

Summary of key provisions of the *One Big Beautiful Bill Act*
impacting funding to states, individual coverage, and
hospital/health system funding and services

Proud to serve New York's not-for-profit
hospitals, health systems and continuing
care providers

[HANYS.org](https://hany.org) | 202.488.1272

Topic	Provision	Summary	Estimated exposure to New York
Essential Plan coverage	Eligibility restrictions for accessing the state's Essential Plan based on citizenship status	<p><u>Sec. 71301 and 71302</u></p> <p>Narrows eligibility for premium tax credits and related healthcare coverage subsidies under the Affordable Care Act for many lawfully present immigrants.</p> <p>Defines eligible aliens as: (1) lawfully permanent residents; (2) certain Cuban immigrants; and (3) COFA migrants lawfully residing in the United States (effective for plan years beginning on or after Jan. 1, 2027).</p> <p>Prevents individuals with incomes below 100% of the federal poverty level, who are in their five-year Medicaid waiting period due to immigration status, from receiving premium tax credits and healthcare-related coverage subsidies (effective for taxable years beginning after Dec. 31, 2025).</p> <p>This action eliminates federal funding for a subset of New Yorkers accessing healthcare coverage through the state's Essential Plan. Under the state's constitution, the state must provide Medicaid coverage to a share of this group (the Aliessa population — those with less than five years of legal residency and not yet eligible for federal benefits). This coverage will be funded by state-only funds with no federal match.</p>	<p><u>NY impact:</u></p> <p>\$7.5B in lost federal funding</p> <p>\$2.7B in new state-only Medicaid costs</p> <p>506K shift from EP to Medicaid; 224K shift from EP to uninsured</p> <p>\$1.4B in losses to hospitals (lower payments and uncompensated care)</p>

Summary of key provisions of the *One Big Beautiful Bill Act*
impacting funding to states, individual coverage, and
hospital/health system funding and services

Proud to serve New York's not-for-profit
hospitals, health systems and continuing
care providers

[HANYS.org](https://hany.org) | 202.488.1272

Topic	Provision	Summary	Estimated exposure to New York
Medicaid coverage	Work requirements for some Medicaid recipients	<p><u>Sec. 71119</u></p> <p>Requires certain adults (ages 19-64 without dependents) to complete at least 80 hours a month of work, education or community service to keep Medicaid coverage.</p> <p>Exemptions include pregnant individuals, former foster youth under age 26, tribal members, people with serious health issues (including substance use disorders) and those recently incarcerated.</p> <p>States must check if individuals met the requirement at least for the month before they apply for or renew Medicaid.</p> <p>Effective the first quarter that begins after Dec. 31, 2026, or at the option of the state under a waiver or demonstration project, an earlier date.</p>	<p><u>NY impact:</u></p> <p>Over \$510M in new costs to state annually</p> <p>Over 1.2M newly uninsured due to this and other provisions</p> <p>\$1.7B in losses to hospitals (uncompensated care)</p>
Medicaid coverage	Cost-sharing requirements for certain ACA expansion enrollees under Medicaid	<p><u>Sec. 71120</u></p> <p>Requires states to impose cost sharing for the ACA Medicaid expansion group with incomes above 100% of the federal poverty line. Copays or deductibles per service must be more than \$0 but cannot exceed \$35. Total cost sharing for a family is capped at 5% of the family's income. Services exempt from cost sharing include emergency services, primary care, mental health or substance use disorder services.</p> <p>Effective Oct. 1, 2028.</p>	<p><u>NY impact:</u></p> <p>Increase in uncompensated care for hospitals</p>

Summary of key provisions of the *One Big Beautiful Bill Act*
impacting funding to states, individual coverage, and
hospital/health system funding and services

Proud to serve New York's not-for-profit
hospitals, health systems and continuing
care providers

[HANYS.org](https://www.hanys.org) | 202.488.1272

Topic	Provision	Summary	Estimated exposure to New York
Medicaid and CHIP coverage	Eligibility and verification requirement for Medicaid/CHIP	<p><u>Sec. 71103</u></p> <p>Requires states to regularly collect Medicaid beneficiaries' address information from reliable sources, including data shared with managed care plans. HHS must create a system to stop people from enrolling in Medicaid in more than one state at the same time.</p> <p>Effective Jan. 1, 2027, for obtaining address information; Oct. 1, 2029, for Social Security numbers to prevent duplicate enrollment.</p> <p><u>Sec. 71107</u></p> <p>States must check eligibility for adults in the ACA Medicaid expansion group every six months instead of once a year.</p> <p>Effective the first day of the first quarter that begins after Dec. 31, 2026.</p>	<p><u>NY impact:</u></p> <p>Increase in uncompensated care for hospitals with more uninsured</p>
Medicaid and CHIP coverage	Retroactive coverage for Medicaid/CHIP	<p><u>Sec. 71112</u></p> <p>Limits retroactive Medicaid/CHIP coverage from 90 to 30 days.</p> <p>Effective on or after the first day of the first quarter that begins after Dec. 31, 2026.</p>	<p><u>NY impact:</u></p> <p>Increase in uncompensated care for hospitals</p>

