

## **Summary of 7/2/25 Federal Reconciliation Bill - Health Briefing**

**Provided by the Office of Governor Hochul and the NYS Department of Health**

Today our firm participated in a briefing provided by Governor Hochul's office and the Department of Health regarding the pending federal spending package and what it means for health coverage and social services in New York State. Please find a summary of the briefing below.

### **Amey Sutkowski, Federal Affairs, Office of Governor Kathy Hochul**

Amey Sutkowski provided introductory remarks, noting progression of the Republican Budget Reconciliation Bill advancing in Congress. The House passed their initial version of the Bill in May, with the Senate narrowly passing their own version Bill yesterday, which now returns to the House for a vote. At a glance, the version of the Bill passed by the Senate is expected to impose \$1.2 trillion in federal cuts. The House plans to vote today in advance of their self-imposed deadline of July 4, 2025.

### **Danielle Holahan, Executive Director, New York State of Health**

- New York State of Health is anticipating significant cuts to healthcare programs in NY. Current conservative estimates of 1.5 million New Yorkers who will be newly uninsured as a result of these cuts and a \$13.5 billion total fiscal impact to New York.
- The healthcare provisions of the Congressional Budget Reconciliation Bill will severely jeopardize the Essential Plan and New York's healthcare system. The Bill eliminates premium tax credit eligibility for almost half of current enrollees and cuts more than 50% of the program's funding with \$10 billion in annual losses for New York's healthcare economy.
- The number of uninsured New Yorkers is expected to increase as a result of these changes, increasing the amount of uncompensated care.
- Hospital losses are expected to exceed \$1.3 billion annually and over 730,000 individuals will lose federally funded Essential Plan coverage. About 506,000 of those individuals will move to Medicaid and the remainder, about 224,000, will lose their coverage.

- The Bill also limits coverage availability for lawfully present immigrant population (green card holders), who will no longer be eligible for subsidies they were previously eligible for.

### **Amir Bassiri, Medicaid Director, New York State Department of Health**

- Amir Bassiri highlighted significant impacts to Medicaid and Child Health Plus (CHP), detailing eligibility changes, work requirements, and anticipated coverage losses.
- Groups previously eligible (refugees, asylees, parolees, etc.) will lose eligibility, with an almost immediate effective date once the bill is signed.
- Retroactive coverage period for ACA expansion is changing. This has always been 90 days for all coverage types and will now be a two-month timeframe for CHP, and one month for Medicaid.
- Establishment of mandatory community engagement requirements will have a significant and exponential impact on coverage loss for existing members. NYS projects between 600,000 and 1.1 million people would lose eligibility to Medicaid as a result of these requirements which are required to take effect by 2028.
- New York State is inquiring with other states that operate work requirements within their Medicaid programs to understand implementation of these more cumbersome requirements.
- Hospitals, Community Health Centers, physicians and other providers will experience losses in revenue as populations lose coverage, putting essential Medicaid providers out of business, resulting in job losses and local economic impacts.
- In aggregate, additional Medicaid costs are estimated at \$3 billion - \$5 billion annually, amounts which do not yet include costs associated with uncompensated care. These estimates include costs associated with new requirements for DACA Recipients, implementation of new work requirements which is a huge administrative burden, and the lost state share of the MCO Tax, as DOH is anticipating only one year of revenue, rather than the previously planned two years of revenue from the MCO Tax.
- By 2029, NYS estimates between 1 million and 1.5 million individuals will lose health insurance as a result of this legislation. As much as 15% of the entire Medicaid program will lose their coverage.

### **Sonia Sekhar, Deputy Director, New York State of Health**

- New York State of Health is working to disseminate information to consumers including high-level consumer information/guidance for renewing health insurance and how certain individuals may be impacted in the new enrollment year.
- Unlike previous auto-enrollments, enrollees will now be required to take action to ensure continued coverage. The open enrollment period is being shortened. This will require more communication with enrollees to ensure coverage continuation.

