

# Hands off Medicaid and the ACA: How federal health care cuts could impact New Yorkers

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# Agenda

## **1. Budget Reconciliation**

- Process and anticipated timeline
- Federal overview
- Impacts on New York

## **2. Next steps, advocacy opportunities**

## **3. Q&A**

# Toplines

## **1. The reconciliation bill as proposed would be disastrous for New York**

- An estimated 1.5 million New Yorkers would become uninsured (low estimate)
- New York would have over a \$13.5 billion hole in its budget

## **2. The fight is not over**

- Advocates have already successfully pressured Republicans to not include some of the most devastating cuts
- This bill is still in active negotiation
- Cuts to health care are very unpopular

## Overview: W&M and E&C Impacts on New York (as of 5/18/25)

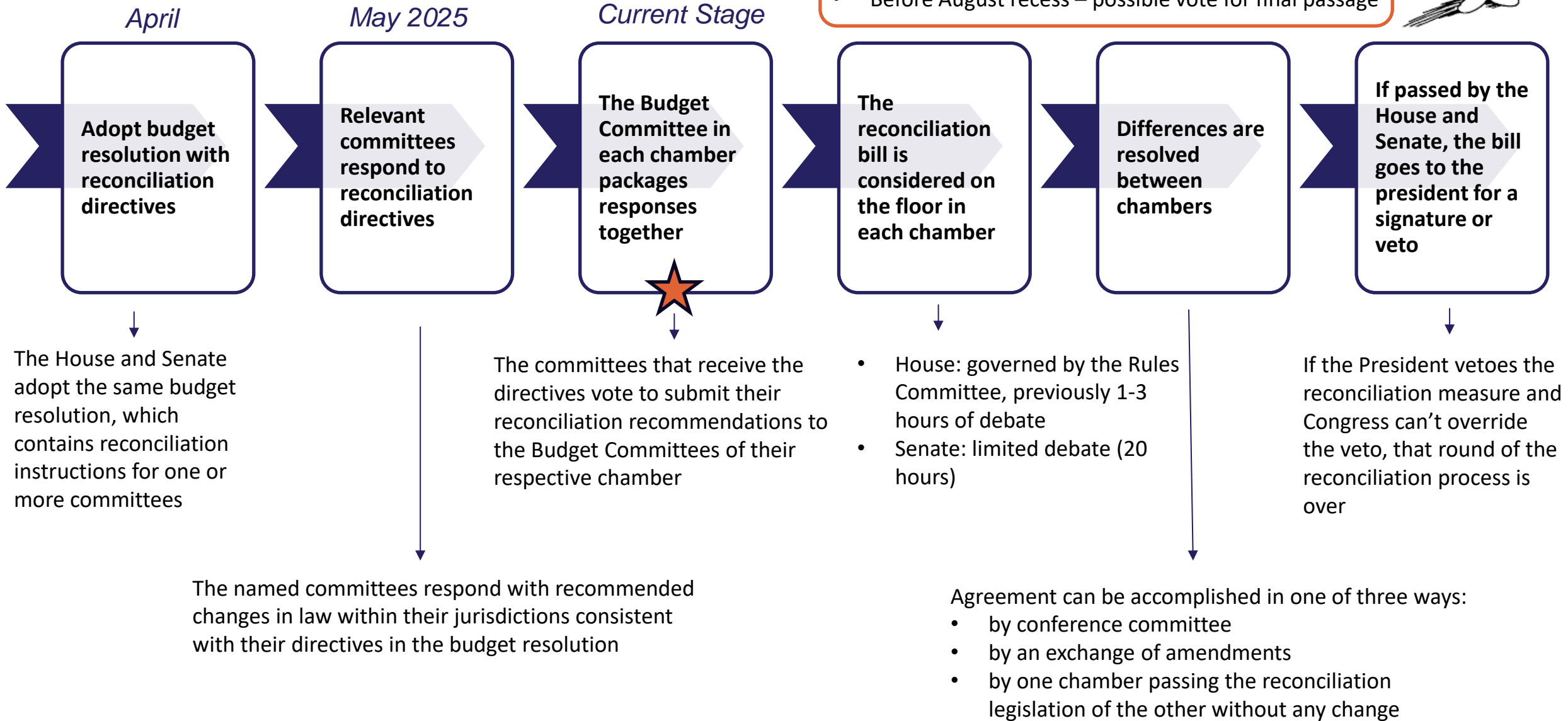
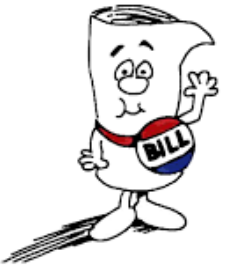
Summary of Proposed House Budget on New York	Ways and Means (W&M)	Energy and Commerce (E&C)	Total NY Impact from Proposed House Budget
Newly Uninsured	224,000	1,240,740	1,464,740
Lost Federal Funding	(\$7,558,670,443)	(\$2,524,022,025)	(\$10,082,692,468)
New State Funded Medicaid Costs	(\$2,768,867,806)	(\$574,180,521)	(\$3,343,048,327)
<b>Total Fiscal Impact NY</b>	<b>(\$10,327,538,249)</b>	<b>(\$3,098,202,546)</b>	<b>(\$13,452,740,795)</b>

