

Changes in NY's Essential Plan Will Impact Home Care

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The Essential Plan (EP) in New York State is a subsidized health insurance program for lower- and moderate-income residents who don't qualify for Medicaid or Child Health Plus. It was expanded in 2024 to cover more people at 250% of the Federal Poverty Level (FPL), but that expansion is now under threat, meaning many people who gained coverage may lose it or be shifted to other plans.

However, more recently, due to federal budget and legislative actions, New York is planning to scale back the expansion. The state is slated to shift many people off the expanded EP by mid-2026, reverting to stricter eligibility rules. What does that mean for New York's home care providers?

More Employees Seeking Employer Coverage

As people get kicked off or lose eligibility for the EP, they'll need to find coverage somewhere else. If their employer offers health insurance, they'll likely turn to that option.

- Employers might see higher enrollment, more dependents added, or more requests to open coverage mid-year.

Higher Costs Per Employee

Health plans may have to absorb a larger share of risk (if more "new" people enroll) and employers may need to negotiate with insurers differently. Also, if premiums or benefits in the broader insurance market shift, that can affect employer plan pricing.

- Employers might see increased premiums, or pressure to restructure benefit tiers, cost sharing (deductibles, co-pays), or provider networks.

Administrative Burden & Coverage Transitions

Employers may need to manage transitions to onboard people who lose EP coverage mid-year, coordinate with insurers, adjust eligibility periods, etc.

- HR departments will need to be alert, adjust internal systems, ensure compliance, and help employees navigate choices.

Potential Competitive & Retention Pressure

If public plans shrink, employer health coverage becomes more important as a benefit to attract and retain workers.

- Some employers may feel pressure to offer more generous packages or cover a broader pool of employees.

Regulatory or Legal Risks

If the state changes mandates or rules for coverage (what benefits must be included, what counts as eligible "employer coverage," etc.) employers may have to comply.

- Employers may need to monitor legislative and regulatory developments, adapt plans to stay compliant.

Budget Unpredictability

With shifting public health funding and subsidies, the insurance market may become more volatile.

- Employers might face sharper year-to-year swings in health benefit costs, making forecasting tougher.

HCP Support

As New York weighs changes to the Essential Plan, employers should be mindful of the ripple effects on their workforce and benefit costs. HCP will continue to monitor eligibility and enrollment changes, especially where employees may lose coverage and turn to employer-sponsored plans mid-year. We are also watching for cost pressures that could drive premiums higher, as well as the added administrative burden of helping employees transition between coverage options.

Clear communication with employees will be critical, particularly for those currently relying on the Essential Plan. Employers may also need to negotiate proactively with insurers and explore ways to build flexibility into benefit design. Most importantly, the regulatory landscape is in flux; HCP will stay on top of state and federal developments, reporting back to our members as the situation unfolds so you can be prepared rather than caught off guard.