## Q&A

- **How will the state absorb these additional costs?** A: The Governor's office responded that no state can backfill these unprecedented cuts. The State Budget that just passed is being stripped of about 15% which will require a renegotiation.
- **Is there more information about who is required to fulfill new work requirements?** A: Amir Bassiri noted that DOH will provide more information on work requirement eligibility once legislation is enacted.
- **What are some of the earliest changes we can expect will be implemented?** A: The DACA population change is required to be made 60 days after implementation of the final rule. Verification requirements are also fairly immediate. The Essential Plan Change impacting 500,000 individuals must be made by January 2026.
- **Is there any possibility of Medicare backfilling any of these cuts?** A: No.
- **How will these changes impact specific service lines (SUD treatment, maternal health, etc)?** A: Decisions will have to be made about whether specific programs can continue. If this language is enacted, changes will be necessary, although decisions have not been made yet.
- **Impacts to current 1115 waiver?** A: None of the cuts in the proposed bill directly impact the 1115 waiver and those funds are secured for the duration of that waiver period.

The Governor's office closed by urging community members to continue contacting members of the New York Congressional delegation who are supporting the Reconciliation Bill.

Slides are included below.

## Overview: Impacts on New York

### Summary of Congressional Budget Reconciliation Bill on New York

<b>Newly Uninsured</b>	<b>1,464,740</b>
Lost Federal Funding	(\$10,082,692,468)
New State Funded Medicaid Costs	(\$3,343,048,327)
<b>Total Fiscal Impact NY</b>	<b>(\$13,452,740,795)</b>

*\*Estimates are mostly based on HR.1 and do not reflect all changes in the Senate-passed bill*



## Overview: New York's Integrated Insurance Marketplace

- Since 2010, the number of **uninsured in New York State has declined by over 1.3 million**, and the share of uninsured remains below 5%, driven by the ACA Expansion and New York's Essential Plan – an affordable coverage alternative to Qualified Health Plans for low-income New Yorkers offered since 2016.
- Today, the Essential Plan has **more than 1.6 million enrollees**. These enrollees are **hardworking individuals** employed by New York's small businesses, elder care and childcare, retail, food service, and manufacturing.
- With these uninsured reductions, we have seen corresponding reductions in uncompensated care in every part of the state, which is foundational to our state's health care economy.



## Overview: Essential Plan In The Crosshairs

- The healthcare provisions of the Congressional Budget Reconciliation Bill (Bill) will severely jeopardize the Essential Plan and New York's healthcare system.
- Funding for the Essential Plan is calculated based on federal premium tax credits, which is used to reimburse providers for care.
- The Bill eliminates premium tax credit eligibility for almost **half of current enrollees and cuts more than 50% of the program's funding**.
- Combined, the provisions of this Bill equate to over **\$10 billion in annual losses** for New Yorkers and our healthcare economy.
- The loss of this funding will impact every community in the state.
  - Uninsured consumers will still seek care in hospitals and will need other social services to maintain their health.
  - Hospital financial losses will result in job losses and harm local economies.



## Key Takeaways: Essential Plan In The Crosshairs

- The impact of the Bill's provisions will devastate New York's Essential Plan and shift unsustainable costs to the State's Medicaid program.
- The State would not be able to absorb the impacts:
  - Loss of over **\$7.5 billion annually** – more than half of the Essential Plan's annual budget.
  - Additional State expenditures of **\$2.7 billion** due to federal cuts.
  - Hospital losses will exceed **\$1.3 billion annually** and will result in job losses and local economic impact.
  - **Over 730,000 individuals** will lose their federally-funded Essential Plan coverage, of which 506,000 will move to Medicaid and 224,000 will become uninsured.



## Key Takeaways: Essential Plan In The Crosshairs

- The impact of the Bill's provisions would cut New York State's Essential Plan funding by more than half.
- The State would not be able to absorb these impacts and will create a significant negative economic ripple effects statewide.