Summary of key provisions of the *One Big Beautiful Bill Act*
impacting funding to states, individual coverage, and
hospital/health system funding and services

Proud to serve New York’s not-for-profit
hospitals, health systems and continuing
care providers
[HANY.org](https://www.hany.org) | 202.488.1272

Topic	Provision	Summary	Estimated exposure to New York
Medicaid and CHIP coverage	Prohibiting federal Medicaid/CHIP funding without verified citizenship or immigration status	<p><u>Sec. 71109</u></p> <p>Eliminates federal funding match (FMAP) to states for Medicaid/CHIP enrollees whose citizenship or immigration status cannot be verified by the end of the existing “reasonable opportunity period” (currently interpreted by CMS as at least 90 days). States may opt to cover these costs with state-only funds.</p> <p>Effective Oct. 1, 2026.</p>	<p><u>NY impact:</u></p> <p>TBD</p>

Summary of key provisions of the *One Big Beautiful Bill Act*
impacting funding to states, individual coverage, and
hospital/health system funding and services

Proud to serve New York's not-for-profit
hospitals, health systems and continuing
care providers

[HANYS.org](https://www.hanysonline.org) | 202.488.1272

Federal funding and provider Medicaid payment	Provider tax limits	<p><u>Sec. 71117</u></p> <p>Limits states' use of provider taxes by setting stricter rules for when states can get a waiver from the federal requirement that Medicaid provider taxes be uniformly applied.</p> <p>New York's recently approved managed care organization tax receives this waiver.</p> <p>On a parallel track, CMS has proposed new regulations to apply these same limits regulatorily.</p> <p>While the legislation allows for a transition period of up to three years, the proposed rule offers no glide path for New York's MCO tax due to the recency of the approval.</p> <p>Effective upon enactment, subject to any applicable transition period determined appropriate by the HHS secretary, not to exceed three fiscal years.</p>	<p><u>NY impact:</u></p> <p>Loss of \$1.8B annually in federal funding</p> <p>Loss of \$965M annually in promised Medicaid rates and supportive funding to hospitals</p> <p>Potential cut of \$300M to hospitals to cover new state costs</p>
---	---------------------	--	--

Summary of key provisions of the *One Big Beautiful Bill Act*
impacting funding to states, individual coverage, and
hospital/health system funding and services

Proud to serve New York’s not-for-profit
hospitals, health systems and continuing
care providers
[HANYS.org](https://www.hany.org) | 202.488.1272

Federal funding to states and provider Medicaid payment	Provider tax limits	<p><u>Sec. 71115</u></p> <p>Limits ACA expansion states’ use of provider taxes by freezing existing provider taxes in effect as of May 1, 2025, as of the date of enactment.</p> <p>Beginning federal fiscal year 2028, ACA expansion states’ provider taxes will be reduced by 0.5% each year until they reach 3.5% in FFY 2032.</p> <p>This provision does not apply to nursing homes or intermediate care facilities in expansion states.</p> <p>Places a moratorium on non-expansion states’ use of provider taxes up to 6%.</p>	<p><u>NY impact:</u></p> <p>Loss of \$1.5B annually in federal funding when fully implemented</p>
---	---------------------	---	--

Summary of key provisions of the *One Big Beautiful Bill Act*
impacting funding to states, individual coverage, and
hospital/health system funding and services

Proud to serve New York's not-for-profit
hospitals, health systems and continuing
care providers

