

**TESTIMONY OF THE LEGAL AID SOCIETY**

**Joint Legislative Public Hearing on FY 2027 Executive Budget Proposal: Health /  
Medicaid**

February 10, 2026

Thank you to the Assembly Ways and Means Committee and Senate Finance Committee for the opportunity to provide testimony on the 2026-27 Executive Budget. We welcome the opportunity to submit testimony on behalf of The Legal Aid Society concerning fiscal priorities for the coming year in the areas of health and Medicaid. We are eager to continue working with the Committees to ensure that New Yorkers across the state have access to the support they need in the face of the disruption and destruction being caused by the federal administration. The low-income communities we serve are experiencing ever worsening economic insecurity and, despite the Governor's rhetoric recognizing the crisis in affordability, there is little in the Executive budget that will alleviate their poverty.

The Governor's budget ignores the attacks by the federal government against our public health system, which are estimated to cause 1.03 million New Yorkers to lose coverage. It is critical that the Legislature take action to respond to these cuts, protect our public health insurance programs and ensure that New Yorkers can continue to access critical health care services regardless of gender, disability, or immigration status.

## The Legal Aid Society

The Legal Aid Society is a private, not-for-profit legal services organization, the oldest and largest in the nation, dedicated since 1876 to providing quality legal representation to low-income New Yorkers. It is dedicated to one simple but powerful belief: that no New Yorker should be denied access to justice because of poverty. The Legal Aid Society's Health Law Unit (HLU) provides direct legal services to low-income health care consumers from all five boroughs of New York City. The HLU operates a statewide helpline and assists clients and advocates with a broad range of health-related issues. We also participate in city, state, and federal advocacy efforts on a variety of health law and policy matters.

### **Recommendations of The Legal Aid Society**

#### **A. Protect low-income New Yorkers' health care against federal attacks.**

- 1. Protect Medicaid recipients who may lose coverage due to work requirements and increased paperwork.*

Two of the policies imposed by H.R.1 that are expected to account for significant coverage losses are: 1) mandatory work requirements and 2) the requirement to renew Medicaid every 6 months instead of every year. These monumental changes apply to the Medicaid "expansion" population, who are generally non-disabled adults who gained Medicaid coverage through the Affordable Care Act. New York must implement these requirements by January 1, 2027, which is a drastically inadequate timeline for changes this significant. We know and greatly appreciate that New York State Department of Health

(DOH) staff are working to implement these changes in ways that maintain coverage for as many people as possible. However, this very short timeline means that DOH is currently working with inadequate staffing to implement the changes, which compromises their ability to do so fairly and accurately. The Governor's budget does not appear to allocate monies to DOH for implementation, nor does it provide any safeguards or outreach for Medicaid consumers or to reduce Medicaid churn. The Legislature should increase funding to the DOH for additional staffing needed to implement H.R.1 in such a way that is the least burdensome to consumers and should provide funding to create necessary outreach and assistance to allow low-income New Yorkers to obtain and maintain Medicaid under the new scheme.

The Legal Aid Society also endorses the recommendation of the Fiscal Policy Institute (FPI) that New York should maintain individuals' coverage on state-funded Medicaid when they lose federal Medicaid coverage to give them time to re-enroll and document that they are in compliance with the new federal requirements. This can function as a stopgap to keep New Yorkers insured, prevent medical debt and reduce churn, while helping recipients restore coverage on Medicaid with a federal match.

## *2. Protect New York's authority to provide health care coverage to immigrants*

New York's constitution and case law ensure that lawfully present immigrants and those who are Permanently Residing Under Color of Law can access public health insurance. To protect this right from federal attacks, New York must authorize agencies and municipalities to provide benefits regardless of immigration status. We strongly urge

the legislature to enact A.176 which codifies this authority and will bring New York in compliance with recent federal guidance requiring states to have such statutory authority.