**\$7.5  
Billion**

Lost annually --  
more than 50% of the  
Essential Plan  
annual budget

**\$2.7  
Billion**

In additional State  
expenditures due to  
loss of federal  
funding

**\$1.3 Billion**

Increase in hospital uncompensated care costs

**730,000**

Individuals lose their Essential Plan coverage

**Undercuts Affordability**

For All New Yorkers



## Key Takeaways:

Current Essential Plan Enrollees		W&M Proposal: Enrollee Impact		W&M Proposal: Hospital Impact			W&M: Statewide Fiscal Impact	
Congressional District [#]	Number of EP Enrollees (Rounded)	EP Enrollees required to move to State-Only Medicaid	Newly Uninsured who Lost EP (Rounded)	Additional Uncompensated Care Losses	Reduced Reimbursement (From EP Rates to Medicaid Rates)	TOTAL Hospital Losses	New state costs of moving EP members under 138% of FPL to State Funded Medicaid	EP Funding Loss to State as a result of W&M eligibility change
1	77,200	21,408	9,472	(\$21,100,051)	(\$7,966,193)	(\$29,066,244)	\$115,525,899	(\$319,619,520)
2	78,000	21,630	9,570	(\$23,653,948)	(\$11,668,236)	(\$35,322,184)	\$116,723,059	(\$322,931,640)
3	63,700	17,664	7,816	(\$37,412,311)	(\$12,200,050)	(\$49,612,361)	\$95,323,832	(\$263,727,506)
4	67,000	18,579	8,220	(\$17,095,482)	(\$21,983,874)	(\$39,079,356)	\$100,262,115	(\$277,389,998)
5	113,700	31,530	13,950	(\$7,806,674)	(\$14,571,768)	(\$22,378,442)	\$170,146,305	(\$470,734,967)
6	163,600	45,367	20,073	(\$75,467,480)	(\$86,488,525)	(\$161,956,005)	\$244,819,134	(\$677,328,413)
7	99,600	27,620	12,220	(\$11,440,090)	(\$14,631,794)	(\$26,071,884)	\$149,046,368	(\$412,358,863)
8	97,700	27,093	11,987	(\$7,573,404)	(\$14,900,999)	(\$22,474,403)	\$146,203,114	(\$404,492,579)
9	123,800	34,330	15,189	(\$39,882,509)	(\$80,723,800)	(\$120,606,309)	\$185,260,445	(\$512,550,474)
10	79,200	21,963	9,717	(\$42,193,886)	(\$40,046,236)	(\$82,240,122)	\$118,518,798	(\$327,899,819)
11	73,700	20,437	9,042	(\$15,076,073)	(\$4,359,108)	(\$19,435,181)	\$110,288,326	(\$305,128,998)
12	24,200	6,711	2,969	(\$157,128,247)	(\$154,101,173)	(\$311,229,420)	\$36,214,077	(\$100,191,611)
13	91,500	25,373	11,226	(\$5,131,580)	(\$11,452,135)	(\$16,583,715)	\$136,925,127	(\$378,823,654)
14	121,700	33,748	14,932	(\$8,417,857)	(\$16,237,151)	(\$24,655,008)	\$182,117,901	(\$503,856,161)
15	104,400	28,951	12,809	(\$46,058,260)	(\$62,414,652)	(\$108,472,912)	\$156,229,325	(\$432,231,579)
16	61,300	16,999	7,521	(\$17,599,019)	(\$12,640,315)	(\$30,239,334)	\$91,732,353	(\$253,791,148)
17	42,900	11,896	5,264	(\$18,214,814)	(\$13,873,836)	(\$32,088,650)	\$64,197,682	(\$177,612,402)
18	42,500	11,785	5,214	(\$15,458,948)	(\$6,209,414)	(\$21,668,362)	\$63,599,103	(\$175,956,342)
19	37,400	10,371	4,589	(\$21,882,902)	(\$2,930,284)	(\$24,813,186)	\$55,967,210	(\$154,841,581)
20	32,800	9,096	4,024	(\$25,206,264)	(\$4,943,376)	(\$30,149,640)	\$49,083,543	(\$135,796,895)
21	44,700	12,396	5,484	(\$21,494,500)	(\$3,849,010)	(\$25,343,510)	\$66,891,292	(\$185,064,670)
22	37,100	10,288	4,552	(\$31,789,619)	(\$2,569,727)	(\$34,359,346)	\$55,518,276	(\$153,599,536)
23	33,000	9,151	4,049	(\$13,340,858)	(\$142,237)	(\$13,483,095)	\$49,382,833	(\$136,624,924)
24	33,700	9,345	4,135	(\$11,399,875)	(\$549,216)	(\$11,949,091)	\$50,430,347	(\$139,523,029)
25	41,300	11,453	5,067	(\$19,263,704)	(\$25,780,523)	(\$45,044,227)	\$61,803,363	(\$170,988,163)
26	40,000	11,092	4,908	(\$26,333,943)	(\$5,891,764)	(\$32,225,707)	\$59,857,979	(\$165,605,969)
<b>Statewide</b>	<b>1,630,000</b>	<b>506,276</b>	<b>224,000</b>	<b>(\$737,422,296)</b>	<b>(\$633,125,396)</b>	<b>(\$1,370,547,692)</b>	<b>\$2,732,067,806</b>	<b>(\$7,558,670,443)</b>