# Budget Reconciliation

# Reconciliation process

## Estimated Timeline

- 5/22 House Floor Action
- By 7/4 – Senate aiming to vote
- Before August recess – possible vote for final passage



# Elements of the House bill

## Cut coverage for millions of Americans

- Drop coverage for adults who don't fulfill bureaucratic work reporting requirements
- Cut eligibility for lawfully present immigrants
- Force low-income adults to reapply every six months & other bureaucratic barriers
- Roll back retroactive coverage under Medicaid and CHIP
- Barriers to enrolling and keeping Marketplace coverage

## Raise costs of health care

- Making it harder to get and stay on coverage in ACA marketplaces, cuts enrollment, which hurts risk pool, increases prices
- Increase cost-sharing requirements for Medicaid expansion population
- Increase prescription drug costs

## Force state cuts to services and benefits

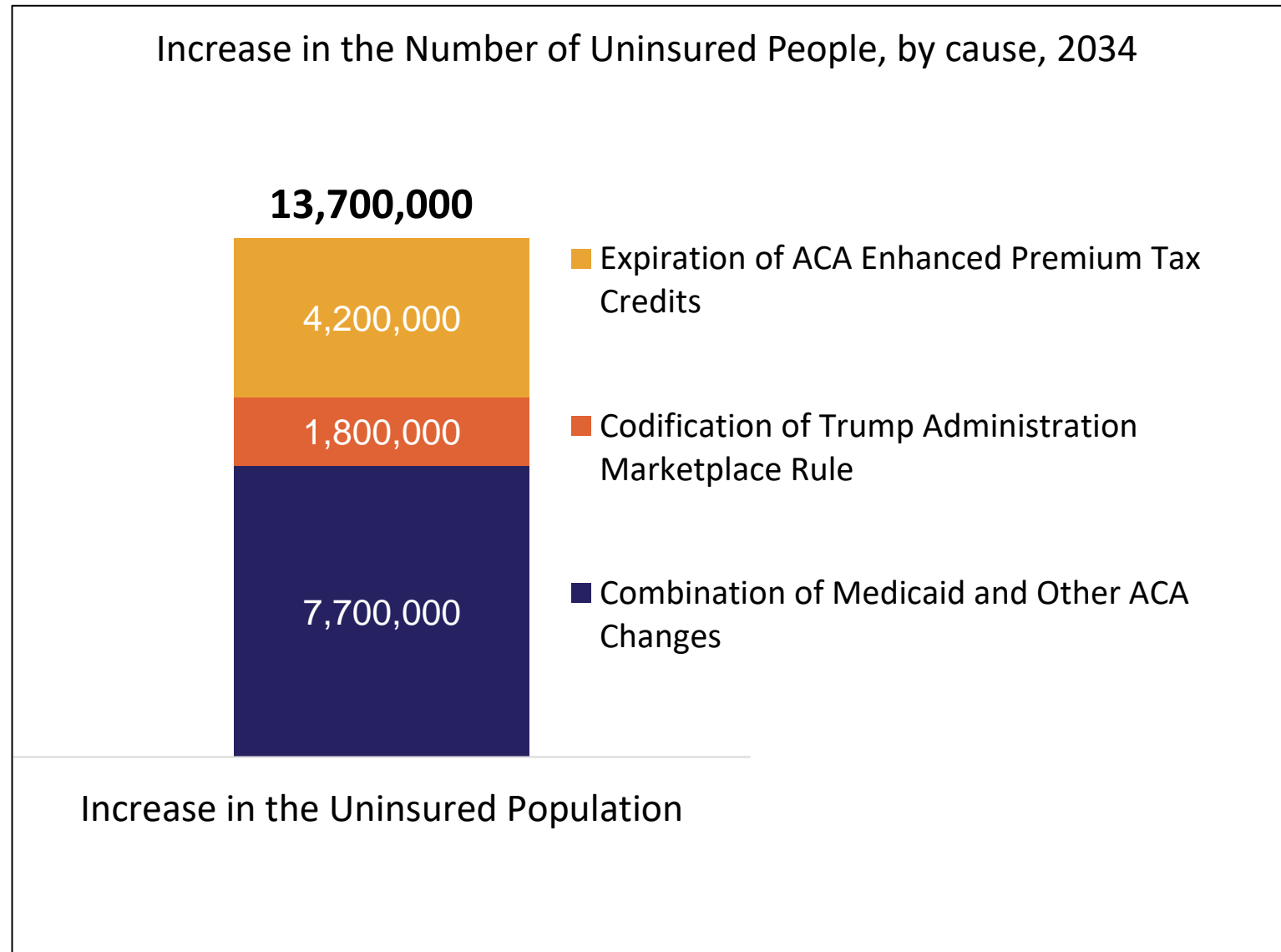
- Significantly restrict state use of provider taxes, a key tool for financing the state share of Medicaid
- Impose new requirements on states for Medicaid provider tax
- Restrict the use of State-directed payments
- Restrict funds from Section 1115 waivers
- Undo increased FMAP for new expansion states
- Reduce federal funds for states that use state dollars to cover immigrants
- Prohibit federal financial participation under Medicaid/CHIP for individuals with unverified citizenship