### *3. Protect transgender New Yorkers from federal attacks*

The very existence of transgender people is under attack from a federal government that is engaging in an ongoing campaign to dismantle protections for transgender people across the country. This includes an escalating and targeted effort to undo the right to health insurance coverage for medically necessary gender affirming care guaranteed in New York. In December, the federal administration issued two proposed rules. The first rule would end federal Medicaid and Children's Health Insurance Program (CHIP) funding for gender affirming care for people under the ages of 18 and 19, respectively. The second rule would go much further, ending Medicaid and Medicare funding for any hospital that provides pediatric gender affirming health care, effectively ending care for many young transgender New Yorkers who access care through a hospital setting. As a result of these threats, many institutions are already pausing this life-saving treatment. These rules as well as other actions taken by the Trump administration are subject to litigation. Moreover, federal court orders require New York to provide Medicaid coverage of gender affirming care regardless of age. Therefore, under the current landscape there is not a budgetary implication to ensuring that these rights in New York continue. However, we urge the Legislature to codify and strengthen the rights to gender affirming care for New Yorkers by enacting A.6596A. We thank Assemblymember Rosenthal for her leadership on this bill which strengthens non-discrimination protections and codifies insurance protections in

both Medicaid and private insurance and may be necessary to ensure New York follows through on its commitment to provide gender affirming health care in a non-discriminatory manner. This bill is critical since the federal efforts would shift the full cost of pediatric transgender care for Medicaid recipients to the state and neither the Governor nor DOH has expressly confirmed its commitment to ensuring continuity of coverage for transgender youth if there were a change in federal law.

The Legal Aid Society also strongly supports the Gender Affirming Care Access Program (A.8841/S.7924). This program is modeled after the Reproductive Equity and Freedom Fund Act, which New York enacted after the U.S. Supreme Court's decision in *Dobbs v. Jackson* overturned *Roe v. Wade* protections of abortion rights. A similar fund is needed for gender affirming care.

4. *Create Medicaid savings by replacing Medicaid Managed Long Term Care with Managed fee for service*

The Legal Aid Society strongly supports replacing the partially capitated Managed Long Term Care (MLTC) model with a managed fee-for-service program that works for consumers and home care workers alike and will save New York State billions of dollars. H.R. 1 represents approximately \$13 billion in federal funding cuts to the state budget forcing New York to make difficult choices and take bold steps to fill gaps. DOH recently asked the federal government to end its successful Essential Plan program and revert to the Basic Health Plan, a change that will cause 450,000 people to lose coverage. We support this request as necessary to prevent even further coverage loss but strongly

encourage New York to make changes that can save money and improve care by enacting the Home Care Savings and Reinvestment Act.

Since MLTC enrollment became mandatory in 2012 for many adults who need Medicaid home care to remain safe in their homes, The Legal Aid Society has represented thousands of older New Yorkers and people with disabilities in their fights against MLTC plans to obtain and maintain sufficient home care. The design of this program incentivizes MLTC plans to deny and delay care. Paying insurance companies to provide only long-term care services is unsustainable because health insurance requires that the insured population includes healthy members who need fewer services and inexpensive preventative care in order to balance out the more expensive needs of some members. In our extensive experience representing MLTC enrollees, we have seen little indication that plans provide care management services that benefit consumers. Instead, we have seen gatekeeping and bureaucratic barriers that compromise access to care.

It is abundantly clear that the partially capitated MLTC program is a failure. We urge the Legislature to repeal the MLTC program and replace it with a Managed Fee for Service program as was proposed in 2024 as the Home Care Savings and Reinvestment Act. (S7800/A8470). At that time the Step Two Policy Project issued a review of the proposal and found that the bill would save \$975 million.<sup>1</sup> More recently, a Physicians for a National Health Program (PNHP) report titled “Removing the Middlemen from Medicaid” recommends that states offset the federal cuts from H.R.1 by ending managed care

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<sup>1</sup> Step Two Policy Project, [A Review of the Managed Long-Term Care Issues in the FY 25 Executive Budget](#), Aug. 12, 2024.

contracting.<sup>2</sup> The PNHP reports estimates that doing so would reduce states' spending by \$34 billion. Repealing MLTC is not a full repeal of managed care as recommended by PNHP but would address many failures in our long-term care program. In a time when low-income and vulnerable people are losing access to care, New York should look closely at the billions of dollars we spend on private contractors to administer our public health programs, particularly ones that have failed to deliver on their promises.