[HANYS.org](https://www.hany.org) | 202.488.1272

Federal funding for states	Caps emergency Medicaid FMAP for providing coverage to undocumented immigrants	<p><u>Sec. 71110</u></p> <p>Caps emergency Medicaid FMAP for unlawfully present immigrants at the state's regular matching rate rather than 90%.</p> <p>Effective Oct. 1, 2026.</p>	<p><u>NY impact</u></p> <p>TBD</p>
Federal funding for states	Enhance rural health under the Rural Health Transformation Program	<p><u>Sec. 71401</u></p> <p>Allocates \$50 billion in federal funding over five years beginning in FFY 2026 for rural providers.</p> <p>Half of the available funds will be distributed equally among states while the remaining half will be allocated at CMS' discretion based on factors including rural population percentage, number of rural health facilities and overall hospital conditions in each state.</p> <p>States will be required to apply for the funding by Dec. 31, 2025.</p>	<p><u>NY impact</u></p> <p>At least \$500M to support rural providers plus other funding pending application.</p>

Summary of key provisions of the *One Big Beautiful Bill Act*
impacting funding to states, individual coverage, and
hospital/health system funding and services

Proud to serve New York's not-for-profit
hospitals, health systems and continuing
care providers

[HANYS.org](https://www.hany.org) | 202.488.1272

<p>Provider Medicaid payment</p>	<p>Limits on State Directed Payments</p>	<p><u>Sec. 71116</u></p> <p>Lowens the cap on supplemental Medicaid payments states can make to hospitals and other providers through SDP models from the “Average Commercial Rate” to the Medicare rate. SDPs for ACA-expansion states approved after enactment are subject to a cap of up to 100% of the Medicare rate (110% for non-expansion states).</p> <p>Eligibility for temporary grandfathering:</p> <ul style="list-style-type: none"> • Those SDPs for which written prior approval (or where a good faith effort to receive such approval) was made by May 1, 2025; or • For rural hospitals (defined below) for which approval or a good faith effort was made by the date of enactment or a completed preprint was submitted before enactment, the SDP may temporarily exceed Medicare payment limits. <p>Rural hospitals are defined as: those located in a rural area; treated as being in a rural area; or located in a rural census tract, as well as Critical Access Hospitals, Sole Community Hospitals, Medicare Dependent Hospitals, low volume hospitals and Rural Emergency Hospitals.</p> <p>Beginning Jan. 1, 2028, all existing and grandfathered SDPs will be reduced by 10%</p>	<p><u>NY impact:</u></p> <p>\$1B loss to existing SDP programs</p>
---	---	--	---

Summary of key provisions of the *One Big Beautiful Bill Act*
impacting funding to states, individual coverage, and
hospital/health system funding and services

Proud to serve New York's not-for-profit
hospitals, health systems and continuing
care providers

[HANYS.org](https://www.hanys.org) | 202.488.1272

		<p>annually, until the Medicare payment limit is achieved.</p> <p>Effective for the rate period beginning on or after the date of enactment.</p>	
ACA marketplace coverage	Requiring Exchange verification of eligibility for health plan	<p><u>Sec. 71303</u></p> <p>Requires individuals who get premium tax credits to prove they still qualify every year by actively verifying their income and family size, are they an eligible alien, place of residence, enrollment and other details. This ends automatic renewal for those receiving premium tax credits.</p> <p>Effective for taxable years beginning after Dec. 31, 2027.</p>	<p><u>NY impact:</u></p> <p>Increase in uncompensated care for hospitals with more uninsured</p>
ACA marketplace coverage	Disallowing premium tax credit in case of certain coverage enrolled in during special enrollment period	<p><u>Sec. 71304</u></p> <p>Blocks individuals from getting premium tax credits if they sign up for health coverage through the exchange using a SEP based on income.</p> <p>Effective for plan years beginning after Dec. 31, 2025.</p>	<p><u>NY impact:</u></p> <p>Increase in uncompensated care for hospitals with more uninsured</p>
Medicare payments	Temporary increase to the Medicare Physician Fee Schedule	<p><u>Sec. 71202</u></p> <p>Provides a temporary increase to the Medicare Physician Fee Schedule of 2.5% for calendar year 2026.</p>	<p><u>NY impact</u></p> <p>TBD</p>

Summary of key provisions of the *One Big Beautiful Bill Act* impacting funding to states, individual coverage, and hospital/health system funding and services

Proud to serve New York’s not-for-profit hospitals, health systems and continuing care providers
[HANYS.org](https://www.hanys.org) | 202.488.1272

Federal staffing levels in nursing homes	Moratorium on implementation of the Nurse Staffing Standards final rule	<p><u>Sec. 71111</u></p> <p>Places a moratorium on the implementation or enforcement of the Minimum Staffing Standards for Long-term Care Facilities final rule (published on May 10, 2024) through Sept 30, 2034</p>	<p><u>NY impact</u></p> <p>TBD</p>
--	--	--	---