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## New York Employment Impacts from Medicaid Funding Cuts

### Key Findings

- Governor Hochul recently released estimates indicating that the current House Republican reconciliation proposal would result in over \$10 billion in lost federal funding for New York’s healthcare system.
- A reduction of \$10 billion in federal Medicaid funding would result in the direct loss of over 78,000 jobs in healthcare across the state and over 136,000 additional jobs lost through economic spillovers.
  - Overall, New York could lose a total of 215,000 jobs, over 2 percent of the State’s employed workforce.
  - Losing 78,000 jobs in healthcare and social assistance would be an overall decline in healthcare and social assistance jobs of 4.4 percent.
- New York City alone stands to lose over \$5.4 billion in federal Medicaid funding, resulting in total job losses of approximately 116,000 (direct and economically induced).

### Summary

The current House Republican budget reconciliation package will, if enacted, dramatically reduce federal funding for healthcare nationwide. The proposal will cut an estimated \$750 billion from Medicaid over the next 10 years. The State has estimated that proposed cuts would total \$2.5 billion per year when fully phased in – although this estimate likely does not reflect the impact of federal work requirements, so it is likely an underestimate. Even more concerning for New York State, Republicans plan to eliminate ACA premium tax credit eligibility for millions of lawfully present immigrants. This change to eligibility will reduce revenue for the New York Essential Plan by approximately \$7.5 billion annually, or 57 percent, beginning in January 2026.<sup>1</sup> Because of its robust Medicaid program, unique approach to covering immigrants with legal status, and high immigrant population, New York will likely be among the most heavily impacted states in the country.

<sup>1</sup> <https://fiscalfpolicy.org/republican-cuts-to-the-essential-plan-could-cost-new-york-over-10-billion-a-year>

Table 1. Healthcare employment and estimated funding and job losses for major New York regions

	Healthcare and Social Assistance Employment	Federal Funding Loss	Total Job Loss Estimate
Capital Region	81,735	\$ 424,598,435	9,044
Central New York	53,996	\$ 280,498,796	5,975
Finger Lakes	98,873	\$ 513,629,317	10,940
Hudson Valley	189,553	\$ 984,697,319	20,974
Long Island	259,930	\$ 1,350,292,772	28,761
Mohawk Valley	37,766	\$ 196,186,558	4,179
New York City	1,046,614	\$ 5,436,992,964	115,808
North Country	27,109	\$ 140,826,891	3,000
Southern Tier	42,105	\$ 218,728,697	4,659
Western New York	103,226	\$ 536,240,720	11,422
<b>Total</b>	<b>1,940,906</b>	<b>\$ 10,082,692,468</b>	<b>214,761</b>

Table 2. Current employment and estimated job losses by healthcare sub-industry

	Current Employment	Estimated Job Loss
Offices of Physicians	176,277	7,384
Offices of Dentists	53,991	2,262
Offices of Other Health Practitioners	64,929	2,720
Outpatient Care Centers	55,620	2,330
Medical and Diagnostic Laboratories	17,083	716
Home Health Care Services	377,313	15,804
Other Ambulatory Health Care Services	17,679	741
General Medical and Surgical Hospitals	451,552	18,914
Psychiatric & Substance Abuse Hospitals	18,280	766
Other Hospitals	25,065	1,050
Nursing Care Facilities	110,827	4,642
Residential Mental Health Facilities	95,731	4,010
Community Care Facility for the Elderly	32,815	1,375
Other Residential Care Facilities	13,927	583
Individual and Family Services	322,279	13,499
Emergency and Other Relief Services	25,180	1,055
Vocational Rehabilitation Services	19,017	797
<b>Total</b>	<b>1,877,565</b>	<b>78,645</b>

## Methodology

A large literature studies the macroeconomic multiplier of federal fiscal spending in state and local economies. In fact, economists have specifically studied the impact of Medicaid enhanced federal matching payments during the 2008 Financial Crisis to measure the total economic impact of increased federal Medicaid funding on state labor markets. One such study finds that each additional \$100,000 of Medicaid funding resulted in an additional 3.8 job-years in the recipient state's labor market (Chodorow-Reich et al., 2012). To compute expected job losses in New York, FPI employed the Economic Policy Institute's fiscal multiplier estimated for Healthcare and Social Assistance spending. We apply this macroeconomic multiplier to the NY Department of Health's estimated funding losses in each congressional district (Bivens, 2019).

