



**Testimony for the  
Joint Legislative Hearing on the  
State Fiscal Year 2025-26 Executive Budget Proposal  
Health/Medicaid**

**Testimony of Sabah Merchant**

**Senior Policy Associate**

**Children's Defense Fund – New York**

**[smerchant@childrensdefense.org](mailto:smerchant@childrensdefense.org)**

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Children’s Defense Fund – New York (CDF-NY) thanks the chairs of the Assembly Ways and Means Committee and the Senate Finance Committee for the opportunity to submit testimony for the Joint Legislative SFY 2025-2026 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.

### **I. Ensuring Health Care Equity and Expanding Access to Health Insurance for All New Yorkers**

Health care disparities persist across New York State, disproportionately impacting marginalized communities that have suffered from long-standing systematic divestment, including immigrants, children, older adults, people with disabilities, and people of color. These communities face barriers to accessing quality care, such as limited provider availability, language obstacles, and gaps in health insurance coverage. While New York has made strides in expanding coverage, inequities in health outcomes and access to care remain a pressing concern.<sup>1</sup>

Nowhere is this clearer than among our children. Rates of anxiety, depression, chronic conditions, and exposure to environmental toxins are rising. Poverty, housing and food insecurity, and barriers to healthcare significantly contribute to poor health. Children of color and those from immigrant families face even higher risks of chronic disease and mental health struggles. As of 2024, Medicaid covers 4 in 9 children, and 29% of the New York population is covered by Medicaid/Child Health Insurance Program

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<sup>1</sup> [health equity report 2023.pdf](#)

(CHIP).<sup>2</sup> Despite New York’s efforts to remain a leader in providing comprehensive coverage to children, challenges remain, with nearly 80% of children living in or near poverty.<sup>3</sup>

The Governor’s FY 2025-2026 Proposed Executive Budget contains measures aimed at enhancing access to coverage for children and families, such as expanding funding for Child Health Plus and strengthened Medicaid Managed Care enforcement. However, it lacks provisions to provide full health insurance coverage regardless of New Yorkers’ immigration status, and to expand subsidies for Child Health Plus, leaving many vulnerable New Yorkers uninsured.

Without full coverage expansion, thousands remain at risk of delayed or forgone medical care, exacerbating existing health disparities in our communities and diminishing the health and wellbeing of our families and neighbors. Evidence from other states, including California and Oregon, demonstrates that covering all residents, irrespective of immigration status, improves health outcomes and reduces uncompensated care costs.<sup>4</sup> Expanding coverage through Coverage4All (A1710 (Gonzalez-Rojas) / S3762 (Rivera)) could save New York an estimated \$500 million by reducing reliance on emergency-only Medicaid services.<sup>5</sup>

Secondly, the state should take steps to address the steep premium increase that occurs when a family’s income exceeds 400 percent of the federal poverty level. Families participating in Child Health Plus pay monthly premiums on a sliding scale, however, once a family’s income surpasses 400 percent of the FPL, they must cover the full premium cost – a staggering \$3,456 annually.<sup>6</sup>

Lastly, CDF-NY urges the legislature to ensure that a final enacted budget establishes a state-funded Essential Plan that extends coverage to all low-income residents, regardless of immigration status, implements multi-year continuous enrollment in public insurance programs to provide uninterrupted coverage, and removes the asset test for older adults and individuals with disabilities to expand access to essential health care.<sup>7</sup>

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<sup>2</sup> [State-of-New-Yorks-Children-Data-Book-2025.pdf](#)

<sup>3</sup> [MedicaidFactSheet.knit](#)

<sup>4</sup> [Investing in Primary Care: A State-Level Analysis - PCC.](#)

<sup>5</sup> [NY State Assembly Bill 2025-A1710](#)

<sup>6</sup> [Premium Tax Credit Improvements Must Be Extended to Prevent Steep Rise in Health Care Costs | Center on Budget and Policy Priorities.](#)

<sup>7</sup> [2025 Health Justice Agenda | Medicaid Matters.](#)

**Call to Action:** To promote health equity, New York must ensure comprehensive coverage for all. CDF-NY urges the Legislature to work with the Governor to pass a budget this year that centers the lives of children and families by including Coverage4All, the state-funded Essential Plan, and a strengthened Child Health Plus Program.

## **II. Advancing Health Care Affordability in New York**

Rising health care costs remain a major concern for New Yorkers. Many families struggle with excessive hospital fees, expensive insurance premiums, and medical debt, making it difficult to afford essential care.<sup>8</sup> Ensuring affordable healthcare requires urgent reforms in New York’s Medicaid managed care system.

The Governor’s Executive budget includes new funding for primary care investments and dental coverage expansion but does not prioritize direct affordability initiatives for patients. Notably, it fails to cap excessive hospital outpatient department charges, which continue to drive up consumer costs, and does not include reforms to New York’s Medicaid managed care system.

New York hospitals routinely charge excessive rates for outpatient services. Research suggests that capping reimbursement rates for routine medical procedures at 150% of Medicare rates would generate over \$1 billion in savings.<sup>9</sup> Additionally, increasing funding for Community Health Advocates, which helps consumers navigate billing issues and avoid medical debt, would further promote affordability.<sup>10</sup>

Over time, state oversight of Medicaid managed care plans has weakened, reducing access to essential care and services for children and families who rely on this crucial safety net. To address this issue, we must increase transparency for consumers and hold our policymakers and system administrators accountable.

**Call to Action:** In order to improve healthcare affordability, we call on the legislature to act.

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<sup>8</sup> [Americans’ Challenges with Health Care Costs | KFF.](#)

<sup>9</sup> [Half of Admissions in the Large Group Market Are Paid Above 150% of Medicare Rates, Excluding Maternity Admissions | KFF; Site-Neutral Payment for Outpatient Care: Why It Matters for People with Medicare.](#)

<sup>10</sup> [Community Health Advocates \(CHA\) | Community Service Society of New York.](#)

For transparency to family/patient consumers:

- Adopt the Fair Pricing Act (S705 (Kreuger) /A2140 (Jackson))<sup>11</sup> to cap hospital outpatient reimbursement rates and allocate at least \$7 million in funding to Community Health Advocates. This ensures that children, families, the elderly, and disabled individuals who rely on these government-administered health programs can effectively access services, avoid or mitigate medical debt, and receive the care they need without financial hardship; and,
- Publish Managed Medicaid Cost and Operating Reports on plan activities to provide consumers with clear information about how their plans are managed.

For community-level accountability and information for advocates:

- Aggregate and report care data based on race and ethnicity to identify and address disparities in healthcare access and outcomes; and,
- Incorporate health equity standards into managed care contracts and rate-setting methods to ensure that all communities receive fair and equitable healthcare services.

### **III. Conclusion**

Thank you for your time and consideration. The Children’s Defense Fund – New York looks forward to working with you on an enacted State budget that improves the health and well-being of children, youth and families across New York State. Please contact us with any questions or concerns regarding this testimony.

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<sup>11</sup> [NY State Senate Bill 2025-S705](#)