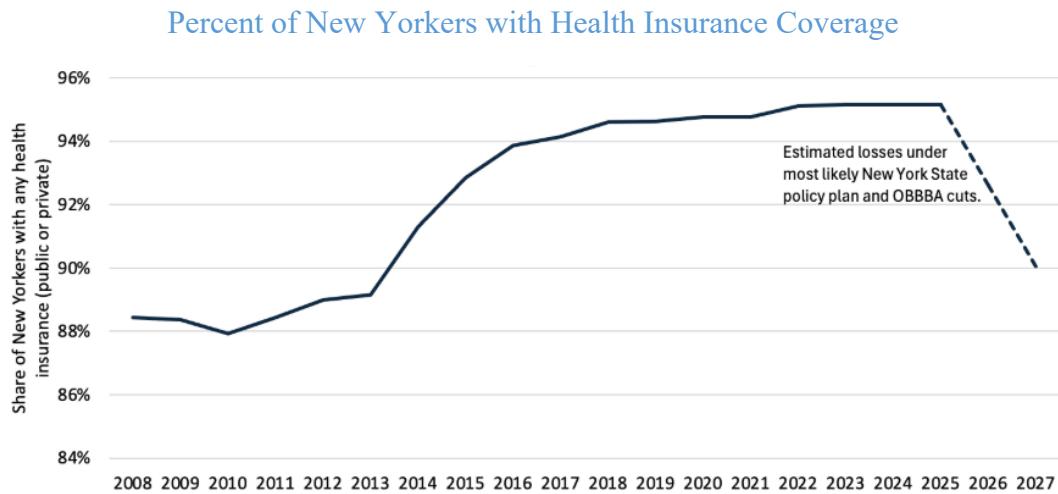


Healthcare in the FY 2027 Budget

- **Due to federal cuts, the State faces the most dramatic and rapid loss of health insurance in its history.** Assuming the Governor's proposed changes to the Essential Plan receive federal approval, 470,000 New Yorkers will lose Essential Plan coverage this July, and one million people will become uninsured in the next two years.



- **FPI analysis** has shown that the state could *entirely* avoid health insurance losses in Fiscal Year 2027 by spending \$1.1 billion in state funds to maintain coverage. We can pay the premiums of *EP enrollees* on the exchange. In FY27 it would cost about \$995 million to maintain free coverage for this population.

We can provide *Medicaid enrollees* losing federal coverage due to work requirements with state-funded Medicaid during a six-month continuity of coverage period. This will give them time to get re-enrolled and avoid disruptions in care, program churn, and medical debt. In FY27, this would cost \$131 million.

- **The State is in a strong fiscal position to keep vulnerable New Yorkers insured.**

Medicaid enrollment has fallen: The city's main Medicaid program, Mainstream Managed Care, is down to pre-pandemic enrollment levels.

Managed Long-Term Care enrollment growth has also fallen dramatically; this program, which was expanding at a rate of 12 percent annually in 2024, has stopped growing entirely in the past year, due primarily to changes in the Consumer Directed Personal Assistance Program (CDPAP) program.

- **Two additional fiscal windfalls put the State in a strong position to address the uninsurance crisis.**

First, two weeks ago the federal government unexpectedly permitted the State to retain its Managed Care Organization tax for an additional nine months, generating an estimated \$1.3 billion in revenue unaccounted for in the Governor's Executive Budget proposal.

Second, if the federal government approves the Governor's planned changes to the Essential Plan, the State will not need to cover certain categories of immigrants under state-funded Medicaid, reducing Medicaid spending by \$2 billion in FY27 relative to the Executive proposal.