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How Federal Changes Could Impact NYC Health & Hospitals

IBO's [Federal Changes, Local Impacts series](#) is a collection of short reports that examine areas of New York City's budget, economy, and operations that are particularly reliant on federal funding, subject to notable federal policy changes, or both. These reports are intended to inform public discussion by objectively highlighting how federal decisions may affect the City. IBO encourages readers to visit its [website](#) to explore additional topics covered in this series. The [first installment](#) of the New York City Independent Budget Office's Federal Changes, Local Impacts series focuses on the [City's Public Hospital System](#).

September 18, 2025 – [New York City Health & Hospitals \(H+H\)](#) is the largest public hospital system in the United States. H+H has over 43,000 employees, an operating budget of \$13.5 billion, and serves over one million patients annually. Over 65% of the system's adult patients are either uninsured or enrolled in Medicaid. As a result, H+H is very sensitive to changes in federal healthcare policy, including changes to Medicaid.

[H.R. 1, also known as the One Big Beautiful Bill Act](#), did not directly adjust Medicaid reimbursement rates. Federal changes primarily adjusted the populations who will be eligible for Medicaid. Due to these changes, the potential risks to H+H lie in an increase in the number of uninsured patients seeking care. H+H's mission is to serve all New Yorkers, regardless of their ability to pay. Over 65% of the system's adult patients are either uninsured or enrolled in Medicaid, and 51% of H+H's \$13.5 billion budget is generated through a combination of public insurance reimbursements and supplemental Medicaid payments. The City of New York provides a need-based subsidy to H+H that totaled 28% of its 2025 operating budget.

Changes in Medicaid eligibility, which may lead to an increase in the number of uninsured patients seeking care at H+H, will result in a reduction in revenues for the system, and a decrease in revenues will result in an increased need for external support.

These impacts are not set in stone, and exactly how H.R. 1 will impact the New York City budget depends on how New York State and New York City choose to respond to shifting federal policy.

