

# Medicaid Policy Update: Key Changes Ahead

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## ABOUT NYLAG

The New York Legal Assistance Group (NYLAG) is a leading non-profit that provides free civil legal services, financial counseling, and engages in policy advocacy efforts to help people experiencing poverty.

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## The Evelyn Frank Legal Resources Program

Focuses on fighting for older adults and people with disabilities, ensuring access to health care and home care services to age safely in the community. Services include:

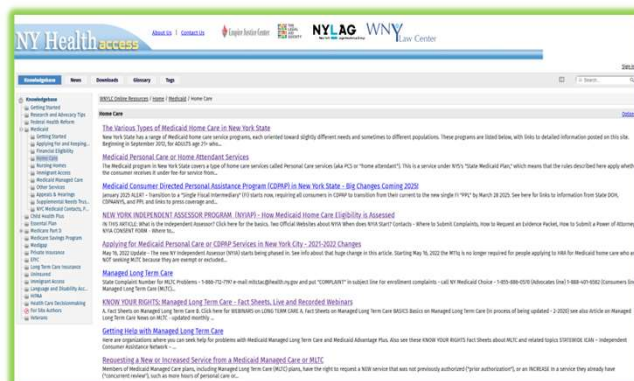
- **Counseling** client on Medicaid, Medicare and home care eligibility and services.
- **Training** legal, social services and health care professionals about changes in Health Care programs and how to best serve the health and long-term care needs of older adults and people with disabilities.
- **Representing** clients in denials and reduction of Medicaid, Medicare Savings Program and Medicaid Home Care.
- **Assisting** clients with accessing Medicaid home care through Managed Long Term Care plans.

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## EFLRP Services (continued)

- Educating the public through the website: <http://health.wnyc.com/health/>



- Policy Updates
- Consumer Materials
- Expansive resources on coverage criteria and eligibility

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## Agenda

- HR1 – Review of Select Provisions Impacting Access to Health care
- State Policy Shifts
  - Medicaid Modernization – moving applications and renewals online for additional Medicaid eligibility groups
  - Home Care Eligibility Restrictions – 2 ADL/3 ADL eligibility criteria



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## HR1 – BUDGET RECONCILIATION ACT

A review of select provisions impacting  
access to health care



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## Big Picture Impacts of HR 1

- The Budget Reconciliation Act of 2025 (H.R. 1/Public Law No. 119-21) passed Congress on July 3 and was signed into law on July 4
- H.R. 1 is also called the One Big Beautiful Bill Act (OBBBA)
- Largest cut to Medicaid in history – \$990 billion (CBO estimate)
  - Medicare and ACA cuts push total well over \$1 trillion
- Some cuts go into effect immediately; some are delayed.



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## NY Summary: Higher costs, Fewer Insured



Estimated 1.5-2 million New Yorkers lose coverage



Cuts shift +\$10 billion from federal funds to state



Increased premiums for all as hospitals provide more uncompensated care to sicker patients



Looming threat of hospital closures

See

<https://info.nystateofhealth.ny.gov/sites/default/files/House%20Budget%20Impacts%20on%20the%20Essential%20Plan%20and%20Medicaid.pdf>



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## NY Health Insurance Landscape



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### HR1: ACA Non-Medicaid Coverage—Qualified Health Plans Purchased on the Marketplace

- HR1 failed to extend enhanced tax credits passed under ARPA to sunset (previously extended by Inflation Reduction Act) – which increased affordability of marketplace plans.
- Various burdens expected to drive healthier consumers to leave the risk pool, and drive costs up
  - Increased eligibility verification requirements to enroll and receive APTCs
  - Prohibits passive reenrollment for those who receive financial assistance. 60% of enrollees passively reenroll in state based marketplaces. Effective Plan Year 2028. See Sec. 71303 of HR1.
  - Restrictions on enrollment periods, begins 11/1/2025
- If fail Work Requirements for Medicaid, can't qualify for subsidies for ACA Qualified Health Plans

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## HR1: Provisions Directly Affecting MAGI (< 65, Not Disabled)

Effective 12/31/2026:

- Sec. 71107 – Increases frequency of eligibility determinations for MAGI “expansion population” to every 6 months (does not apply to non-MAGI, age 65+/disabled)
- Sec. 71112 - Restricts retroactive coverage to:
  - 2 months before month of application for non-MAGI “non-Expansion” group and pregnant women and children in CHIP
  - 1 month prior to application date for “expansion” population
- Sec. 71119 Work requirements for “able-bodied” adults 19-64 years
  - See next slide



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## 2027: Medicaid Work Requirements (MAGI population; does not apply to non-MAGI)

Effective: January 1, 2027:

**Adults aged 19-64 will be required to engage in work, education or volunteer activities of at least 80 hours per month to maintain eligibility.**

- Exempt groups include:
  - Parent/caretaker of child under 13 or a disabled individual
  - Disabled veterans
  - Medically frail individual
  - Individuals in substance use disorder treatment program
  - Recently incarcerated
  - disabled persons, pregnant/post-partum (12 month)
  - short term hardship

