

Key Changes Ahead: HR 1's Impact on Medicaid and Medicare

Rebecca Wallach, Esq., Director
Evelyn Frank Legal Resources Program

NYLAG

New York Legal Assistance Group



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.

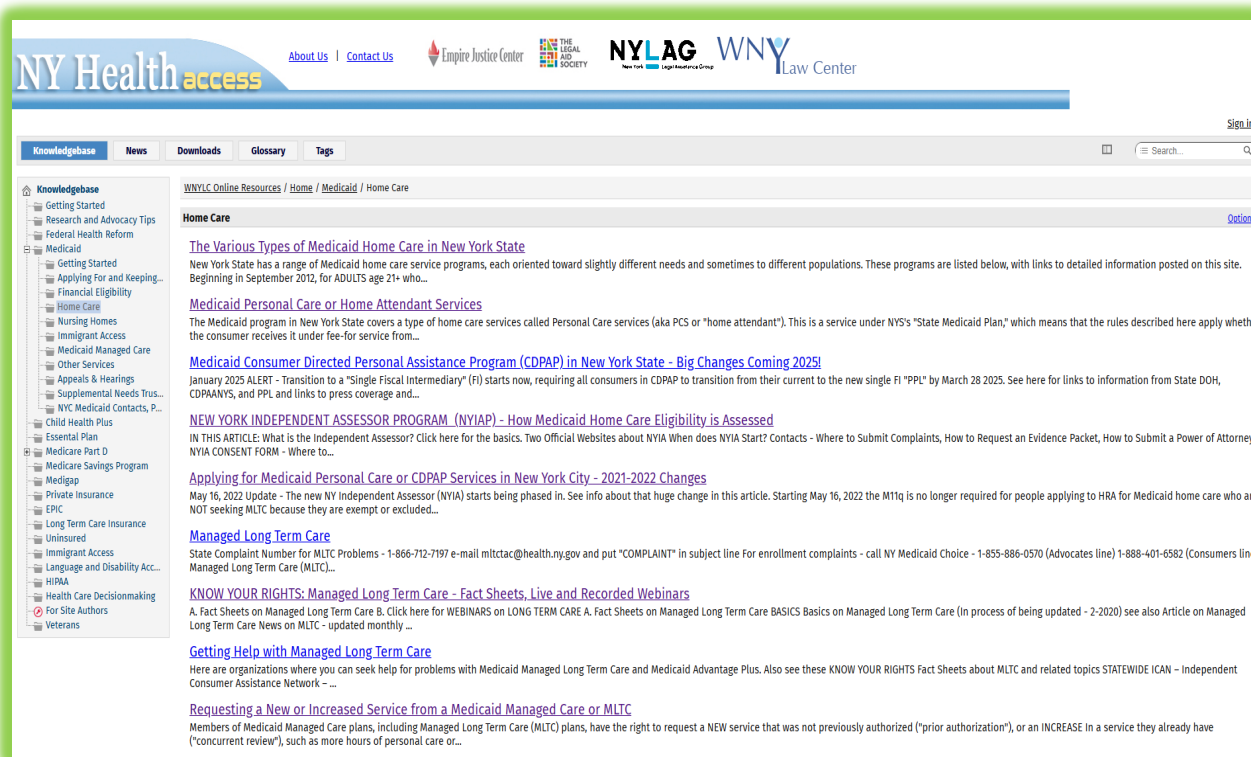
The Evelyn Frank Legal Resources Program

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.

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

HR1 – BUDGET RECONCILIATION ACT

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.

