

# How to Help Pennsylvanians Prosper with Medicaid and SNAP Reform

Work requirements, strengthening eligibility verification, and prioritizing traditional enrollees will lead to better outcomes.

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## SUMMARY

- The Supplemental Nutrition Assistance Program (SNAP) and Medicaid programs are intended to help adults increase their financial stability. Yet, in practice, both these entitlement programs discourage work and keep Pennsylvanians dependent on government services.
- SNAP recipients in 65 of 67 counties are **exempt** from work or training requirements.<sup>1</sup> Across the country, **26 states** have restored work expectations for healthy adults without kids in the SNAP program.<sup>2</sup>
- Over 800,000 healthy adults enrolled in Pennsylvania's Medicaid program divert resources from those who need the most help at a **cost** to state and federal taxpayers of more than \$6 billion annually.<sup>3</sup>
- These programs suffer from large amounts of fraud and waste due to poor eligibility verification practices. Improving eligibility verification will ensure benefits go to eligible Pennsylvanians.
- Potential federal reforms could help, but state lawmakers must also be proactive. Entitlement costs are a top driver of projected state budget deficits, calculated to hit **\$8 billion by 2029**.<sup>4</sup>

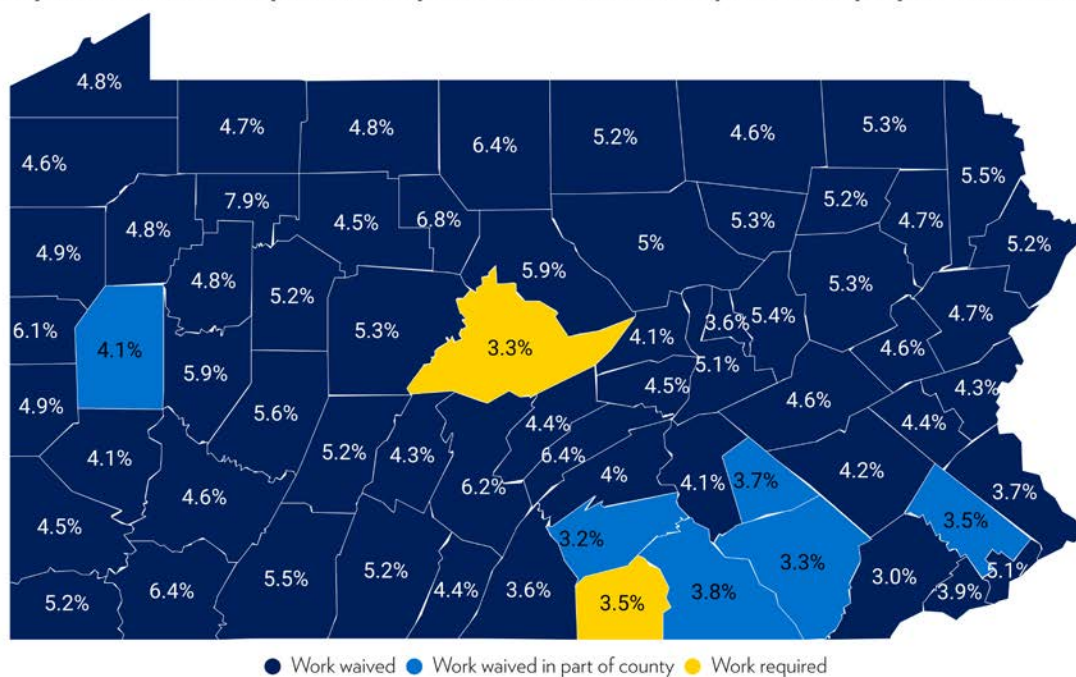
## SNAP WORK REQUIREMENTS

- A stated **purpose** of the SNAP program is “to assist low-income adults in obtaining employment and increasing their earnings.”<sup>5</sup> Research **shows** that stable employment is critical to financial success, as well as better physical and mental health.<sup>6</sup>
- SNAP includes an employment and training requirement for all adult recipients between the ages of 18 and 54 who do not have a disability or dependent children. Adults who do not work at least 80 hours per month are only **eligible** to receive SNAP for three months in any three-year period.<sup>7</sup>
  - Recipients can meet this requirement by working 80 hours a month, participating in a work program, furthering their education, or participating in a community service program. Pennsylvania contracts with **eight** programs to provide SNAP recipients with job training and education opportunities.<sup>8</sup>

