January 15, 2026

Dear members of the Long Island and Hudson Valley delegations:

On behalf of nonprofit hospitals and health systems on Long Island and in the Hudson Valley, I thank you for all you do to support health care in your district. As the second session of the 119th Congress kicks off, we hope that we can count on your continued efforts to address our urgent policy priorities, including the now-expired Enhanced Premium Tax Credits and a number of provisions that will expire on January 30.

Extend Enhanced Premium Tax Credits

First, I thank you for your vote last week for H.R. 1834, legislation to grant a three-year extension of the enhanced premium tax credits (EPTCs) for the purchase of coverage on the insurance exchanges. At our Nassau-Suffolk Hospital Council office, we have been providing insurance enrollment assistance to Long Island consumers for more than 25 years. My staff can attest to how critically important the enhanced tax credits have been to making the purchase of health coverage feasible for families in our region.

ACA coverage is the only option for a growing number of families in our region who do not have employer-sponsored health benefits, and, due to our region's high cost of living, have incomes too high to qualify for other low-cost forms of public insurance offered in New York. EPTCs have been a lifeline for these families; without the supplemental tax credits, we know that many of the consumers we assist will choose to go without coverage. While we understand that H.R. 1834 will not be the vehicle for extending the EPTCs, **we urge your continued support for a bipartisan, bicameral compromise that, at minimum, offers consumers a reasonable transition period.**

Flexibility to Transition New York's Health Programs

H.R. 1's Medicaid and other coverage provisions require New York to substantially alter its health insurance safety net. Among the most damaging was a provision prohibiting eligibility for premium tax credits for legally residing immigrants, effectively denying coverage for this population under the state's Essential Plan. That provision took effect on January 1, 2026. It impacts approximately 750,000 New York residents, two-thirds of whom New York State now must cover using state-only dollars due to a 2001 court ruling; the remaining 224,000 residents will lose coverage altogether.

The impact of this policy change on hospitals is two-fold – the state likely will be forced to make cuts to Medicaid reimbursements to providers while uncompensated care simultaneously will increase. As it is, Medicaid reimburses hospitals less than 70 percent of what it costs to provide the care, which is a significant factor in why the statewide median hospital operating margin is only 0.1 percent. **We urge Congress to delay implementation of this provision for three years so that New York has more time to plan for absorbing this $2.7 billion increased expense.**

Other provisions of H.R. 1 impact provider taxes collected by states. The statute gives discretion to the Secretary of Health and Human Services to authorize a grace period of up to three years for states to prepare for the loss of revenue. In November, the Centers for Medicare and Medicaid Services (CMS) issued preliminary guidance that would instead bring New York's managed care organization tax to an end on March 31, 2026. Revenue from the managed care tax funded a much-needed increase in Medicaid outpatient rates for hospitals this year as well as increases for all other provider types. This is only the second time that New York has increased hospital rates in the past dozen years. Allowing New York to continue its managed care tax through its scheduled end in March 2027 is essential.

CMS has not yet finalized this guidance; we continue to urge against it and instead allow New York the full three-year grace period authorized in the law. **We appreciate the leadership of you and your colleagues on this issue and ask you to weigh in again with CMS Administrator Oz.**

Provisions Expiring on January 30
In addition to funding federal agencies through January 30, the current continuing resolution provided short-term extensions for several critical healthcare priorities. **As Congress makes progress toward passing the remaining FY2026 appropriations bills, it is imperative that these provisions also be addressed, preferably with multi-year extensions.** Lurching from one short-term deadline to another makes it very difficult for hospitals and health systems to plan, invest and maintain commitments to services.

Among the provisions that must be extended before the end of the month is **another delay of the Medicaid Disproportionate Share Hospital (DSH) cuts**. Without congressional action, New York faces a $1.4 billion cut in funding on top of the impacts of H.R. 1. The DSH program helps to offset the cost of treating our most vulnerable patients. Every New York hospital receives some level of DSH funding based on the percentage of high-need patients they treat, but funding is especially critical to the financial stability of safety net institutions.

Action also is needed to address changes to the Medicaid DSH cap calculation. Section 203 of Title II of the *Consolidated Appropriations Act of 2021* changed how hospital-specific Medicaid DSH funding caps (the maximum amount of Medicaid DSH funding a hospital can receive) are calculated. This policy severely impacts access to essential federal supplemental support for many of New York's public safety net hospitals, including Nassau University Medical Center, Stony Brook University Hospital and Westchester Medical Center, that care for the highest share of low-income and uninsured individuals in the state. Congress must amend Section 203 to allow the DSH cap calculation to continue to include dually eligible Medicare/Medicaid patients.

Finally, congressional action is needed to extend Medicare flexibilities that expand access to telehealth services and the Hospital at Home program. These programs make care more efficient and convenient for patients. Congress should extend them again until such time that it can put these flexibilities permanently into effect in statute.

Thank you again for your attention to these concerns. As always, please do not hesitate to contact me if I can provide you with further information or assistance. We welcome the opportunity to serve as a resource for you and your staff.

Best regards,

/s/ *Wendy D. Darwell*

Wendy D. Darwell,
President and Chief Executive Officer