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

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

- Sec. 71107 – Eff. 12/31/2026 Increases frequency of eligibility determinations for MAGI “expansion population” to every 6 months (does not apply to non-MAGI, age 65+/- disabled)
- Sec. 71120 - imposes copays for ACA expansion group – up to \$35, with exceptions
- Sec. 71112 - Restricts retroactive coverage eff 12/31/2026 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 12/31/25
 - 80 hours of employment, community service, work program, or education enrollment added to existing eligibility requirements
 - Exception – parent/caretaker of child under 13 or of disabled child, disabled persons, pregnant/post-partum, and at state option define “short term hardship”
 - Proof of compliance at application, and 2x eligibility determinations

<https://www.kff.org/medicaid/issue-brief/5-key-facts-about-medicaid-work-requirements/>
<https://www.kff.org/racial-equity-and-health-policy/press-release/more-states-are-providing-fully-state-funded-health-coverage-to-some-individuals-regardless-of-immigration-status/>

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 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
- Sec. 71119- 12/31/2026: Work requirements for “able-bodied” adults 19-64 years
 - Though 65+ exempt, will affect them. One example, no exemption for individual caring for an older adult relative. If recipient’s child is caring for them and has MAGI Medicaid, caregiver will be required to work.
 - Many disabled persons < 65 are not “certified” as disabled, cannot navigate requirements and will lose Medicaid.
 - 80 hours of employment, community service, work program, or education enrollment added to existing eligibility requirements.
 - Exception – caretaker of child 13 and under or of disabled child, disabled persons, pregnant/post-partum, and at state option define “short term hardship.”
 - How will an applicant/recipient prove this to NYSOH?

HR1: Cuts to Medicare Eligibility

- Sec. 71201 ends Medicare for lawfully present immigrants who are not:
 1. Citizens or have green cards (Lawful Permanent Residents),
 2. Granted status as Cuban and Haitian entrant
 3. Lawfully reside in the US in accordance with a Compact of Free Association referred to in section 402(b)(2)(G) of the PRWORA of 1996
- Prohibits new Medicare enrollment for other lawfully present immigrants previously eligible, effective immediately
- Medicare for lawfully present current enrollees will be terminated Jan. 2027. These statuses include:
 - refugees,
 - asylees,
 - parolees,
 - certain abused spouses and children;
 - certain victims of trafficking
- Prior to HR1, these categories of lawfully present immigrants could enroll in Medicare if they have the required work quarters and met disability or age requirements. For those without sufficient work history, prior law allows them to purchase Medicare after 5 years of living in the US continuously.

HR 1: Cuts to Medicaid eligibility

- Sec. 71109 eff. 10/1/2026 Restricts federal Medicaid/CHIP coverage to individuals who:
 1. Citizens or have green cards (Lawful Permanent Residents),
 2. Granted status as Cuban and Haitian entrant
 3. Lawfully reside in the US in accordance with a Compact of Free Association referred to in section 402(b)(2)(G) of the PRWORA of 1996
 4. Allows states to continue to cover *lawfully residing* children and pregnant under the ICHIA option (2007 Act; NYS does this
- Who does this leave out?
 - refugees,
 - asylees,
 - parolees,
 - certain abused spouses and children;
 - certain victims of trafficking
- 13 states (with NY) + DC cover all or some undocumented immigrants using State funds. 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.

HR1: 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.
- Sect. 71110 – reduces federal match for emergency Medicaid services provided to adults ineligible due to immigration status.
- 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

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

- Various burdens expected to drive healthier consumers to leave the risk pool, and drive costs up
 - Increased eligibility verification requirements
 - Prohibits passive reenrollment for those who receive financial assistance
 - Restrictions on enrollment periods
 - Allows enhanced tax credits passed under ARPA to sunset (previously extended by Inflation Reduction Act) – which increased affordability of marketplace plans
- If fail Work Requirements for Medicaid, can't qualify for subsidies for ACA Qualified Health Plans

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](#) ▾

Department of Health

Individuals/Families

Providers/Professionals

Health Facilities

Health Data

About Us

Search

You are Here: [Home Page](#) > [2025 Press Releases](#) > Following Devastating Federal Funding Cuts, New York State Takes New Action to Preserve Health Care for As Many New Yorkers As Possible

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.

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). **Going into effect 11/1/25.**
- 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

Keep in Touch



Join our newsletter: <https://go.nylag.org/Subscribe-to-EFLRP>



EFLRP Intake

eflrp@nylag.org

Monday intake hotline from
10am-2pm—212-613-7310



Other Legal Services

www.Lawhelpny.org

THANK YOU

More information at nylag.org