- Recent [polling](#) shows that 84 percent of Pennsylvania voters support employment and training requirements to receive benefits.<sup>9</sup>
- Research shows the [experience of work requirements](#) in Temporary Assistance for Needy Families (TANF) and SNAP for low-income, healthy adults helps individuals transition to independence.<sup>10</sup> Incomes [more than doubled within a year and tripled within two years](#), more than offsetting lost welfare benefits.<sup>11</sup>
- However, states can [waive](#) this work requirement if their unemployment rate is greater than 10 percent, if their two-year average unemployment rate is greater than 20 percent of the national average, or if the state can show that it lacks sufficient jobs.<sup>12</sup>
  - Before COVID-19, states used waivers to exempt 74 percent of all SNAP recipients. After the pandemic, about 75 percent of SNAP recipients remain exempt from work requirements.<sup>13</sup>
- To maximize the number of SNAP recipients exempt from work and training requirements, states employ three [gimmicks](#):
  - Pulling unemployment rates from gerrymandered geographic areas rather than at a county level.
  - Utilizing guidance from past and current administrations to use an extended look back period to reach an unemployment rate 20 percent greater than the national average.
  - Waivers in areas with historically low unemployment rates exceeding the national average.<sup>14</sup>
- In Pennsylvania, the latest [waiver](#) uses unemployment data from 2021, as well as gerrymandering (combining multiple municipalities across county lines) to maximize the breadth of waivers.<sup>15</sup>

## SNAP Work Waivers and Unemployment Rates

Only two counties require work, yet 60% of counties report unemployment rates below 5%.



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, January 2025 and USDA

- Pennsylvania has waived SNAP work and training requirements for most of the state [since](#) 2009.<sup>16</sup> Currently, waivers cover 59 counties and parts of six other counties despite a 3.6 percent [unemployment rate](#), a half-point lower than the national average.<sup>17</sup>
- According to U.S. Bureau of Labor Statistics [data](#), Pennsylvania has 1.4 job openings per unemployed individual.<sup>18</sup>
- [A 2017 Commonwealth Foundation study](#) estimated ending work waivers could add between 80,000 and 100,000 able-bodied adults to Pennsylvania’s workforce. By joining the workforce, those individuals, as a whole, would start earning between \$175 million and \$210 million in higher wages.<sup>19</sup>

## MEDICAID WORK REQUIREMENTS

- In Pennsylvania, there are 832,629 healthy, able-bodied adults enrolled in Medicaid. The annual cost for this population exceeds \$6 billion in state and federal funds.<sup>20</sup>
- The federal government [matches](#) 90 percent of dollars spent on healthy, able-bodied adults, compared to 56 percent for other enrollees.<sup>21</sup> This gives states an [incentive](#) to enroll healthy adults at the risk of limiting resources for vulnerable populations that depend on Medicaid.<sup>22</sup>
  - There is little evidence that access to health insurance alone improves health outcomes. In fact, [overall mortality worsened](#) in all states regardless of Medicaid’s expansion between 2013 and 2017.<sup>23</sup>
- Pennsylvania lawmakers twice passed legislation to add work requirements to Medicaid for able-bodied adults without dependents in [2017](#) and [2018](#). In both cases, former Gov. Tom Wolf vetoed those bills,<sup>24</sup> despite [widespread](#) support from voters.<sup>25</sup>
  - Public support for Medicaid work requirements persists today, with over 80 percent of Pennsylvania voters in support.<sup>26</sup>
- During the first Trump administration, [13 states requested](#) and received Medicaid work requirement waivers.<sup>27</sup> [At least three states](#) are moving to implement work rules under President Donald Trump’s second administration.<sup>28</sup> Pennsylvania should request a work requirement waiver for Medicaid’s expansion population.
- Pursuing reform to help healthy adults grow their income is especially important given the rising cost of Medicaid and Pennsylvania’s demographic challenges.
  - The total state cost for Medicaid in the 2024–25 state budget reached \$17 billion. Reforms touching a small number of enrollees can have a big impact. For instance, saving one percent equals \$170 million in state savings.
  - IFO projections calculate Medicaid costs for seniors growing [three times faster](#) than revenues.<sup>29</sup>
  - The current Medicaid-to-worker ratio is 2.07, down from 2.5 before the 2014 Medicaid expansion.
- Critics of work requirements claim that [most recipients work](#), but according to Department of Human Services Secretary Val Arkoosh, [only 43 percent](#) of able-bodied, working age adults using Medicaid report income.<sup>30</sup> In fact, past experience with [consistently enforced work requirements under TANF](#)

shows the power of implementing a simple work requirement to raise incomes and reduce dependence.<sup>31</sup>