*And more not listed here.*

**State may apply to delay until Dec. 31, 2028 if making a good faith effort to implement.**



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### HR1: Provisions Directly Affecting Age 65+, Disabled

- Sec. 71108 eff. 1/1/2028: \$1 million home equity limit for Long Term Care applications, with no COLA increases, exempts agricultural land
- Sec. 71112 eff. 12/31/2026: Restricts retroactive coverage (now 3 mos.) to:
  - **2 months** before month of application for non-MAGI “non-Expansion” group and pregnant women and children in CHIP
  - **1 month** prior to application date for “expansion” population



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### HR1: Restricts Federally Supported Health Coverage to Limited Immigration Statuses

- Sec. 71109 eff. 10/1/2026 Restricts federal **Medicaid/CHIP** coverage to individuals to LPRs, Cuban/Haitian entrant, Compact of Free Association (COFA) individuals (Marshallese), lawfully residing children and pregnant individuals under ICHIA (NYS does this).
- Sec. 71201 ends **Medicare** for lawfully present immigrants who are not individuals to LPRs, Cuban and Haitian entrant, COFA individuals (Marshallese) effective 7/4/25 (new applicants) and 1/4/27 (current enrollees).
- Sec. 71301, effective 1/1/27, **Marketplace**, only LPRs, Cuban/Haitian entrants, and COFA migrants (Marshallese) will be eligible for subsidized Marketplace coverage.

**Which Immigration Statuses are Left Out?**



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## Lawfully Present Immigrants Losing Federally Supported Health Coverage Under HR1 <sup>15</sup>

	Medicaid (Sec. 71109, effective 10/1/26)	Marketplace (Sec. 71301, effective 1/1/27)	Medicare (Sec. 71201, effective 7/4/25*)
Refugees	X	X	X
Asylees	X	X	X
People granted parole for at least 1 year	X	X	X
Survivors of domestic violence and trafficking	X	X	X
Members of a federally recognized Indian tribe or American Indian born in Canada	X	X	X
People with Temporary Protected Status	N/A	X	X
People granted deferred action or deferred enforcement departure	N/A	X	X
People with work visas or other temporary visas	N/A	X	X
Certain applicants, including applicants for: Adjustment to LPR with approved visa petitions; Asylum; Withholding of removal	N/A	X	X
Special immigrant juveniles	N/A	X	X
People who were granted humanitarian parole	N/A	X	X
Other lawfully present immigrants	N/A	X	X

\* The changes to Medicare eligibility are effective upon enactment for new enrollees and 18 months after enactment, or 1/4/27, for current enrollees.  
N/A indicates these statuses are not currently eligible for Medicaid so they are not impacted by the policy change in H.R. 1. Chart prepared by Center for Children and Families  
• <https://ccf.georgetown.edu/2023/10/01/new-immigrant-eligibility-restrictions-coming-to-federally-funded-health-coverage/>.

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## NY Uses State Dollars to Cover Immigrants

- NY provides Medicaid coverage using State funds to individuals “permanently residing under color of law (PRUCOL).”
- Aliessa v. Novello, 96 NY2d 418 (2001); NYS cannot deny Medicaid to an immigrant “permanently residing under color of law” (PRUCOL), otherwise eligible for Medicaid.

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## HR1 – Reduces Federal Match for Emergency Medicaid for noncitizen New Yorkers

- Sect. 71110 – reduces federal match for emergency Medicaid services provided to adults ineligible for federally-funded Medicaid due to immigration status (includes lawfully present New Yorkers). Effective 10/1/2026.



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## HR1: Some Additional Provisions

- Sects. 71115 and 71166 - Prohibit new provider taxes or increasing existing ones - States depend on these to supplement federal match (FMAP). Upon enactment and then phase in between 2028-2032.
- Sec. 71101 Pauses implementation of final rule to Streamline Eligibility Enrollment in Medicaid & Medicare Savings Program –
  - Some sections delayed until 2034, some *indefinitely* <https://justiceinaging.org/wp-content/uploads/2023/11/Final-Rule-to-Streamline-Enrollment-in-Medicare-Savings-Programs.pdf>
  - NYLAG had submitted comments supporting these rules
- Sec. 71111 Pauses implementation of final rule for Minimum Staffing Standards for Long-Term Care Facilities until 10/1/2034



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## NYS First Action In Response to HR1 Cuts

9/10/25 -- NYS announces plan to eliminate of the Essential Plan for those between 200-250% FPL by switching from 1332 to 1331 authority. Comments were due 10/10/25. This will leave 450,000 New Yorker uninsured ~July 2026.