## Attack the health of vulnerable communities

- Defund Planned Parenthood
- Prohibit federal Medicaid and CHIP coverage for gender affirming care to minors

# Nationwide impacts of House bill

- House E&C Committee - **\$715 billion in Medicaid cuts**
- At least **13.7 million Americans will be left uninsured**, leading to higher medical debt for families, more uncompensated care for providers, and strains on state budgets





# New York Impacts

# What proposed cuts made it in the House bill?

Potential Federal Action	Estimated Scale of Federal Funding Loss to NYS *	Impacted New Yorkers
<del>Reduce Expansion FMAP</del>	<del>\$55-\$82 billion over 10 years</del>	<del>2 million</del>
<del>Eliminate FMAP Floor</del>	<del>\$150-218 billion over 10 years</del>	<del>5 million</del>
<del>Implement Per Capita Caps</del>	<del>\$48-\$73.5 billion over 10 years</del>	<del>7 million</del>
<del>Reduce Federal Funding for Emergency Medicaid</del>	<del>Negative but magnitude unclear</del>	<del>145,000</del>
<del>Reduce All Administrative FMAP to 50%</del>	<del>\$150 million per year</del>	<del>Unknown</del>
Eliminate ACA premium assistance for immigrants	\$7.5 billion per year cut to Essential Plan + requirement to spend \$2.7 million to move EP 3&4 members to State-only Medicaid	~225,000 lose coverage & 500,000 move to State-only funded Medicaid
Administrative barriers to enrolling & keeping coverage	Unknown as of now	~ 1 million
Penalize State FMAP for State-Only Funded Programs for undocumented immigrants	\$1 billion per year	Unknown
Change broad-based, uniformity rules for provider taxes	Unclear; depends on State action	Unknown
Reduce Cap on State Directed Payments from Ave Comm. Rate to 100% of ME	Negative but magnitude unclear	Unknown

Not included in House bill

Included in House bill

\*Thank you Manatt for some of these estimates.

