



NEW YORK CITY DEPARTMENT OF  
HEALTH AND MENTAL HYGIENE  
Michelle Morse, MD, MPH  
*Acting Health Commissioner*

October 10, 2025

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*Acting Health Commissioner*

Gotham Center  
42-09 28th St.  
Long Island City, NY 11101

**via electronic submission:** [NYSOH.Team@health.ny.gov](mailto:NYSOH.Team@health.ny.gov)

**Re: State Request for Suspension, Withdrawal, or Termination  
of a Waiver**

Dear New York State Department of Health Administrators,

The New York City Department of Health and Mental Hygiene (NYC Health Department) appreciates the opportunity to respond to the New York State Department of Health's (NYSDOH) request to terminate its 1332 Innovation Waiver and reactivate the State's currently suspended Basic Health Program (BHP) under the Essential Plan (EP) name. This request is a direct response to upcoming marketplace eligibility restrictions enacted by H.R.1 (Public Law No. 119-21) that make continued operation of the current Waiver Program untenable.

H.R.1 significantly shrinks categorical eligibility for federal marketplace subsidies by limiting access to advanced premium tax credits to U.S. citizens and noncitizens in a narrow group of immigration statuses. Upon implementation, most lawfully present immigrants will become ineligible for federally funded marketplace assistance, directly impacting pass-through funding for the Waiver Program and undermining long-term stability of New York's Essential Plan. The anticipated loss of federal funding far exceeds the State's ability to offset program costs, leaving NYSDOH with limited options for ensuring continued access to coverage for hundreds of thousands of New Yorkers.

The NYC Health Department supports NYSDOH's decision to seek termination of its Waiver Program in favor of reinstituting a BHP that retains coverage for as many New Yorkers as possible. This option allows for the least movement across plan types and reduces the likelihood that eligible individuals become uninsured for administrative reasons. We recognize that terminating the Waiver Program eliminates recently added eligibility for enrollees with incomes between 201% and 250% of the Federal Poverty Level (FPL). However, many of these consumers will maintain eligibility for standard, subsidized marketplace coverage. The State estimates that people in this category have saved about \$6,000 per year on average by enrolling in EP rather than marketplace plans. This substantial cost imposition will likely lead to some portion of the 201-250% FPL waiver population becoming uninsured for affordability reasons. With this in



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mind, we urge NYSDOH to follow through on its stated interest in working with the Centers for Medicare and Medicaid Services to design

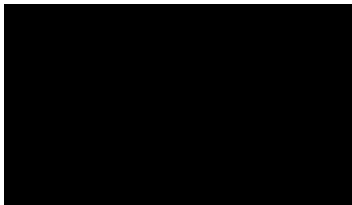
affordable coverage options for these individuals. We further encourage NYSDOH to facilitate as seamless a transition as possible between insurance products for this population.

Finally, we acknowledge that the termination of the Waiver will impact other funded initiatives and encourage the State to consider ways to preserve or carry forward these programs beyond the Waiver's life cycle.

The NYC Health Department has publicly supported the 1332 Waiver and its amendments, including the most recent amendment to align differing implementation timelines through 2028. However, we recognize that federal policy changes demand that the State identify solutions that cause the least possible damage. We ultimately agree that the State's proposal to revert from the Waiver Program to the standard BHP is the best option under these circumstances. At the same time, we join the State's call for Congress to delay implementation of H.R.1's subsidy restrictions for three years.

The NYC Health Department is committed to protecting and promoting the health of all New Yorkers. We respect the State's efforts to preserve coverage eligibility for the greatest number of people possible and look forward to working together as we navigate a changing health care environment forced by the members of Congress who voted in favor of H.R.1.

Sincerely,



Michelle Morse, MD, MPH

Acting Commissioner

New York City Department of Health and Mental Hygiene