## ELIGIBILITY VERIFICATION

- Medicaid suffers from large improper payment rates. Eligibility errors account for most improper payments.<sup>32</sup> In 2019, [eligibility errors](#) accounted for \$1.8 billion of the total \$2.3 billion in improper payments.<sup>33</sup>
  - A 2016 [audit](#) found that more than 2,000 deceased enrollees received nearly \$700,000 in benefits in a single year.<sup>34</sup>
- Increasing the frequency of eligibility verification from once a year to every six months is a commonsense way to reduce eligibility errors.
  - Pausing eligibility verification for nearly four years led to a Medicaid enrollment [explosion](#), followed by the unenrolling of over 535,000 individuals who were no longer eligible.<sup>35</sup>
  - A recent [poll](#) of Pennsylvania voters found that 86 percent support requiring eligibility verification every six months.<sup>36</sup>
  - More frequent eligibility verification is critical given Pennsylvania taxpayers pay per month for Medicaid enrollees.
- While income is the most basic part of eligibility, individuals also provide information on their age, citizenship, caretaker status, household composition, and residency. The latter two are [accepted without additional verification](#).<sup>37</sup>
  - Additionally, Pennsylvania practices a limited form of [ex parte \(i.e., automated\) renewals](#) where the commonwealth's Department of Human Services' Office of Medical Assistance Programs (OMAP) reenrolls individuals based on the information it has if enrollees do not return paperwork.<sup>38</sup>
  - Unfortunately, Pennsylvania is moving in the wrong direction. Under the encouragement of the Biden administration, at least [11 states](#) pursued waivers to expand continuous eligibility.<sup>39</sup> Gov. Josh Shapiro's 2025–26 budget proposal estimates an [additional \\$4.7 million](#) in Medicaid costs for one year of continuous eligibility after individuals are released from incarceration.<sup>40</sup> The administration also favors continuous eligibility for children ages birth through six and in budget hearings touted a 30 percent increase in automatic Medicaid renewals.<sup>41</sup>
- [Broad-based categorical eligibility](#) for SNAP allows individuals to enroll based on their eligibility in another welfare program. This eligibility loophole works around income limits and asset tests.<sup>42</sup> Including Pennsylvania, 41 states are abusing this loophole, allowing a combined 5.4 million otherwise ineligible individuals to receive SNAP benefits at a cost of [nearly \\$112 billion](#) over ten years.<sup>43</sup>
- Self-attestation in eligibility checks, ex parte renewals, continuous eligibility, and broad-based categorical eligibility all contribute to eligibility errors and improper payments.