## Overview: Medicaid and Child Health Plus

- The Bill further destabilizes health insurance in New York and would disproportionately harm New York by cutting federal funds and raising state costs for Medicaid and CHP.
- Eligibility changes could increase the uninsured by 500K by 2029 — and over 1 million annually after work requirements begin (2029 - 2034). Total uninsured from proposed Bill is estimated at nearly 1.5 million.
- Coverage losses would fall heavily on lower-cost expansion adults, driving up average Medicaid costs and uncompensated care for providers.
- Work requirements and other changes are expected to increase state administrative costs by more than 20%.



## Key Takeaways: State and Federal Medicaid Costs will Increase

- The impact of the Bill's provisions will require wholesale changes to member benefits and eligibility to mitigate against the loss of coverage and new state Medicaid costs.
- The State would not be able to absorb the impacts:
  - Over **1 million Medicaid enrollees** – nearly 15% of the entire program – will lose coverage.
  - Additional State expenditures of over **\$3 billion** due to targeted federal cuts against New York.
  - Hospitals, Community Health Centers, Physicians and other providers will experience losses in revenue as populations lose coverage which will put essential Medicaid providers out of business and result in job losses and local economic impact.



## Key Takeaways:

Congressional District [#]	Current NYS Medicaid Enrollees		E&C Proposals: Medicaid Enrollee Impacts			E&C Proposals: Statewide Medicaid Fiscal Impacts				
	# of Medicaid Enrollees	# of ACA Adult Group	# of Current ACA Group Who Will Be Uninsured	# of Non-ACA Group Who Will Become Uninsured	Total # of Newly Uninsured	Increased Costs of DACA Recipients & Immigration Verification changes	New Admin/Operational Costs	ACA FMAP Penalty for Coverage of Undocumented Children and Adults	Lost State Share of MCO Tax Revenue	Total New State Fiscal Impact
1	221,807	63,077	(33,445)	(4,598)	(38,043)	(\$3,324,501)	(\$16,338,830)	(\$29,583,442)	(\$51,225,518)	(\$100,472,291)
2	227,065	63,478	(33,658)	(4,707)	(38,365)	(\$3,403,319)	(\$16,726,192)	(\$30,284,807)	(\$52,439,974)	(\$102,854,291)
3	159,546	49,622	(26,311)	(3,308)	(29,619)	(\$2,391,323)	(\$11,752,568)	(\$21,279,455)	(\$36,846,663)	(\$72,270,009)
4	199,703	59,795	(31,705)	(4,140)	(35,845)	(\$2,993,206)	(\$14,710,622)	(\$26,635,373)	(\$46,120,758)	(\$90,459,959)
5	354,371	109,423	(58,019)	(7,347)	(65,366)	(\$5,311,407)	(\$26,103,819)	(\$47,264,142)	(\$81,840,719)	(\$160,520,086)
