



# HOW FEDERAL CUTS WILL IMPACT NEW YORK

## H.R.1 Impact

**H.R.1** is the Federal budget reconciliation bill signed into law on July 4, 2025. Referred to as the "One Big Beautiful Bill Act," it pays for tax cuts for wealthy people and big corporations by cutting health care and food stamps from millions of Americans.

### Loss of Federal Medicaid Funds:

- Fiscal Policy Institute estimates New York State will lose \$8.4 billion annually.<sup>1</sup>
- Fewer people covered due to eligibility changes and paperwork barriers, among other fiscal changes
  - Eligibility for many lawfully residing immigrants will be eliminated due to changes to the definition of "qualified immigrant," which will exclude refugees, asylees, parolees, and people in temporary protected status (pregnant women and children are exempt).

## Medicaid in New York

- Public insurance coverage for people with **low income** and people with **disabilities**
- Covers **long term services and supports** for people over 65
- Covers **approximately seven million** New Yorkers
- Comprises **over one-third** of the overall state budget
- Provides **comprehensive benefits** and funds the delivery system

## KEY POLICY CHANGES WITH DIRECT INDIVIDUAL IMPACT

**1+ Million  
New Yorkers**

**Essential Plan Coverage Loss:** Over one million New Yorkers are affected by the loss of Federal funding for this program. NYS announced a plan September 10, 2025 to eliminate the Essential Plan and revert to the Basic Health Program for those below 200% of the Federal poverty level (FPL).<sup>2</sup> An affordable coverage option is still needed for those 200-250% FPL.



**More frequent Medicaid renewals:** People will need to prove their eligibility every six months instead of annually (effective 1/1/27).



**Work reporting requirements:** People aged 19-64 will need to document they work 80 hours/month or meet an exemption, like having a disability, medically frail status, caregiving, substance abuse treatment, or meeting SNAP/TANF work reporting requirements (effective 1/1/27).<sup>3</sup>



**Other changes:** Retroactive Medicaid coverage limited from 90 to 30 days (effective 1/1/27); increased cost sharing for Medicaid expansion population (effective 10/1/28).

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## Where Impact Converges

The loss of federal Medicaid funds will result in less funding for the entire health care delivery system. Historically, reductions in funding have disproportionate impacts, which result in access issues:

- Long term services and supports
- Other care and services, like specialty care
- Safety net facilities, particularly in rural areas and historically marginalized communities

## Opportunities for State Action

- Streamline, simplify, and clarify Medicaid application and renewal to ensure people keep the coverage for which they are eligible.
- Provide affordable coverage options for people who are losing access to coverage due to federal cuts and policy changes.
- Increase funding for navigators/assisters to help make sure people get and retain benefits for which they are eligible.

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In my job, I support individuals that utilize Medicaid to access supports and services that they wouldn't otherwise have access to. I also have a grandparent that is able to live at home independently, instead of a nursing home, because of the services Medicaid provides to him. Finally, I have a child with a disability. She does not currently rely on Medicaid, but as she gets older, and her condition becomes more complex, it is likely that Medicaid will be the only way for her to remain independent in the community, and receive the care and services she needs and deserves.

– Maggie Rowland, Queensbury



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## Resources

1. Eisner, E. (2025). [FPI Briefing on the Federal Budget Reconciliation Bill](#), Federal Policy Institute.
2. NYS Department of Health. (2025). [Press Release: Following Devastating Federal Funding Cuts, New York State Takes New Action to Preserve Health Care for As Many New Yorkers As Possible](#).
3. Hinton, E., Diana, A., Rudowitz, R. (2025). [A Closer Look at the Work Requirement Provisions in the 2025 Federal Budget Reconciliation Law](#), Kaiser Family Foundation.