## OTHER PROGRAM INTEGRITY REFORMS

- **Legislative Approval of Medicaid Expansions:** Welfare agencies should be required to receive approval from [the governor and state legislature](#) before submitting a federal waiver to expand eligibility or services.<sup>44</sup> For example, a waiver granted by the Biden administration in December 2024 is estimated to [cost](#) another \$3 billion over five years.<sup>45</sup>
- **Reduce Medicaid provider taxes:** Pennsylvania uses [provider taxes](#) to pull down more federal money without providing better services or serving more patients. The scheme artificially inflates state expenditures.<sup>46</sup> There are signs the federal government wants to [further limit this practice](#).<sup>47</sup>
  - In 2014, the U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG) [deemed](#) Pennsylvania’s Medicaid Managed Care Organization (MCO) Gross Receipts Tax “impermissible.”<sup>48</sup> The scheme resulted in an extra \$981 million from federal taxpayers, while MCO’s were held harmless. Moreover, the state received another \$1.1 billion for Medicaid. The tax was [repealed in 2016](#).
- **Scrutinize Payments Outside of Capitation:** Lawmakers should be wary of [supplemental payments](#) like the Medical Assistance-Hospital-Based Burn Centers line item and state-directed payments.<sup>49</sup> Supplemental payments itemized in the budget go to favored providers and allow the state to pull down more federal funding. Medicaid funding should be tied to patients, not providers. Legislators could cap supplemental payments or peg them to lower Payment Error Rate Measurement (PERM) rates, or other provider accountability metrics.
- **Expand Medicaid Fraud Investigations:** States with fewer resources and smaller Medicaid programs tend to open the same number of investigations as large states but recover more Medicaid fraud.<sup>50</sup> Lawmakers can bolster the HHS-OIG to detect more billing fraud and, critically, recover more improper payments.
  - Recent legislation to codify cross-checks with income, unemployment compensation, electronic benefit transfers (EBTs) from other states, death records, and lottery winnings is a positive, but not sufficient step toward protecting Medicaid.
- **Expand audits and transparency:** Lawmakers should consider [regular Medicaid efficiency audits](#). Efficiency audits compare the investment of taxpayer resources to outcomes generated for intended beneficiaries.<sup>51</sup> These audits can also help ensure compliance, sustain programmatic transformation, and show how dollars are allocated.
  - More transparency is needed. In a 2024 audit, HHS-OIG found [over \\$550 million in improper Medicaid payments](#) for school-based services. About \$180 million of those payments were for non-Medicaid services and subject to refunds. The deficiencies were the result of “complex cost allocation methods that were difficult or impractical to support with documentation.”<sup>52</sup>
  - The Auditor General recently audited 66 Medicaid cases served by UPMC Health Plan. By failing to provide timely information to DHS, incorrect payments were made for [8 individuals totaling \\$357,048](#). In fact, DHS made capitation payments for two individuals more than a year after they died.<sup>53</sup>

- **Pay for quality over quantity:** To improve patient care and prevent unnecessary spending, DHS should consider MCO contracts with higher medical loss ratios and tie reimbursement to patient outcomes rather than volume of services.
- **Reduce optional benefits and improve oversight:** Federal law requires state Medicaid programs to [cover 15 basic health care-related services](#) but allows states to cover up to 28 optional benefits.<sup>54</sup> Pennsylvania [covers](#) 24 optional benefits, including prescription drugs, vision, dental, physical therapy, home health, podiatry, expanded mental health, and substance use treatment services.<sup>55</sup>
  - Within these broader categories, agencies have discretion. For example, [only 13 states](#) cover Glucagon-Like Peptide-1 (GLP-1) medications (Ozempic and other diabetes/weight loss medications) for obesity treatment under Medicaid.<sup>56</sup> For GLP-1s, health market experts rank Pennsylvania “second overall in total Medicaid spend,” spending the equivalent of \$106 per enrollee at a total cost of [nearly \\$298 million](#).<sup>57</sup> The governor’s budget recommends limiting coverage for weight loss. Similar discretion at the state level should extend to other high-cost cosmetic procedures.

## NEXT STEPS

- Lawmakers in Congress are evaluating several proposals to reform Medicaid.<sup>58</sup> Proposals include allowing or requiring more frequent eligibility reviews, work and community requirements, scrutinizing financing and supplemental payments, evaluating [Section 1115 waivers](#) and the [340B Drug Pricing Program](#),<sup>59</sup> budget neutrality, and MCO contracting. As federal lawmakers seek significant changes, state lawmakers should take proactive steps to help Pennsylvanians reduce their reliance on government.

<sup>1</sup> Hoa Pham, “RE: Supplemental Nutrition Assistance Program (SNAP) – Pennsylvania Request to Waive Able-Bodied Adults Without Dependents Time Limit – Initial – Approval,” U.S. Department of Agriculture: Food and Nutrition Service, August 29, 2024, <https://fns-prod.azureedge.us/sites/default/files/resource-files/pa-abawd-response-fy2024.pdf>.

<sup>2</sup> Jonathan Bain and Jonathan Ingram, “Waivers Gone Wild: Congress Must Crack Down on Food Stamp Loopholes,” Foundation for Government Accountability, May 24, 2023, <https://thefga.org/research/waivers-gone-wild-food-stamp-loopholes/>.

<sup>3</sup> Pennsylvania Office of the Budget, “Governor Josh Shapiro Executive Budget 2025–2026,” (Harrisburg, PA: February 4, 2025), E27-17, <https://www.pa.gov/content/dam/copapwp-pagov/en/budget/documents/publications-and-reports/commonwealthbudget/2025-26-budget-documents/2025-26%20budget%20book.webversion.pdf>.