# Essential Plan Cuts

Essential Plan (EP) covers **1.6 million** low-income New Yorkers w/incomes below 250% FPL

- **500,000 lawful immigrants** in EP 3 & 4 (below 138% of FPL), who will continue to get coverage with State only funding (\$2.7 billion)
- **225,000 lawful immigrants** with higher incomes, who will likely become uninsured (ineligible for APTCs)

- The bill cuts eligibility or ACA premium assistance for most lawfully present immigrants:
  - 500,000 lawful immigrants in EP 3 & 4
  - ~225,000 lawful immigrants with higher incomes
- House bill would cut Essential Plan funding by \$7.5B (over half of its \$13.2B annual funds)
- Implementation timeline:
  - Jan 2026 – EP immigrants below 100% FPL affected
  - Jan 2027 – everyone else
- Examples of lawfully present immigrant who will be denied coverage:
  - Green card holders in 5-year bar
  - Battered spouses
  - Immigrants who are paroled > 1 year

# ACA Marketplace Cuts

## NY State of Health (NYSOH) Marketplace

- 225,000 with QHPs
- 140,000 benefit from Enhanced PTCs

- **Cuts that will weaken the risk pool and drive premiums up for everyone**
- Codifies Trump Admin Marketplace Rule
  - Shortens Open Enrollment
  - Restricts types of Special Enrollment Periods
  - Effectively prohibits automatic reenrollment
  - New \$5/month premium penalty auto-enrollees – confuses consumers
- Enhanced PTCs expire at the end of 2025 and *if Congress does not extend:*
  - NYS could lose 50,000 enrollees
  - Estimated federal funding loss to NY of **\$479 million** in first year

# Medicaid Cuts

## 7 million New Yorkers have Medicaid coverage

- 5 million traditional Medicaid
- 2 million expansion population

## Loss of coverage

- Force low-income adults to reapply every six months & other bureaucratic barriers
- Roll back retroactive coverage under Medicaid and CHIP from 3 months to 1

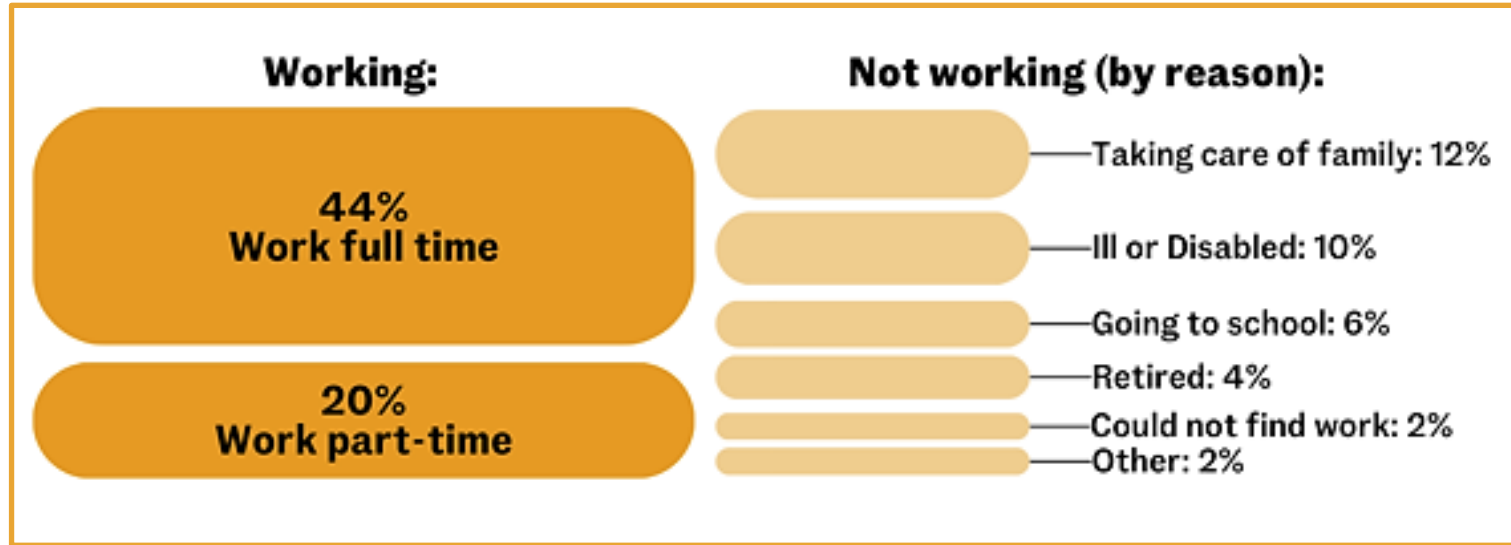
## Increase costs

- Impose new Medicaid cost-sharing requirement (\$35/service) for expansion population everyone earning above 100% FPL (\$15k single)