*5. Support consumers through continued investment in the Community Health*

*Advocates program*

The Legal Aid Society strongly supports the \$5.5 million appropriation for the Community Health Advocates (CHA) program in the Executive Budget and urges the Legislature to provide an additional \$1.7 million to maintain current funding for the program. Since 2010, CHA has provided consumer assistance services to more than 564,000 New Yorkers with both private and public health insurance in every county of New York State. CHA assists with a wide range of health insurance problems including service denials, billing disputes, and questions about coverage. The implementation of H.R. 1 makes CHA and all other consumer assistance programs even more crucial as millions of New Yorkers are at risk of losing access to public health insurance.

**B. Provisions in Article VII Legislation**

*1. Making dental benefits permanent in the Essential Plan and Medicaid.*

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<sup>2</sup> Physicians for a National Health Program, [Removing the Middlemen from Medicaid](#), Sept. 2, 2025.

The Legal Aid Society strongly supports the proposal to make vision and dental benefits permanent in the Essential Plan.

We urge the legislature to go further by making the recent expansion of dental coverage in Medicaid permanent by enacting A.1931/S.3566. A recent settlement agreement ends the practice of pulling teeth that can be saved with treatment by requiring New York to provide Medicaid coverage for medically necessary root canals, crowns, replacement dentures & dental implants. It is essential to ensure the continuation of this critical care beyond the settlement by codifying these provisions in state law. The Legal Aid Society thanks Senator Cleare and Assemblymember Paulin for sponsoring this bill.

2. *Delay the repeal of continuous coverage for children up to age six.*

Two years ago, New York advanced children's health by guaranteeing continuous public insurance coverage for children up to age 6. This provision ensured consistent care during the first vulnerable years of life and reduced administrative burdens as children, the vast majority of whom remain eligible, churn on and off coverage. This was accomplished with a waiver from CMS, which expires on March 31, 2027. The Trump administration has informed states that the continuous coverage waivers such as this will not be renewed. As a result, the Executive Budget repeals this waiver effective July 1, 2026, eight months earlier than required. While we understand that New York must ultimately unwind this policy, the legislature should delay the repeal to the last possible moment, or at least until January 1, 2027, to ensure a smooth transition.

**C. Help New Yorkers with disabilities to remain safe at home through access to home care services**

*1. Repeal harmful changes to Medicaid long-term care services*

We urge the repeal of harmful changes to Medicaid long term care services enacted in recent state budgets, only some of which have been implemented, that make it more difficult for elderly New Yorkers and individuals with disabilities to receive the Medicaid long term care services that allow them to remain safely in the community. These provisions should be repealed:

- Minimum Needs restrictions. We support S.358/A.1198 to repeal the minimum requirements for eligibility for Personal Care Services (PCS), Consumer Directed Personal Assistance Services (CDPAS), and for enrollment in Managed Long Term Care (MLTC). These arbitrary standards discriminate based on diagnosis and have no legitimate connection to the need for care. Since these provisions were implemented in September 2025, they have resulted in the denial of services to individuals who need care to remain safely at home and have caused confusion and barriers even for those who are eligible to maintain prior levels of services. These changes also resulted in the elimination of Level I personal care, or “housekeeping services.” These services, for individuals who need assistance with environmental tasks such as cleaning, meal preparation, or laundry, play an important role in

preventing falls and other accidents that cause Medicaid beneficiaries to need higher levels of care.

- The 30-month lookback and transfer penalty for those seeking Medicaid home care services. We support A.1907/S.4786 which repeals the lookback and transfer penalty for community-based care, which will add an enormous administrative burden to home care processes and will result in dangerous delays for those seeking services.

*2. Increase transparency in long term care programs*

We support legislation to increase transparency in long term care programs, to ensure that these programs provide necessary care and keep Medicaid recipients in the community (A.700/S.707). Transparency is particularly important in the Consumer Directed Personal Assistance Program (CDPAP). The transition to a single Fiscal Intermediary over the last year was marked by mass confusion and disruption to services. We support S. 9142 which would collect and make available important data about the CDPAP program.

**Conclusion**

Thank you for the opportunity to provide this testimony. We look forward to working with the Assembly and Senate to advocate for a final budget that protects New Yorker's access to health care against ongoing federal attacks and ensures that New York's Medicaid program prioritizes consumer needs.

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