erode margins.

Health and human services systems bear the downstream costs. Preventable emergency hospitalizations, avoidable inpatient stays, and crisis interventions commands higher expenditures and strain local budgets and providers.

Next Steps

YCNC is working to create recommendations that address the issues and impacts noted above for the Health & Human Services Funding and Access priorities, that both move the needle to remedy situations and provide sustainable paths forward for the items mentioned.