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Study: New York Would Lose \$40 Billion in Federal Medicaid Funding Under the Better Care Reconciliation Act of 2017

New York, NY – An independent analysis commissioned by the Coalition of New York State Public Health Plans (“PHP Coalition”) projects that if the current health care bill in the U.S. Senate – the Better Care Reconciliation Act (BCRA) – is passed, **New York’s Medicaid program will lose \$40 billion in federal Medicaid funding.** New York will need to increase state contributions substantially to maintain current Medicaid coverage levels, beginning with \$1.7 billion over the next three years and totaling \$40 billion by 2026. The analysis, conducted by Manatt Health, calculated the impact of BCRA’s expansion and capped federal funding proposals on New York’s Medicaid population and state budget. Although some elements of the health reform legislation may change during Senate debate, current options under consideration all include proposals to cap Medicaid funding and eliminate enhanced funding for Medicaid expansion, core features of the BCRA.

“Congress is considering a dizzying array of repeal proposals, but each and every one would be devastating to New York’s healthcare system, not just for Medicaid clients but for all residents whatever their source of insurance, and seriously compromise our ability to care for our communities.” said Pat Wang, President and Chief Executive Officer of HealthFirst and Chair of the PHP Coalition.

Key findings of the analysis include:

- **A loss of \$40 billion in federal Medicaid funds, substantially impacting New York’s budget:**
 - \$24 billion due to loss of enhanced funding for the Medicaid expansion population.
 - \$16 billion due to BCRA’s per capita cap on federal Medicaid funding.
- **A necessary increase in State general fund spending of \$40 billion to offset the loss of federal funds;** if New York is not able to replace the lost federal dollars, as many as 2 million people would lose coverage and the state would need to cut benefits, increase cost-sharing or reduce reimbursement rates for remaining Medicaid beneficiaries.
- **Annual losses of \$2.3 billion, due to restrictions on county Medicaid contributions that apply only to New York State.**
 - Per the BCRA’s “Collins-Faso” provision, New York must find an alternative funding source for county Medicaid contributions or face additional per capita cap cuts.
- **Loss of federal funds for the Essential Plan,** which covers more than 650,000 New Yorkers.

Rev. Patrick J. Frawley, President and Chief Executive Office of Fidelis Care said “No amount of tinkering with BCRA changes the fact that the proposed Medicaid changes threaten to undo the tremendous gains New York has made in ensuring access to health coverage and care for New York’s children and families.”

The PHP Coalition collaborated with nationally recognized experts from Manatt Health to analyze the impact of the BCRA on New York.



About the PHP Coalition

The Coalition of New York State Public Health Plans (“PHP Coalition”) is a longstanding voice for New York’s non-profit, publicly-focused health plans and the safety net populations they serve. The Coalition currently represents eight plans serving more than 3 million individuals, approximately two-thirds of all adults and children enrolled in New York’s public health insurance program enrollees. All Coalition plans are sponsored by or affiliated with public and not-for-profit hospitals, community health centers and physicians. Coalition plans offer decades of experience in delivering high quality services to these populations that often experience significant barriers to health care, and consistently receive high marks in quality of care and member satisfaction. For more information, visit www.phspcoalition.com.

About Manatt Health

Manatt Health, a division of Manatt, Phelps & Phillips, LLP, is an integrated, multidisciplinary legal, regulatory, advocacy and strategic business advisory healthcare practice. Manatt Health’s experience spans the major issues re-inventing healthcare, including payment and delivery system transformation; Medicaid coverage, redesign and innovation; health IT strategy; health reform implementation; healthcare mergers and acquisitions; regulatory compliance; privacy and security; corporate governance and restructuring; pharmaceutical market access, coverage and reimbursement; and game-changing litigation shaping emerging law. With 90 professionals dedicated to healthcare—including attorneys, consultants, analysts and policy advisors—Manatt Health has offices on both coasts and projects in more than 30 states. For more information, visit www.manatt.com/Health.

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