

May 4, 2026

Medicaid Medicaid Matters New York Matters

Memorandum in Support S.9589, Rivera / A.10926, Paulin

AN ACT to amend the Public Health Law and the Social Services Law, in relation to coverage for New Yorkers losing insurance due to the implementation of HR1

Medicaid Matters New York – the statewide Medicaid consumer advocacy coalition – supports S.9589 / A.10926, a bill that would provide insurance coverage options for people losing Essential Plan coverage due to the state’s implementation of HR1. **Medicaid Matters urges the Governor and Legislature to include this legislation in the final FY27 state budget** to protect health insurance for the nearly half a million New Yorkers set to lose their coverage beginning July 1, 2026.

The federal budget reconciliation bill enacted in 2025, HR1, will threaten public insurance coverage for 1.5 million New Yorkers. Governor Hochul has done much to mitigate the worst of these impacts. However, on April 1, 2026, nearly half a million New Yorkers received notice that their Essential Plan (EP) health insurance coverage would end on July 1, 2026. Their incomes are between 200-250% of the Federal Poverty Level (FPL) (making between \$31,000 and \$39,000 a year for an individual). Health insurance marketplace rules prohibit them from receiving EP if they have offers of job-based coverage. They typically work jobs that do not offer insurance. They cannot afford \$200 a month for marketplace coverage with a \$2,500 deductible.

Adopting this bill as part of the final state budget is crucial to saving health insurance for nearly half a million New Yorkers. This bill includes a three-part proposal to:

- 1) Offer Essential Plan coverage to 444,000 individuals with incomes between 200–250% FPL who are currently enrolled and are set to lose coverage in July 2026;
- 2) Create a state-funded health insurance program for 6,000 individuals with DACA and PRUCOL status (specific immigration-related status) with incomes between 138–200% FPL;
- 3) Establish a state-funded Affordable Care Act (ACA) premium assistance program for 15,000 lawfully-present immigrants (e.g., refugees, asylees) with incomes between 200–400% FPL who will lose access to federal premium tax credits starting in January 2027.

Incorporating this bill into the state budget would cost as little as \$393 million in the 2026-2027 fiscal year, and \$639 million and \$675 million for each of the following two years. The Governor set aside a \$2.4 billion coverage contingency fund in her FY27 Executive Budget (\$3.5 billion per year for out years) to pay for coverage if the federal government denied the State’s request to return the Essential Plan to the Section 1331 Basic Health Program. Since the federal government approved New York’s request, the State can use some of the contingency funds for this purpose.

Medicaid Matters New York urges the Governor and the Legislature to include S.9589 / A.10926 in the final FY27 state budget to keep these New Yorkers insured.