

Medicaid Medicaid Matters New York Matters

2026 Health Justice Agenda

The federal budget reconciliation bill enacted in July 2025 – H.R.1 – will have a devastating impact on state budgets, including here in New York. The state is expected to lose billions of dollars in Medicaid funding, and hundreds of thousands of people are at risk of losing their public insurance coverage.

It is incumbent on the state to prioritize the needs of the approximately seven million New Yorkers on Medicaid as they work to implement H.R.1 and mitigate the harms of lost federal funding. Steps must include:

- Implementing new federal requirements – including six-month renewals and work reporting requirements – in ways that will keep as many people covered by Medicaid as possible. New processes must be automated as much as possible, and we understand the Department of Health is working toward that goal;
- An affordable coverage option for the approximately 450,000 New Yorkers who will lose coverage as the state moves away from the Essential Plan to revert back to the Basic Health Program;
- State-only public coverage for people who lose Medicaid or Essential Plan coverage due to the implementation of H.R.1;
- Increased funding for consumer assistance, as the demand for help with individual cases will significantly increase; and
- Funding for new FTEs at the Department of Health and easing of hiring processes to expand staff capacity for implementation of H.R.1 and essential oversight functions.

Despite loss of federal Medicaid funding, New York must invest in safety-net health care that is accessible and available in communities across the state. The state budget must:

- support the public and private, urban and rural safety net hospitals, and ensure equitable distribution of funding to address disparities in historically underserved areas; and
- invest in primary and preventive care by increasing Medicaid reimbursement for these critical services.

New York has a long history of maintaining a Medicaid program that provides broad access to coverage and comprehensive benefits. In this time of great uncertainty for Medicaid consumers and the safety net providers that serve them, New York must continue to build on this history for a program that works for all who need it. In addition, Medicaid Matters believes New York should implement the New York Health Act, which would be built on New York's Medicaid program. We therefore should strengthen Medicaid in New York to be the best foundation for universal coverage it can be. This includes improvements in the following areas:

Affirm Access to Needed Benefits

- Codify Medicaid coverage for gender-affirming care
- Codify Medicaid coverage for dental services now covered under a lawsuit that sunsets January 31, 2028; these include root canals, crowns, replacement dentures, and dental implants.

Medicaid Managed Care

- Enhance transparency by posting Managed Medicaid Cost and Operating Reports (MMCOR) data and other data sets that demonstrate plan activity, like denials;
- Address systemic inequities by collecting and reporting managed care data based on race, ethnicity and disability, at a minimum;

- Add health equity standards to the model contracts and managed care rate setting methodologies;
- Revamp the Department of Health system for taking and addressing complaints and use individual complaints to identify systemic issues;
- Address capacity concerns to ensure that Medicaid enrollees have timely access to medical, mental health and dental providers.

Fee-for-Service Medicaid

- Establish a formal grievance process for FFS Medicaid recipients
- Ensure that LDSS staff are properly trained in the administration of the CDPA program, including respecting the autonomy of consumers in ways including, but not limited to:
 - Recognizing that self-directing consumers are not required to use a designated representative and may represent themselves; and
 - Consumers do not have to identify specific personal assistants in advance in order to be authorized for care hours. Authorization should be based on medical necessity.
- Prioritize timely administration of immediate needs home care requests and implement accountability measures for when obligations to these high-needs consumers are not met.

Access to Home- and Community-Based Services

- Raise home care wages by enacting Fair Pay for Home Care
- Invest in higher wages for direct support professionals who support people with I/DD
- Repeal restrictions to personal care and CDPA enacted in 2020 (requirements based on needing assistance with at least three activities of daily living, and the addition of the look-back period for income eligibility for community-based long-term care).
- Exempt people with I/DD from expanded ADL restrictions now in place

Invest more heavily in community-based mental health care to ensure higher quality and greater access to needed services. New investments should be made in outpatient, preventive care, as well as to enhance quality in congregate residences operated by the Office of Mental Health, clinics, and psychiatric units. Funding should also promote access to community supports and services for people with serious mental illness, including young people.

Replace the Medicaid global spending cap with intelligent budgeting which would allow the State to make necessary investments and adjustments reflective of real-world needs and conditions; if the cap is kept in place, the Division of the Budget should publish plain language summaries to accompany their cap reports and should provide public webinars with live Q&A or other similar opportunities for transparent information sharing about the Medicaid budget.

Raise revenue to avoid austerity

From an overarching standpoint, the state must remember the importance of maintaining access to coverage and services. It is incumbent on New York lawmakers to protect the public insurance coverage people with low income and people with disabilities rely on to stay healthy and living independently in the face the devastating cuts and potential administrative changes from Washington. This will require finding revenue solutions to allow the state to avoid austerity measures, like drastic Medicaid cuts. Some solutions include:

- Eliminating Managed Long Term Care (MLTC) partial capitation by enacting the Home Care Savings and Reinvestment Act and carving behavioral health services out of Medicaid managed care; and
- Enacting progressive tax reform measures to bring in new revenue.