<sup>4</sup> Pennsylvania Independent Fiscal Office, “Long-Term Budget Outlook Update,” February 2025, [http://www.ifo.state.pa.us/download.cfm?file=Resources/Documents/RB\\_2025\\_02\\_Long-Term\\_Budget\\_Outlook.pdf](http://www.ifo.state.pa.us/download.cfm?file=Resources/Documents/RB_2025_02_Long-Term_Budget_Outlook.pdf).

<sup>5</sup> Food and Nutrition Act of 2008, Pub. L. No. 88-525 [Amended Through P.L. 118-5, Enacted June 3, 2023], <https://www.govinfo.gov/content/pkg/COMPS-10331/pdf/COMPS-10331.pdf>.

<sup>6</sup> K. Alexander Adams, “The Benefits of Work: Why Work is More Than a Job,” Georgia Center for Opportunity, May 2024, <https://d1f2pmkajn85sd.cloudfront.net/wp-content/uploads/2024/05/Benefits-of-Work-May-2024.pdf>.

<sup>7</sup> Pennsylvania Department of Human Services, “SNAP Work Requirements for Able-Bodied Adults Without Dependents (ABAWDs),” accessed February 12, 2025, <https://www.pa.gov/agencies/dhs/resources/snap/snap-work-requirements-abawds.html>.

<sup>8</sup> Pennsylvania Department of Human Services, “Employment and Training Programs,” accessed February 12, 2025, <https://www.pa.gov/agencies/dhs/resources/for-residents/employment-training-programs.html>.

<sup>9</sup> Public Opinion Strategies, “Commonwealth Foundation Pennsylvania Statewide Survey,” January 9, 2025, <https://commonwealthfoundation.org/wp-content/uploads/2025/01/250009-Pennsylvania-Statewide-Interview-Schedule-Public.pdf>.

<sup>10</sup> Jonathan Ingram, “House-Proposed Work Requirements Would Limit Dependency, Save Taxpayer Resources, and Grow the Economy,” Foundation for Government Accountability, April 24, 2023, <https://thefga.org/research/house-proposed-work-requirements/>.

<sup>11</sup> Michael Greibok, “Work, Not Welfare, Is the Best Way To Promote Health Care Coverage,” Foundation for Government Accountability, October 14, 2024, <https://thefga.org/research/work-not-welfare-is-the-best-way-to-promote-health-care-coverage/>.

<sup>12</sup> U.S. Department of Agriculture Food and Nutrition Service, “Supplemental Nutrition Assistance Program – Guide to Supporting Requests to Waive the Time Limit for Able-Bodied Adults Without Dependents (ABAWD),” September 30, 2021, <https://www.fns.usda.gov/snap/guide-supporting-requests-waive-time-limit-abawd>.

<sup>13</sup> Bain and Ingram, “Waivers Gone Wild.”

<sup>14</sup> Bain and Ingram, “Waivers Gone Wild.”