6	379,240	117,005	(62,039)	(7,882)	(69,902)	(\$5,684,158)	(\$27,935,767)	(\$50,581,108)	(\$87,584,246)	(\$171,785,279)
7	386,997	115,524	(61,254)	(7,608)	(68,862)	(\$5,500,648)	(\$27,033,877)	(\$48,948,125)	(\$84,756,638)	(\$166,239,288)
8	358,329	113,642	(60,256)	(7,429)	(67,685)	(\$5,370,743)	(\$26,395,434)	(\$47,792,148)	(\$82,754,993)	(\$162,313,318)
9	404,544	122,502	(64,954)	(8,387)	(73,341)	(\$6,063,423)	(\$29,799,730)	(\$53,956,039)	(\$93,428,144)	(\$183,247,335)
10	302,724	90,852	(48,172)	(6,276)	(54,448)	(\$4,537,309)	(\$22,299,380)	(\$40,375,743)	(\$69,913,039)	(\$137,125,470)
11	248,273	71,281	(37,795)	(5,147)	(42,942)	(\$3,721,189)	(\$18,288,420)	(\$33,113,410)	(\$57,337,872)	(\$112,460,891)
12	109,331	43,914	(23,285)	(2,267)	(25,551)	(\$1,638,681)	(\$8,053,580)	(\$14,581,986)	(\$25,249,591)	(\$49,523,838)
13	421,063	144,817	(76,786)	(8,729)	(85,515)	(\$6,311,012)	(\$31,016,551)	(\$56,159,243)	(\$97,243,124)	(\$190,729,930)
14	415,862	130,840	(69,375)	(8,622)	(77,997)	(\$994,857)	(\$30,633,450)	(\$55,465,592)	(\$96,042,025)	(\$183,135,925)
15	512,999	157,401	(83,458)	(10,635)	(94,094)	(\$1,227,234)	(\$37,788,749)	(\$68,421,131)	(\$118,475,325)	(\$225,912,439)
16	262,890	78,885	(41,827)	(5,450)	(47,277)	(\$628,905)	(\$19,365,114)	(\$35,062,897)	(\$60,713,525)	(\$115,770,441)
17	197,481	41,172	(21,830)	(4,094)	(25,925)	(\$472,429)	(\$14,546,943)	(\$26,339,012)	(\$45,607,592)	(\$86,965,977)
18	204,073	54,593	(28,947)	(4,231)	(33,178)	(\$488,199)	(\$15,032,536)	(\$27,218,237)	(\$47,130,022)	(\$89,868,993)
19	194,945	54,358	(28,822)	(4,042)	(32,864)	(\$466,362)	(\$14,360,127)	(\$26,000,758)	(\$45,021,885)	(\$85,849,132)
20	161,248	46,881	(24,857)	(3,343)	(28,200)	(\$385,749)	(\$11,877,901)	(\$21,506,366)	(\$37,239,608)	(\$71,009,644)
21	237,534	63,508	(33,674)	(4,925)	(38,598)	(\$568,247)	(\$17,497,364)	(\$31,681,108)	(\$54,857,755)	(\$104,604,474)
22	206,838	54,995	(29,160)	(4,288)	(33,448)	(\$494,814)	(\$15,236,217)	(\$27,587,026)	(\$47,768,604)	(\$91,086,661)
23	181,139	50,671	(26,867)	(3,755)	(30,623)	(\$433,334)	(\$13,343,140)	(\$24,159,380)	(\$41,833,428)	(\$79,769,283)
24	166,929	44,872	(23,793)	(3,461)	(27,253)	(\$399,340)	(\$12,296,389)	(\$22,264,109)	(\$38,551,651)	(\$73,511,488)
25	205,134	58,884	(31,222)	(4,253)	(35,475)	(\$490,736)	(\$15,110,647)	(\$27,359,667)	(\$47,374,917)	(\$90,335,967)
26	227,942	67,137	(35,598)	(4,726)	(40,324)	(\$545,299)	(\$16,790,752)	(\$30,401,701)	(\$52,642,383)	(\$100,380,136)
<b>Total</b>	<b>6,928,005</b>	<b>2,069,131</b>	<b>(1,097,110)</b>	<b>(143,630)</b>	<b>(1,240,740)</b>	<b>(\$63,846,421)</b>	<b>(\$510,334,100)</b>	<b>(\$924,022,025)</b>	<b>(\$1,600,000,000)</b>	<b>(\$3,098,202,546)</b>

