



*Senator Charles E. Schumer
322 Hart Senate Office Building
Washington, D.C. 20510*

*Senator Kirsten Gillibrand
478 Russell Office Building
Washington, DC 20510*

*Congressman George Latimer
1507 Longworth House Office Building
Washington, DC, 20515*

*Congressman Mike Lawler
324 Cannon House Office Building
Washington, DC 20515*

August 19, 2025

To the Members of Westchester's Congressional Delegation:

As President and CEO of the Westchester County Association (WCA), I am writing in reference to the recently passed "One Big Beautiful Bill" and specifically to urge support for the full implementation of the New York State MCO tax as approved by the Centers for Medicare and Medicaid (CMS) in December 2024.

The WCA vocally opposed passage of H.R. 1 due, in large part, to its impact on Medicaid and the financial damage it will do to our hospitals and healthcare providers. In a series of opinion pieces, including the following one published in Crains, I laid out its effect on the region's healthcare sector in greater detail. [Crains Healthcare oped](#). Through our standing Healthcare Consortium, we have been meeting regularly with each of the region's hospital systems and major providers to chart a path forward.

The passage of H.R. 1 will undermine the health of New Yorkers and is particularly damaging to the Hudson Valley hospitals and healthcare providers who receive significant Medicaid funding. According to analysis from the NYS DOH, hospitals in our region face a potential financial impact of approximately \$168 million in uncompensated care due to planned cuts in Essential Plan and Medicaid cuts.

It is already challenging for our providers to administer quality healthcare under Medicaid. Typically, the Medicaid program only reimburses providers at a rate of \$0.70 for each dollar spent

on care. In 2024, New York State received approval from CMS to create a mechanism to help reimburse providers at a rate more closely aligned with the cost of administering care.

H.R.1's provision regarding "Requirements Regarding Waiver of Uniform Tax Requirement for Medicaid," and the related proposed rule (CMS-2448-P), *Preserving Medicaid Funding for Vulnerable Populations—Closing a Health Care-Related Tax Loophole* could immediately nullify this funding stream for New York even though it was already duly approved by CMS.

Rather than immediately cut New York off at the knees, we urge you to ensure that New York is granted the full three-year transition period contemplated under the law for states using the same reimbursement system. The law provided for a transition period of up to three fiscal years to allow states to come into compliance without disrupting services. Without this transition period for New York, the proposed rule effectively invalidates the State's newly approved Managed Care Organization (MCO) tax immediately, while permitting arrangements in other states to be phased out over time. This undermines the flexibility Congress included and would place our hospitals and healthcare providers at a serious disadvantage.

I respectfully request that you ensure New York receives the full transition period in the final CMS rule and look forward to working with you on additional means to strengthen our healthcare system.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael N. Romita".

Michael N. Romita
President and CEO
Westchester County Association