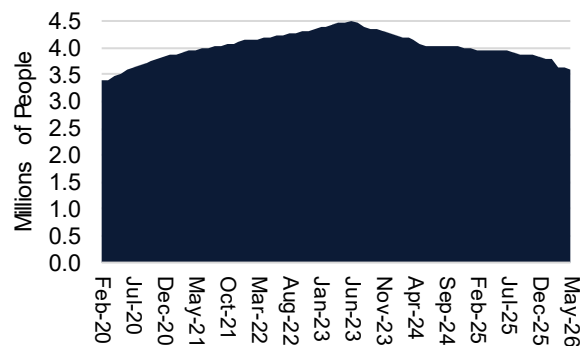




Medical Assistance Administration Grant

Medicaid is a health insurance program for low-income adults and children. Each state administers its own Medicaid program within federal guidelines, and the program is jointly funded by the federal and state governments. New York State (NYS) requires localities to provide funding toward the non-federal share. While other localities nationally contribute to their state's non-federal share of Medicaid spending, mandated local contributions are highest in NYS. More than 3.6 million New York City residents were enrolled in the Medicaid program as of May 2026, 56 percent of NYS enrollment (see Figure 1). Households must meet certain eligibility criteria to qualify for the Medicaid program, including financial, residency and citizenship/immigration status. The City receives both State and federal funding for the administration of the program through the NYS Medical Assistance Administration (MAA) grant and [Grants to States for Medicaid](#). The MAA grant supports a variety of administrative functions, including 50 percent of total funding for Medicaid eligibility at the Human Resources Administration (HRA).

FIGURE 1
NYC Medicaid Enrollment



Notes: Enrollment totals for a month may be updated in subsequent months to reflect retroactive enrollments and/or disenrollments.

Sources: NYS Department of Health; OSC analysis

Title XIX of the Social Security Act authorizes joint federal-state financing for the administration of

FIGURE 2
State Medical Assistance Administration
Revenue by Department, FY 2027 Executive
Budget
(in millions)

Department	FY 2026	FY 2027
Human Resources Adm	231.2	232.5
Health and Mental Hygiene	10.4	10.4
Admin for Children's Svcs	4.3	4.3
Correctional Health Svcs	1.4	1.4
Total	247.4	248.6

Source: NYC Office of Management and Budget

the NYS Medicaid State Plan. The revenue supports eligible expenditures (such as work-related expenditures) to determine Medicaid eligibility, referrals to eligible services and processing Medicaid applications. The federal share of administrative costs is generally 50 percent with some services reimbursed at a federal higher rate. In federal fiscal year 2024, NYS incurred \$3.7 billion in administrative expenditures, of which 45 percent was financed by the State according to the U.S. Centers for Medicare and Medicaid Services. Of the \$3.7 billion, \$794 million

are costs incurred by the localities across the State, with the State covering half the costs. As noted in Figure 2, the City's latest financial plan includes \$247.5 million in FY 2026 from the State MAA grant citywide, with 93 percent of the grant budgeted at HRA. The City receives similar amounts of federal Medicaid administration revenue; \$225 million is budgeted in FY 2026 and \$227 million in FY 2027.

Medicaid is an insurance benefit provided to eligible residents and HRA is the agency responsible for processing certain Medicaid applications. Other City agencies also receive State reimbursement for the administration of programs that serve Medicaid enrollees such as Early Intervention (EI) services in the Department of Health and Mental Hygiene (DOHMH), child protective services at the ACS and the NYC Health + Hospital's Correctional Health Services (CHS). HRA serves as a conduit to submit claims to the State on behalf of all City agencies.

Impact

- Similar to localities located across the State, HRA administers the Medicaid program for a portion of the Medicaid population that resides in the City. As of May 2026, HRA administered the program for 1.4 million City residents, including residents who are disabled, blind, or aging and those receiving cash assistance. The remaining approximately 2.2 million residents are administered by the NYS Department of Health within the State's health plan marketplace. In FY 2026, HRA anticipates receiving \$231 million in State funding of which 43 percent is reimbursement for general administration (\$57 million) and for determining Medicaid eligibility (\$50 million). Federal regulations require states to complete Medicaid eligibility determinations within 90 days for applicants with a disability and 45 days for all others. During FY 2024, the most recent data available, the City was able to respond to Medicaid applications within federally mandated timeframes at a rate of 88.4 percent, which is a decline from both FY 2023 and FY 2022. No data has been reported since FY 2024, making it difficult to assess the City's progress toward meeting its stated target of 95 percent in FY 2026 and FY 2027. Additional MAA funding supports the administration of other programs throughout HRA, including: nearly a quarter of total spending for investigations and revenue administration, about 15 percent of spending for information technology services and 7 percent for public assistance and employment administration.
- Established under the State public health law, the EI program is managed locally through DOHMH which contracts nonprofit providers serving children with an identified developmental delay up to the age of three. DOHMH budgeted \$10.4 million in State funding in FY 2026 and in FY 2027 for the MAA grant of which \$9.4 million is projected for the EI program in both years. A significant portion of the children served by the EI program are Medicaid eligible, with MAA funding supporting eligible administrative activities and funding 220 positions, primarily Early Intervention official designees. Nearly 73 percent of this portion of the MAA grant funds the administration

of Early Intervention evaluations that identify developmental needs and determine eligibility for services. The MAA grant represents 2.5 percent of the total budget for the EI program. During the first quarter of FY 2026, 26,048 children received general services through the EI program, of whom 62 percent were covered by Medicaid or Child Health Plus.

- ACS protects and promotes the safety and well-being of children, youth, and families. ACS has budgeted \$4.3 million in State funding in FY 2026 and FY 2027 for the MAA grant, of which 70 percent of the grant allocation supports Protective Services which investigates allegations of child abuse and neglect. The grant reimburses eligible administrative expenses including Medicaid eligibility determination and referrals to eligible services. MAA grant funding is less than 0.1 percent of the total ACS budget. In calendar year 2025, the City implemented 34,928 consolidated investigations of suspected abuse or neglect through the Statewide Central Register of Child Abuse and Maltreatment, of which 70 percent involved reports of neglect.
- Nearly \$1.4 million of State funding supports the administration of health care services by CHS to individuals leaving the Department of Corrections custody. The grant partly funds 22 staff members who enroll, renew or reinstate individuals leaving custody into Medicaid programs. As of May 2026, 85 percent of the CHS patient population is anticipated to have Medicaid coverage upon release from custody.