To compute total population, FPI uses the American Community Survey's 2023 population estimates. For job market data regionally, FPI uses the Quarterly Census of Employment and Wages, downloaded from the New York Department of Labor.

## References

Bivens, J. "Updated employment multipliers for the U.S. economy," Economic Policy Institute. January, 2019. (<https://www.epi.org/publication/updated-employment-multipliers-for-the-u-s-economy/>).

Chodorow-Reich, G. (2019). Geographic cross-sectional fiscal spending multipliers: What have we learned?. *American Economic Journal: Economic Policy*, 11(2), 1-34.

Chodorow-Reich, G., Feiveson, L., Liscow, Z., & Woolston, W. G. (2012). Does state fiscal relief during recessions increase employment? Evidence from the American Recovery and Reinvestment Act. *American Economic Journal: Economic Policy*, 4(3), 118-145.

New York Department of Health. "W&M and E&C Impacts on New York (as of 5/18/25)." (<https://www.governor.ny.gov/sites/default/files/2025-05/House-Budget-Impacts-on-the-Essential-Plan-and-Medicaid.pdf>)

Quarterly Census of Employment and Wages, New York Department of Labor, 2024:Q3

Table 3. Estimated federal funding losses and employment losses by congressional district

Congressional District	Representative	Party	Total Federal Funding Losses	Direct job losses	Indirect job losses	Total job loss	% of Employed Workers with Job Loss
1	Nick LaLota	R	-\$400,428,480	-3,123	-5,406	-8,529	2.2%
2	Andrew Garbarino	R	-\$405,656,421	-3,164	-5,476	-8,640	2.2%
3	Tom Suozzi	D	-\$321,853,624	-2,510	-4,345	-6,855	1.8%
4	Laura Gillen	D	-\$350,146,129	-2,731	-4,727	-7,458	2.0%
5	Gregory Meeks	D	-\$599,839,828	-4,679	-8,098	-12,777	3.6%
6	Grace Meng	D	-\$815,493,767	-6,361	-11,009	-17,370	5.0%
7	Nydia Velazquez	D	-\$546,063,626	-4,259	-7,372	-11,631	2.9%
8	Hakeem Jeffries	D	-\$535,039,720	-4,173	-7,223	-11,396	3.4%
9	Yvette Clarke	D	-\$659,934,657	-5,147	-8,909	-14,057	4.0%
10	Dan Goldman	D	-\$438,188,601	-3,418	-5,916	-9,333	2.4%
11	Nicole Malliotakis	R	-\$395,580,280	-3,086	-5,340	-8,426	2.4%
12	Jerry Nadler	D	-\$140,023,188	-1,092	-1,890	-2,982	0.7%
13	Adriano Espaillat	D	-\$532,226,021	-4,151	-7,185	-11,336	3.3%
14	Alexandria Ocasio-Cortez	D	-\$655,363,778	-5,112	-8,847	-13,959	4.0%
15	Ritchie Torres	D	-\$619,128,035	-4,829	-8,358	-13,187	4.4%
16	George Latimer	D	-\$349,567,570	-2,727	-4,719	-7,446	1.9%
17	Mike Lawler	R	-\$249,559,006	-1,947	-3,369	-5,316	1.4%
18	Pat Ryan	D	-\$250,304,601	-1,952	-3,379	-5,331	1.4%
19	Josh Riley	D	-\$225,864,224	-1,762	-3,049	-4,811	1.3%
20	Paul Tonko	D	-\$194,542,889	-1,517	-2,626	-4,144	1.1%
21	Elise Stefanik	R	-\$271,603,533	-2,119	-3,667	-5,785	1.6%
22	John Mannion	D	-\$228,955,166	-1,786	-3,091	-4,877	1.3%
23	Nick Langworthy	R	-\$202,617,732	-1,580	-2,735	-4,316	1.2%
24	Claudia Tenney	R	-\$200,338,789	-1,563	-2,705	-4,267	1.2%
25	Joseph Morelle	D	-\$245,722,747	-1,917	-3,317	-5,234	1.4%
26	Tim Kennedy	D	-\$248,650,053	-1,939	-3,357	-5,296	1.4%
<b>Statewide</b>			<b>-\$10,082,692,468</b>	<b>-78,645</b>	<b>-136,116</b>	<b>-214,761</b>	<b>2.2%</b>