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- <sup>15</sup> Pham, “RE: Supplemental Nutrition Assistance Program (SNAP).”
- <sup>16</sup> Joanne Glover, “Operations Memorandum – Employment and Training, OPS09085,” Pennsylvania Department of Public Welfare, August 20, 2009, <http://services.dpw.state.pa.us/oimpolicymanuals/snap/assets/docs/OPS090805.pdf>.
- <sup>17</sup> U.S. Bureau of Labor Statistics, “Local Area Unemployment Statistics,” accessed February 12, 2025, <https://www.bls.gov/lau/>.
- <sup>18</sup> U.S. Bureau of Labor Statistics, “14 States Had at Least 2 Job Openings for Every Unemployed Person in May 2024,” *The Economics Daily* (TED), July 30, 2024, <https://www.bls.gov/opub/ted/2024/14-states-had-at-least-2-job-openings-for-every-unemployed-person-in-may-2024.htm>.
- <sup>19</sup> Sam Adolphsen and Elizabeth Stelle, “Restoring the Dignity of Work,” Commonwealth Foundation, October 2017, <https://www.commonwealthfoundation.org/policyblog/detail/restoring-the-dignity-of-work>.
- <sup>20</sup> Pennsylvania Office of the Budget, “Governor Josh Shapiro Executive Budget 2025-26,” E27-17.
- <sup>21</sup> Jennifer Tolbert, Clea Bell, and Robin Rudowitz, “Medicaid Expansion is a Red and Blue State Issue,” KFF, November 27, 2024, <https://www.kff.org/medicaid/issue-brief/medicaid-expansion-is-a-red-and-blue-state-issue/#:~:text=The%20ACA%20expanded%20Medicaid%20coverage,90%25%20for%20their%20expansion%20populations>.
- <sup>22</sup> Brain Blasé and Drew Gonshorowski, “Medicaid Financing Reform: Stopping Discrimination Against the Most Vulnerable and Reducing Bias Favoring Wealthy States,” Paragon Health Institute, July 2024, [https://paragoninstitute.org/wp-content/uploads/2024/07/Medicaid-Financing-Reform\\_FOR-RELEASE\\_V1.pdf](https://paragoninstitute.org/wp-content/uploads/2024/07/Medicaid-Financing-Reform_FOR-RELEASE_V1.pdf).
- <sup>23</sup> Dr. Joel M. Zinberg and Liam Siagud, “What Matters for Health: Insurance is Less Important Than You Think,” Paragon Health Institute, December 2024, [https://paragoninstitute.org/wp-content/uploads/2024/12/Zinberg-Sigaud\\_What-Matters-For-Health\\_Insurance\\_FOR-RELEASE\\_V3.pdf](https://paragoninstitute.org/wp-content/uploads/2024/12/Zinberg-Sigaud_What-Matters-For-Health_Insurance_FOR-RELEASE_V3.pdf).
- <sup>24</sup> Commonwealth Foundation, “Wolf’s Veto Blocks Pathway out of Poverty for Thousands in Pa.,” news release, October 19, 2017, <https://commonwealthfoundation.org/2017/10/19/wolfs-veto-blocks-pathway-out-of-poverty-for-thousands-in-pa/>; Commonwealth Foundation, “Wolf Vetoes Opportunity for Healthy Adults to Escape Poverty,” news release, October 19, 2018, <https://commonwealthfoundation.org/2018/10/19/wolf-vetoes-opportunity-for-healthy-adults-to-escape-poverty/>.
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- <sup>36</sup> Public Opinion Strategies, “Commonwealth Foundation Pennsylvania Statewide Survey.”
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- <sup>40</sup> Pennsylvania Office of the Budget, “Governor’s Executive Budget Proposal 2025–26.”
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- <sup>42</sup> U.S. Department of Agriculture Food and Nutrition Service, “Broad-Based Categorical Eligibility,” February 19, 2025 [update], <https://www.fns.usda.gov/snap/broad-based-categorical-eligibility>.

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<sup>43</sup> Paige Terryberry, “How Congress Can Protect the Truly Needy and Restore Program Integrity to Food Stamps by Ending Broad-Based Categorical Eligibility,” Foundation for Government Accountability, August 14, 2023, <https://thefga.org/research/how-congress-can-protect-needy-by-ending-bbce/>.

<sup>44</sup> Rep. Mike Tobash, “House Bill 435, Pennsylvania General Assembly, Regular Session 2019–20,

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<sup>45</sup> Pennsylvania Department of Human Services, “Bridges to Success: Keystones of Health for Pennsylvania Medicaid Section 1115 Waiver Demonstration,” February 2024, <https://www.pa.gov/content/dam/copapwp-pagov/en/dhs/documents/keystones-of-health/documents/PA-1115-Keystones-of-Health-Feb-2024.pdf>.

<sup>46</sup> Brian Blaze, “Medicaid Provider Taxes: The Gimmick that Exposes Flaws with Medicaid’s Financing,” Mercatus Center, February 16, 2016, <https://www.mercatus.org/research/research-papers/medicaid-provider-taxes-gimmick-exposes-flaws-medicaids-financing>.

<sup>47</sup> Robin Rudowitz et al., “Medicaid: What to Watch in 2025,” KFF, January 23, 2025, [https://www.kff.org/medicaid/issue-brief/medicaid-what-to-watch-in-2025/#:~:text=According%20to%20documents%20reported%20on,ACA\)%20expansion%20group%2C%20imposing%20Medicaid](https://www.kff.org/medicaid/issue-brief/medicaid-what-to-watch-in-2025/#:~:text=According%20to%20documents%20reported%20on,ACA)%20expansion%20group%2C%20imposing%20Medicaid).

