



**Testimony for the  
Joint Legislative Hearing on the  
State Fiscal Year 2026-2027 Executive Budget Proposal  
Health/Medicaid**

Testimony of  
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**Children's Defense Fund – New York  
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Children's Defense Fund – New York (CDF-NY) thanks Chair Pretlow and Chair Krueger, as well as all the members of the Assembly Ways and Means, Senate Finance, Assembly and Senate Children and Families, Assembly and Senate Social Services, and Assembly and Senate Health Committee for the opportunity to submit testimony for the Joint Legislative FY2027 Budget Hearing on Health and Medicaid.

### **About the Children's Defense Fund**

Children's Defense Fund is the only national, multi-issue advocacy organization working at the intersection of child well-being and racial justice by wielding the moral authority of programmatic proximity and community organizing to inform public policy. CDF serves and advocates for the largest, most diverse generation in America: the 74 million children and youth under the age of 18 and 30 million young adults under the age of 25, with particular attention to those living in poverty and communities of color. We partner with policymakers, aligned organizations, and funders to serve children, youth, and young adults. As the New York State office of the Children's Defense Fund, we focus our statewide movement-building and policy work on economic mobility, health equity, child welfare and youth justice.

### **Ensuring Health Care Equity and Protecting Medicaid Coverage for All New Yorkers**

Health care is a foundational pillar of opportunity, stability, and dignity. Yet across New York State, profound health disparities persist, disproportionately impacting children, immigrants, people with disabilities, and communities of color who have long endured structural disinvestment. These inequities are reflected in unequal access to providers, language barriers, gaps in insurance coverage, and very different health outcomes depending on race, income, immigration status, and zip code.

At this pivotal moment, federally mandated cuts and policy shifts threaten to reverse hard-won gains in coverage and access for hundreds of thousands of New Yorkers. The FY27 Executive Budget takes some steps to mitigate harm, but it also introduces rollbacks that place children, immigrant families, and low-income communities at risk. New York must not respond to federal retrenchment by weakening its own commitment to health equity. Instead, the State must lead by protecting Medicaid, strengthening coverage pathways, and investing in primary care.

#### **I. Protecting Coverage for Essential Plan Enrollees**

New York has committed to safeguarding approximately 1.3 million New Yorkers who currently rely on the Essential Plan (EP) by converting it to a Basic Health Plan (BHP) under Section 1331 of the Affordable Care Act. This transition is necessary in light of federal changes, including the enactment of H.R. 1, which significantly reduces federal funding for lawful immigrant coverage.

While this conversion will preserve coverage for many, it must be treated as a temporary solution, not an endpoint. The Governor and Legislature must continue to negotiate with federal and state partners to develop a durable coverage pathway for individuals who will lose eligibility under the revised structure. Without further action, tens of thousands of New Yorkers will still fall through the cracks.<sup>1</sup>

#### **II. Preventing Coverage Losses for Children Under Six**

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<sup>1</sup>[https://info.nystateofhealth.ny.gov/sites/default/files/Draft%20Notice%20to%20CMS\\_Request%20to%20Terminate%201332%20and%20Transition%20to%201331.pdf](https://info.nystateofhealth.ny.gov/sites/default/files/Draft%20Notice%20to%20CMS_Request%20to%20Terminate%201332%20and%20Transition%20to%201331.pdf)

The FY27 Executive Budget proposes repealing continuous Medicaid coverage for children up to age six, effective July 1, 2026. This policy was only recently enacted as a major budget victory and has already begun to stabilize coverage for young children during a critical period of development.<sup>2</sup> Continuous coverage for children is currently authorized under New York's Medicaid 1115 Waiver, which expires on March 31, 2027. Although new federal guidance indicates that CMS will not reauthorize children's continuous coverage as waivers expire, this does not require New York to repeal the program prematurely.

CDF-NY urges the Legislature to delay the repeal of continuous coverage for children up to age six to the last possible moment. Doing so would protect young children from harmful coverage churn, allow time for families, providers, and the State to prepare for a transition and uphold New York's commitment to early childhood health and stability.

Children should not bear the cost of federal policy changes. New York must find an alternative solution that preserves coverage for our youngest residents.

### **III. Ensuring Coverage for Immigrant New Yorkers**

Despite clear evidence that state-funded coverage expansions improve access and outcomes for immigrant communities, the FY27 Executive Budget does not guarantee full health insurance coverage regardless of immigration status. The enactment of H.R. 1 will eliminate coverage for approximately 480,000 New Yorkers. New York must invest in community-based consumer assistance to reduce coverage disruption due to burdensome federal requirements, such as new work reporting requirements and six month recertifications.<sup>3</sup>

Accordingly, the FY27 Executive Budget includes \$3.89 million in new Medicaid spending to cover lawful immigrants newly ineligible for federal funding. This allocation is necessary but insufficient. New York must go further to ensure that no child or family is left uninsured because of immigration status.

### **IV. Investing in Primary Care to Advance Health Equity**

New York cannot achieve health equity without strengthening its primary care system. Nationally, only 4.6 percent of health care spending goes to primary care, and New York spends even less than the national average.<sup>4</sup>

CDF-NY urges the Legislature to include the Primary Care Investment Act (S1634 / A1915A) in the final budget.<sup>5</sup> This legislation would require the State to measure and publicly report current primary care spending levels and require insurers spending less than 12.5 percent of total health expenditures on primary care to increase that investment by one percentage point annually until the threshold is met. Investing in primary care reduces long-term costs, improves outcomes, and advances racial and economic health equity, yet it remains absent from the FY27 Executive Budget.

### **Conclusion**

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<sup>2</sup> <https://www.governor.ny.gov/news/governor-hochul-expands-health-care-coverage-800000-kids-new-york>

<sup>3</sup> <https://info.nystateofhealth.ny.gov/stay-connected#:~:text=This%20will%20result%20in%20an,to%20verify%20the%20consumer's%20information.>

<sup>4</sup> <https://nyhealthfoundation.org/2026/02/04/new-data-highlight-primary-care-as-a-win-win-for-health-outcomes-and-costs-in-new-york/#:~:text=February%204%2C%202026%2C%20New%20York,the%20New%20York%20Health%20Foundation.>

<sup>5</sup> <https://www.nysenate.gov/legislation/bills/2025/A1915/amendment/A>

Thank you for your time and consideration. The Children's Defense Fund – New York looks forward to working with the Legislature and the Governor to enact a State budget that strengthens Medicaid, protects children and families, and advances health equity across New York State.