## Hurts NYS budget

- Cut expansion FMAP by 10% for NY (which uses MA infrastructure but State funding for immigrant enrollment)
- Cut eligibility for lawfully present immigrants, NYS must cover due to court case

# Work requirements: Most adults with Medicaid work



## What would federal work requirements mean for the health care system?

- Reprogramming the eligibility system will cost millions of dollars for no good reason
- Renewals will increase the uncompensated care burden at hospitals and clinics, increase emergency room wait times, and disrupt the health care system

## What would work requirements mean to New Yorkers?

**48%** of New York Medicaid enrollees are at risk of losing coverage under federal work reporting requirements

## Renewals guarantee that a significant number of eligible people will lose their coverage.

- People who work part-time may have a hard time getting their employers to provide documentation of their income, meaning eligible people will unnecessarily lose coverage

# Work Requirements

## Could force 900k New Yorkers off of insurance

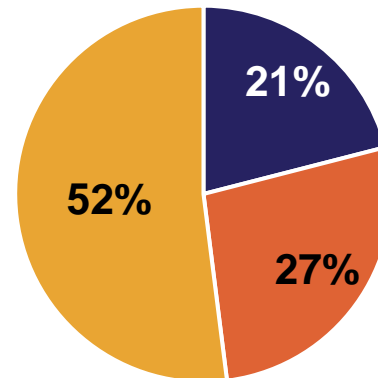
- In Georgia, only 7% of eligible people complied
- In Arkansas, 18,000 people lost coverage

## Eligibility checks would happen twice a year

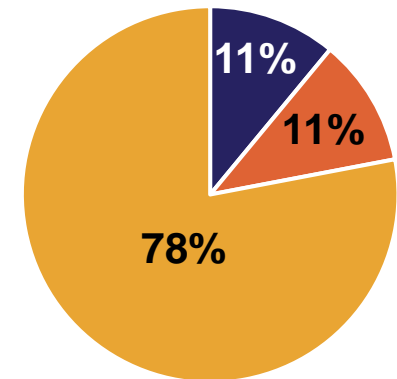
- 94% of Medicaid recipients already meet the requirements
- Would cost \$500M to implement

## Many working Americans do not have access to Employer Sponsored Insurance (ESI)

### Service Workers



### Part-time Workers



- Access to ESI (with participation)
- Access to ESI (without participation)
- No access to ESI

Source: [U.S. Bureau of Labor Statistics](#)

## State-directed Payments

- SDP allow State Medicaid programs to require Medicaid MCOs to apply higher rates to hospitals that need it
- New York uses this mechanism to provide \$1.6B in safety-net hospital funding
- Existing SDPs would likely be grandfathered in
- NYC H+H is waiting for federal approval for SDP and received less funding in the State budget as it was expected to be approved. It is now likely to be declined.



# Summary: Ny Coverage and Funding Losses

Over 1.5 million New Yorkers would become uninsured.

- Cutting coverage for lawful immigrants + imposing administrative barriers to coverage
- This number excludes work requirements, which will further increase the number of uninsured New Yorkers

New York would have over a \$13.5 billion hole in its budget.

- **\$2.7 billion** in new state costs to moving EP members to State Funded Medicaid
- **\$7.6 billion** in EP funding loss to due to elimination of lawful immigrant eligibility for premium assistance
- **\$1.3 billion** in lost funding for New York hospitals
- **\$1 billion** reduction of FMAP from 90% to 80% for expansion because NYS covers undocumented immigrants over age 65 with state-only funds

# Possible implementation timeline

**2026**

- EP – immigrants with incomes below 100% FPL affected
- H+H SDP
- MCO tax repealed
- Eliminate incentive for states that newly adopt expansion
- Limit retroactive coverage to one month prior to application for coverage

**2027**

- Full impact of threats to EP
- Punish states that cover undocumented immigrants by reducing expansion match
- Require states to conduct eligibility redeterminations every 6 months

**2028**

- New cost sharing requirement for low-income population
- Reduce maximum home equity limit to \$1M regardless of inflation

**2029**

- Work requirements
  - Moderate Rs do not want this to be implemented before the Midterms
  - Hardline Rs want it implemented and enforced sooner (2026)