<sup>48</sup> Office of Inspector General, “Pennsylvania’s Gross Receipts Tax on Managed Care Organizations Appears to Be an Impermissible Health-Care-Related Tax,” No. A-03-13-00201 (Washington DC: U.S. Department of Health and Human Services, May 2014), 4–5, <https://oig.hhs.gov/documents/audit/6720/A-03-13-00201-Complete%20Report.pdf>.

<sup>49</sup> 54 Pa.B. 3851 – Supplemental Payments to Qualifying Hospitals,

<https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol54/54-27/950.html>.

<sup>50</sup> Michael Greibok, “High-Tax States Waste Taxpayer Money on Bloated Welfare Programs, but Every State Has Room to Improve,” Foundation for Government Accountability, January 6, 2025, <https://thefga.org/research/high-tax-states-waste-money-bloated-welfare-programs/>.

<sup>51</sup> Alliance for Opportunity, “Keeping Vulnerable Americans on Track,” accessed February 13, 2024,

<https://allianceforopportunity.com/focus/safety-nets/#institute-regular-program-evaluations>.

<sup>52</sup> Office of the Inspector General, “Pennsylvania Improperly Claimed \$551 Million in Medicaid Funds for Its School-Based Program,” No: A-02-21-01011 (Washington, DC: U.S. Department of Health and Human Services, March 11, 2024), 5,

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<sup>53</sup> Pennsylvania Office of the Auditor General, “UPMC Health Plan - Community HealthChoices Contract with the Pennsylvania Department of Human Services - Performance Audit for the Period January 1, 2022 to December 31, 2022,” (Harrisburg, PA, March 31, 2025), 3, <https://www.paauditor.gov/audits/upmc-health-plan-community-healthchoices-contract-with-the-pennsylvania-department-of-human-services-performance-audit-for-the-period-january-1-2022-to-december-31-2022/>.

<sup>54</sup> U.S. Centers for Medicaid and Medicare Services, “Mandatory and Optional Medicaid Benefits,” accessed February 13, 2025,

[https://www.medicare.gov/medicaid/benefits/mandatory-optional-medicaid-benefits/index.html#:~:text=Mandatory%20Benefits%20\\*%20Transportation%20to%20medical%20care,\(1905\(a\)\(28\)\)%20\\*%20Medication%20Assisted%20Treatment%20\(MAT\)%20\(1905\(a\)\(29\)\)](https://www.medicare.gov/medicaid/benefits/mandatory-optional-medicaid-benefits/index.html#:~:text=Mandatory%20Benefits%20*%20Transportation%20to%20medical%20care,(1905(a)(28))%20*%20Medication%20Assisted%20Treatment%20(MAT)%20(1905(a)(29))).

<sup>55</sup> The Hospital and Healthsystem Association of Pennsylvania, “Infographic: Supplemental Medical Payments,” January, 24, 2025,

<https://www.haponline.org/Resource-Center?resourceid=1171>.

<sup>56</sup> Elizabeth Williams, Robin Rudowitz, and Clea Bell, “Medicaid Coverage of and Spending on GLP-1s,” KFF, November 4, 2024,

<https://www.kff.org/medicaid/issue-brief/medicaid-coverage-of-and-spending-on-glp-1s/>.

<sup>57</sup> Rita Glaze-Rowe, “Which State Medicaid Programs Cover GLP-1s for Weight Loss and How Much Are They Spending?” Real Chemistry, January 2, 2025 [update], <https://www.realchemistry.com/article/state-by-state-analysis-of-medicaid-coverage-for-glp-1-weight-loss>.

<sup>58</sup> Robin Rudowitz et al., “Medicaid: What to Watch for in 2025.”

<sup>59</sup> Note: States use the Social Security Act’s Section 1115 waivers to “test new or existing ways to deliver and pay for” Medicaid and CHIP health care services. The Public Health Service Act’s Section 340B “requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to health care organizations that care for many uninsured and low-income patients.” See: U.S. Centers for Medicare and Medicaid Services, “State Waivers List,” accessed March 25, 2025, <https://www.medicare.gov/medicaid/section-1115-demo/demonstration-and-waiver-list>; American Hospital Association, “Fact Sheet: The 340B Drug Pricing Program,” January 2025, <https://www.aha.org/fact-sheets/fact-sheet-340b-drug-pricing-program#:~:text=The%20340B%20program%20requires%20participating,the%20program%20rules%20and%20requirements>.