Table 4. New York State Department of Health estimates of Medicaid, ACA, and Essential Plan population, as well as newly uninsured and new Medicaid recipients under Republican reconciliation proposal.

Congressional District	Representative	Party	Medicaid Enrollees	ACA Adults	Essential Plan (EP) Enrollees	GOP Plan - Newly Uninsured	EP Enrollees that will move to State-Funded Medicaid
1	Nick LaLota	R	221,807	63,077	77,200	47,515	21,408
2	Andrew Garbarino	R	227,065	63,478	78,000	47,935	21,630
3	Tom Suozzi	D	159,546	49,622	63,700	37,435	17,664
4	Laura Gillen	D	199,703	59,795	67,000	44,065	18,579
5	Gregory Meeks	D	354,371	109,423	113,700	79,316	31,530
6	Grace Meng	D	379,240	117,005	163,600	89,974	45,367
7	Nydia Velazquez	D	366,997	115,524	99,600	81,082	27,620
8	Hakeem Jeffries	D	358,329	113,642	97,700	79,672	27,093
9	Yvette Clarke	D	404,544	122,502	123,800	88,530	34,330
10	Dan Goldman	D	302,724	90,852	79,200	64,165	21,963
11	Nicole Malliotakis	R	248,273	71,281	73,700	51,984	20,437
12	Jerry Nadler	D	109,331	43,914	24,200	28,521	6,711
13	Adriano Espaillat	D	421,063	144,817	91,500	96,741	25,373
14	Alexandria Ocasio-Cortez	D	415,862	130,840	121,700	92,929	33,748
15	Ritchie Torres	D	512,999	157,401	104,400	106,902	28,951
16	George Latimer	D	262,890	78,885	61,300	54,798	16,999
17	Mike Lawler	R	197,481	41,172	42,900	31,188	11,896
18	Pat Ryan	D	204,073	54,593	42,500	38,392	11,785
19	Josh Riley	D	194,945	54,358	37,400	37,453	10,371
20	Paul Tonko	D	161,248	46,881	32,800	32,224	9,096
21	Elise Stefanik	R	237,534	63,508	44,700	44,083	12,396
22	John Mannion	D	206,838	54,995	37,100	38,000	10,288
23	Nick Langworthy	R	181,139	50,671	33,000	34,671	9,151
24	Claudia Tenney	R	166,929	44,872	33,700	31,389	9,345
25	Joseph Morelle	D	205,134	58,884	41,300	40,542	11,453
26	Tim Kennedy	D	227,942	67,137	40,000	45,232	11,092
<b>Statewide</b>			<b>6,928,005</b>	<b>2,069,131</b>	<b>1,630,000</b>	<b>1,464,740</b>	<b>506,276</b>

Source: <https://www.governor.ny.gov/sites/default/files/2025-05/House-Budget-Impacts-on-the-Essential-Plan-and-Medicaid.pdf>