## Upon Enactment

- Prohibit states from establishing any new provider taxes
- CMS eligibility and enrollment final rules
- Delay DSH reductions through 2028
- Direct HHS to cap State Directed Payments
- Require HHS to certify 1115 waivers are budget neutral
- Defund planned parenthood
- Prohibit Medicaid coverage of gender affirming care for minors

# Hands Off Medicaid and the ACA: Next Steps

Lara Kassel, Coalition Coordinator  
Medicaid Matters New York

# Bringing the importance of Medicaid to the federal fight

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## MEDICAID MATTERS TO NEW YORKERS



Medicaid has been critical for my son's Early Intervention services, CDPAP and OPWDD waiver services. Without Medicaid, my son would've certainly regressed. Thanks to

Medicaid, my son has had access to services that otherwise would be inaccessible for our family. To families like mine, Medicaid is simply a lifeline.

—Maggie Sanchez, Queens NY  
Constituent of Rep. Gregory Meeks, NY-5

Medicaid  
Matters

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## MEDICAID MATTERS TO NEW YORKERS

I am a certified 150-Day Substitute Teacher with no benefits because the school district doesn't offer any, including health insurance. As a person living with mental health and physical health challenges, having Medicaid is very vital for me to have. Otherwise, how would I pay for health expenses, visits, etc. without Medicaid?



—Dr. Philip Fleming  
Constituent of Rep. Langworthy, NY-23

Medicaid  
Matters

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## MEDICAID MATTERS TO NEW YORKERS

I rely on Medicaid for secondary coverage that covers many otherwise out-of-pocket costs. Personal assistance through Medicaid keeps me out of a nursing home and ensures that my friends with similar needs and I can live in freedom. I require Medicaid services delivered through OPWDD to preserve my independence and give my caregivers a respite. My sister also relies on Medicaid due to a chronic illness that limits her ability to work at full-time capacity. I believe that all Medicaid enrollees, with and without disabilities, deserve comprehensive and accessible healthcare. I oppose all Medicaid cuts, work requirements, and the implementation of block grants.



—Kathleen Downes  
Constituent of Rep. Laura Gillen, NY-4

Medicaid  
Matters

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# Bringing the importance of Medicaid to the federal fight



## Medicaid Matters to Residents in All New York State Congressional Districts

*“It covered my and my son’s medical care after I lost my job and then through the pandemic”*

– New York State Resident

### Constituent of Rep. Paul Tonko, NY-20

“My healthcare was covered by Medicaid during two periods in my life, and ensured that I could still get important care even when I was unemployed. Medicaid made it so that I could take care of my health, get prescription medications, and maintain relationships with doctors while I was looking for work. Medicaid matters to me because it was there, it was comprehensive, and kept me going”

-Katy, Albany NY

### Constituent of Rep. Nick Langworthy, NY-23



“As parents, we are scared with the current threats to Medicaid, Medicare, and Social Security. We live in the Town of Hamburg and are the proud parents of Craig, who lives in

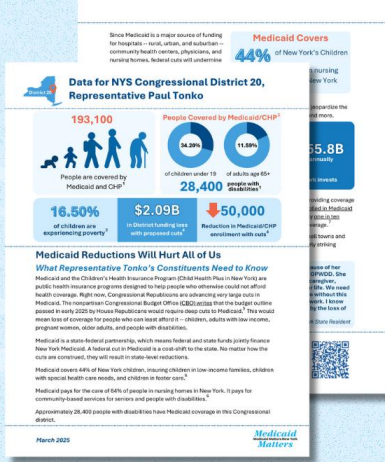


# Bringing the importance of Medicaid to the federal fight

**MEDICAID MATTERS TO NEW YORKERS  
IN ALL CONGRESSIONAL DISTRICTS**

**Download your  
district's Fact Sheet  
and tell your  
Representative to  
Protect Medicaid!**

**Find your Fact Sheet by visiting:  
[MedicaidMattersNY.org/federal-issues](https://www.MedicaidMattersNY.org/federal-issues)**



**Data for NYS Congressional District 20,  
Representative Paul Tonko**

Since Medicaid is a major source of funding for hospitals, mental health, and substance use treatment, community health centers, physicians, and nursing homes, federal cuts will undermine