An official website of New York State. [Here's how you know.](#)

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### Following Devastating Federal Funding Cuts, New York State Takes New Action to Preserve Health Care for As Many New Yorkers As Possible

Washington Republicans Cut \$7.5 Billion in Annual Funding, Threatening Coverage for 1.7 Million New Yorkers

Cuts Will Force New York to Make Major Changes to its Successful Essential Plan to Preserve Coverage for 1.3 Million New Yorkers

Despite This Action, 450,000 New Yorkers Will Lose Essential Plan Eligibility Due to the Newly-Enacted Federal Law

A 30-Day Public Comment Period Opens Today on State's Plan to Return to a Basic Health Program

ALBANY, N.Y. (September 10, 2025) – The New York State Department of Health today announced that the State is taking proactive action to preserve access to health care for as many New Yorkers as possible following devastating cuts in federal funding from the Republican-passed budget bill H.R.1. A 30-day public comment period opens today on the State's proposed plan to end the State Innovation Waiver and return to a Basic Health Program.


The federal law eliminates \$7.5 billion in annual funding for New York State's Essential Plan, jeopardizing health care coverage for the nearly 1.7 million low- and middle-income New Yorkers who are currently enrolled in the program.

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## HR1: SNAP cuts

- Prior to HR1 federal government covered SNAP at 100%.
- Post HR1 NYS must cover 5-15% of the cost – must make up for lost \$, cut benefits, or even opt out.
- Work requirements for beneficiaries ages 19-64, stricter than before (NYS was exempt under waiver for high unemployment – but that may end)(ends exemptions for homeless, veterans, parents of kids over 13). **Delayed to March 1, 2026 due to litigation (except Saratoga county).**
- Immigrants – same restrictions as Medicaid
- Reduces benefits by reducing utility deduction
- More than **46% SNAP recipients in NYS** are in families with members who are older adults or are disabled – higher than national 37%.

<https://www.cbpp.org/research/food-assistance/by-the-numbers-senate-republican-leaderships-reconciliation-bill-takes> ; **NYS SNAP fact sheet**  
[https://www.cbpp.org/sites/default/files/atoms/files/snap\\_factsheet\\_new\\_york.pdf](https://www.cbpp.org/sites/default/files/atoms/files/snap_factsheet_new_york.pdf) 

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# STATE AND LOCAL MEDICAID CHANGES



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## Medicaid Eligibility and Client Management (MECM) System

### What is MECM?

- Multiyear plan to Migration of non-MAGI eligibility from DSS (WMS system) to New York State of Health (NYSOH).
- MECM will be part of NYSOH and allow online applications and renewals for non-MAGI population. Additional eligibility populations will be added.
- Updated technology with more administrative / ex parte renewals.
- Waiting on an ADM from SDOH

### Who can apply / renew using MECM?

- Applications for non-MAGI Medicaid without a spend down or long term supports and services
- Applications for MSP
- Transition non-MAGI Medicaid cases on NYSOH to MECM (13,000 cases)
- **NOT FOR ANY A/R with LTC, NH, Spend Down/surplus, Pooled Trust currently**

### When doe MECM start?

- Sept. 30, 2025 Soft Roll Out – for certain Facilitated Enrollers and NYSOH call center
- December 1, 2025 – Live on NYSOH for the public

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## Additional Resources on Non-MAGI Medicaid Modernization

- NYHealthaccess article on MECM - <http://health.wnyc.com/health/entry/257/>
- Upcoming NYLAG Webinar on MECM
  - December 17, 2025 from 2:00pm - 3:30pm
  - Registration link: <https://tinyurl.com/Dec17MECM>



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## 3-ADL Requirement for MLTC, PCS, CDPAP

<b>Summary:</b>	Restricts eligibility for PCS & CDPAP and MLTC enrollment to persons requiring <i>limited assistance</i> with 3+ADLs ( <i>cueing</i> assistance with 2+ ADLS if dementia, Alzheimer's); eliminates stand-alone housekeeping
<b>Authority:</b>	Enacted in the 2020-2021 Executive Budget, amending New York SSL § 365-a and 365-f;* PHL § 4403-f
<b>Implementation:</b>	<b>Started 9/1/2025</b>
<b>Pop. affected:</b>	Medicaid recipients seeking PCS, CDPAP, or enrollment in MLTC or MAP plans (but not PACE) <ul style="list-style-type: none"> <li>• Applies to adults and pediatric patients alike.</li> <li>• Current recipients and those in pipeline have “legacy status.” Initial roll-out will be in NYIAP (NY Independent Assessor) initial assessments – for people first seeking PCS or CDPAP from managed care plan or LDSS and those seeking MLTC or MAP plan.</li> </ul>

\*SSL does not distinguish Level 1 housekeeping and Level 2 PCS—the regulation does—so without further amendment or clarification, no more housekeeping!



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## Additional Resources on 3-ADL Requirement

- NYHealthAccess Article  
<http://health.wnyc.com/health/news/85/>
- Recording and slides from NYLAG's August 2025 Webinar (Valerie Bogart, Esq.)
  - <https://www.youtube.com/watch?v=oHqwoo6ZoXA>
  - Slides <http://health.wnyc.com/health/download/904/>



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