## Fact Sheet: Renewing Your Health Insurance

Guidance for consumers on what they will need to do in the new enrollment year



# Renewing Your Health Insurance

Everything is changing. Here is what you need to know.

- GET NOTIFIED**

You'll receive a renewal notice. You may need to show your work hours and renew twice a year.
- SUBMIT INFO QUICKLY**

You'll need to submit paperwork - fast! Real-time data checks are restricted. You'll need to send in paperwork to show you qualify, and you won't have much time to do it.
- LOG IN & REVIEW**

Enrollment won't be automatic. The enrollment period is shorter, which means you have less time to send us your documents.
- STAY INFORMED**

Don't risk losing coverage. Over 1 million New Yorkers risk losing coverage due to extra paperwork. Don't let that happen to you.

**NEED HELP?**  
Call 1-855-355-7777 or visit [nystateofhealth.ny.gov](http://nystateofhealth.ny.gov)



## Stay Connected Campaign: Integrated consumer awareness and education campaign focused on the impact of the Federal Cuts.

Call to action encourages  
consumers to share their story  
– to date, over 400 New  
Yorkers have contributed.



**nystateofhealth** SUPPORT & RESOURCES Reset Language Get Covered Log In

Individuals & Families | Employers | Advisors & Brokers | Info & Events | Language Support

Stay Connected: Get updates on the latest NY State of Health News and Events

### Stay Connected: Get updates on the latest NY State of Health News and Events

#### Impact of Federal Budget Bills On New York

There are 6.7 million people enrolled in health insurance through NY State of Health. However, due to proposed changes in federal law, there could be changes to your NY State of Health coverage. These federal changes could result in higher premiums to enroll or renew your health plan and could mean new requirements to enroll and renew your health plan. See how your premiums could change depending on where you live. [Visit our NY Healthcare Impacts by Congressional District Map.](#)

**Watch for our messages to learn what this could mean for you.**  
We will continue to update this page as more information is made available to NY State of Health.

#### How could my health insurance change in 2026?

**If you are enrolled in the ESSENTIAL PLAN**

- Over 720,000 individuals could lose their Essential Plan coverage
- Some Essential Plan enrollees may have to pay for full cost Qualified Health Plan coverage
- Hospitals could incur over \$1.3 billion in losses, which could make it harder to access care

**If you are enrolled in MEDICAID**

- Over 1 million Medicaid enrollees may lose their coverage
- New paperwork and work requirements might leave almost 1.5 million New Yorkers without insurance
- Enrollees may have to renew their coverage twice a year instead of annually

**If you are enrolled in a QUALIFIED HEALTH PLAN (QHP)**

- An estimated 65,000 - 80,000 New Yorkers may lose their coverage
- 140,000 enrollees who receive tax credits may see their costs increase by 30 percent
- 120,000 enrollees could see their rates go up by at least 5 percent

**Learn More:**

- Download our Fact Sheet
  - English
  - Spanish
- Read the latest press releases

**Real Stories  
From  
Real New Yorkers**

64

**SHARE  
YOUR STORY**

**nystateofhealth**

*“Because of this coverage, I have been able to stay on top of my treatment plan. Beyond the physical relief, the emotional and mental comfort of knowing I have reliable, affordable health insurance is priceless. It removes the fear of having to choose between basic necessities and paying for treatment.”*