**Medicaid Covers 44%** of New York's Children

**193,100** People are covered by Medicaid and CHIP

**56.29%** of children under 19

**11.89%** of adults age 18+

**28,400** people with disabilities

**16.50%** of children are experiencing poverty

**\$2.09B** in Medicaid funding gone with proposed cuts

**\$50,000** Reduction in Medicaid/CHIP enrollment with cuts

**Medicaid Reductions Will Hurt All of Us**

**What Representative Tonko's Constituents Need to Know**

Medicaid and the Children's Health Insurance Program (CHIP) are New York's public health insurance programs designed to help ensure that all children and adults have health coverage. Right now, Congressional Republicans are advancing very large cuts to Medicaid. The nonpartisan Congressional Budget Office (CBO) states that the largest cuts are projected to be made to Medicaid. These cuts would mean loss of coverage for people who can least afford it – children, adults with low income, pregnant women, older adults, and people with disabilities.

Medicaid is a state-federal partnership, which means federal and state funds jointly finance New York Medicaid. A federal cut in Medicaid is a cut with no state. No matter how the cuts are carved, they will result in state-level reductions.

Medicaid covers 44% of New York children, ensuring children in low-income families, children with special health care needs, and children in foster care.

Medicaid pays for the care of 84% of people in nursing homes in New York. It pays for community-based services for seniors and people with disabilities.

Approximately 28,400 people with disabilities have Medicaid coverage in this Congressional district.

March 2025

**Medicaid Matters**

**#ProtectMedicaid #HandsOffMedicaid**

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Matters**  
Medicaid Matters New York

# How to get involved / take action!

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Make calls to NY House members:

[Rep. Nick LaLota, NY-1](#): 202-225-3826

[Rep. Andrew Garbarino, NY-2](#): 202-225-7896

[Rep. Nicole Malliotakis, NY-11](#): 202-225-3371

[Rep. Mike Lawler, NY-17](#): 202-225-6506

# How to get involved / take action!

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Tell your story, collect stories

- <https://www.surveymonkey.com/r/T5SP9GR>

Use our district-specific fact sheets

- [www.medicaidmattersny.org/federal-issues](http://www.medicaidmattersny.org/federal-issues)

Contact your members of Congress

- <https://secure.everyaction.com/OY76qNWog0Oqh6399nFr3A2>

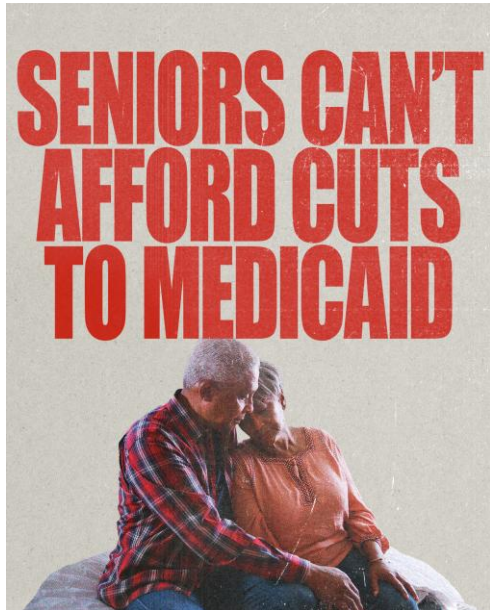


# “Medicaid is a hand *up*, not a handout.”

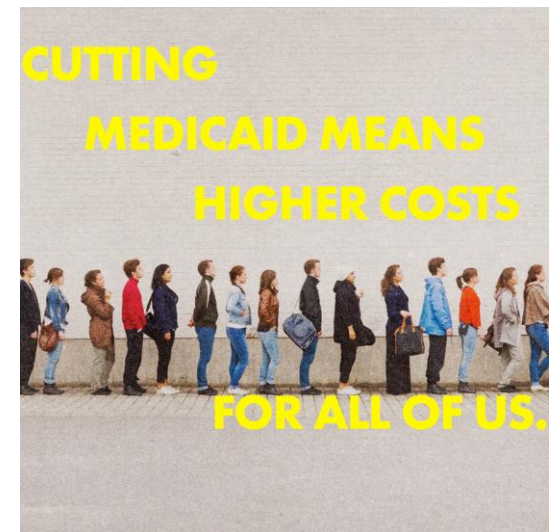




# Social Media Outreach



#HandsOffMedicaid #ProtectMedicaid #MedicaidMatters  
@MedicaidMtrsNY @HealthCareForAll\_NY



# Q&A