



Healthcare Coalition

FOR THE NORTH COUNTRY

Why Medicaid Matters Here

White Paper for NYS and Local Policy and Decision Makers and Residents

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BACKGROUND and PURPOSE

The Healthcare Coalition for the North Country was organized early this year by a small group of physicians and now includes 250 health professionals, community leaders, and committed activists. Our purpose is to explain to our public leaders on a non-partisan basis why Medicaid matters here in the North Country

In round numbers, the population of New York State is 20 million with 7 million being current recipients of original Medicaid and its multiple extensions—namely, CHIP (Children’s Health Insurance Program); WIC (Women, Infants, and Children); the Essential Plan (New York’s name for a portion of Obamacare); and the individual marketplace, where tax credits and subsidies support those recipients between 133% and 400% of the Federal Poverty Line. A closely related program is SNAP (Supplemental Nutritional Plan) which offers food purchases of \$235 per month for approximately 3 million New Yorkers.

Medicaid was initially designed to be a state-operated program with the federal government paying half the cost and the remainder coming from state and local governments. As happens in government and as facilitated by the many interwoven extensions of the Medicaid program over the course of sixty years, the process of calculating, recording, and accounting for these costs has become a veritable tangle. Over the decades, New York State found ways to deal with all this complexity to advantage. As one example, providers and managed care organizations in this state are mandated to pay certain “taxes” which are then returned to them. This back-and-forth movement of dollars has served to increase the federal portion of Medicaid payment which has, in turn, enabled New York to provide more

benefits to more recipients. While many states have made similar moves, NYS has proven itself a national stand-out in identifying and pursuing these opportunities.

The One Big Beautiful Bill Act (now enacted as HR1) was drafted to reduce federal expenditures for these programs by a trillion dollars over the next ten years. For New York, these cuts will soon become a \$10 billion hit to the annual state budget.

Because of certain direct payments from Washington, the annual loss for New York's healthcare providers will be even higher--\$13 billion every year.

As is true everywhere in New York, the North Country is facing the prospect of serious damage to its health care delivery system. Parts of the region are even now having to stare at and to cope with the likelihood of the total destruction of health care services unless remedial action can be identified and taken.

As the largest rural and most remote region in the state, North Country residents and visitors are served by the most stretched-out health delivery system in the state. Other special features, not to be found in the usual statistical charts, deserve consideration as well. For one, this region has one of the highest percent of people 65 or older. People in this age bracket have the most need and are the most dependent upon health care services. In our region a high percentage are dual Medicare and Medicaid.

Another feature not found in medical textbooks is the Adirondack Park, which is larger than the state of Massachusetts. This Park is divided 50/50 between public land protected as "forever wild" by the state constitution and private property with country roads and small villages often idyllic. Available data indicates that this park attracts between 7 and 12.4 million visitors every year. Some of these skiers, hikers and sight-seekers own second homes in the

area, resulting in more than half of the houses in more than half the towns being owned by non-residents. So, assessment of health care needs in the North Country must not be understood as limited to the number of permanent residents.

The point is this: being both the biggest and the smallest region in the state depending on the measure, the North Country deserves close attention by the leaders of our state at this time of extraordinary change and challenge for Medicaid. Serious shrinking of this program under HR1 will not only harm Medicaid recipients but will also damage and, in some communities, may well destroy health care services altogether.

This report has been prepared as a summary of what the coming cuts to Medicaid will mean for the North Country. Now, with HR1 as national law, the recourse—and special focus—for this Coalition lies with our state government, which has responsibility to identify the most critical service gaps and has the resources to close at least some of them.

MEDICAID ENROLLMENT AND FINANCES

The North Country, which we are defining as NTHE ten counties spreading from the Vermont border to the Great Lakes includes 30% of New York's land area but only 3% of its population, about 608,000 residents. Currently, 170,000 are Medicaid enrollees with 47,600 expected to lose their coverage. The following chart shows these losses by county. Current Medicaid enrollment is now 28% of the North Country's population and is projected to drop by 27% of current enrollment by 2034. (See the following table.)

Projected Cumulative Medicaid Enrollee Decrease by
North Country County

County	2025 Pop	2025 M'caid	2034 M'caid
Clinton	79,843	22,356	16,317
Essex	37,000	10,360	7,564
Franklin	51,000	14,280	10,424
Hamilton	4,500	1,260	919
Herkimer	62,000	17,360	12,667
Jefferson	110,000	30,800	22,496
Lewis	26,582	7,444	5,435
St. Lawrence	108,000	30,240	22,065
Warren	65,000	18,200	12,000
<u>Washington</u>	<u>63,000</u>	<u>17,640</u>	<u>12,868</u>
NC TOTAL	606,925	169,940	122,755

from NYS DOH and Rockefeller Institute of Government and Wikipedia and census.

As a consequence of decreased enrollment, Medicaid reimbursement will, of course, dramatically drop as well, with one half of the projected losses to each county to occur in 2026 and 2027. (See the following table.)

Projected Annual Medicaid Revenue Losses by North Country County
(\$ millions). (By calendar year, not fiscal year.)

County	2025	2026	2027	Total (2025-2034)
Clinton	0.0	20.9	13.9	69.7
Essex	0.0	8.8	5.8	29.1
Franklin	0.0	12.0	8.0	39.9
Hamilton	0.0	1.3	0.9	4.3
Herkimer	0.0	18.1	12.1	60.2
Jefferson	0.0	32.2	21.4	106.9
Lewis	0.0	7.8	5.2	26.0
St. Lawrence	0.0	31.6	21.0	104.9
Warren	0.0	19.0	12.7	63.2
<u>Washington</u>	<u>0.0</u>	<u>18.4</u>	<u>12.3</u>	<u>61.3</u>
NC TOTAL	0.0	170.1	113.3	565.5

from NYS DOH and Rockefeller Institute of Government

When a multiplier effect of 1.2 to 1.8 is added, the range of potential 10-year economic losses rises to \$678 million up to \$1.017 billion. Far from trivial for these rural counties with median household incomes of \$62,000 per year.

IMPACT OF MEDICAID CUTS

Medicaid Recipients

Loss of Medicaid by 47,600 North Country residents will entail the loss of all health insurance coverage for the vast majority.

Having to choose between basic survival and health treatment, many of these people will fail to obtain preventive services and will delay seeking health care for both acute illness and chronic conditions, all of which will result in more serious and advanced disease. Additional direct effects (not just “side effects”!) will be more emergency room visits, more hospital admissions, and longer in-patient stays--all of which will lead to higher costs and new expensive staffing needs. How ironic that cutting Medicaid services as now scheduled will probably increase the total cost of the health care system.

Certain other outcomes are also easy to foresee: more personal suffering, worsening disabilities, and unnecessary loss of life--along with more bankruptcies due to unaffordable medical bills.

The Health Care Delivery System

Lack of payment for the care of those who have lost Medicaid (7.5% of this region’s population) together with the likely reduction

in payments for those remaining on Medicaid will certainly cause financial shortfalls resulting in a reduction of services across the spectrum of medical caregiving. These reductions will impact availability of health care for all the people in the North Country, regardless of their insurance status.

Also, shrinking reimbursement from Medicaid may lead to something even worse. Both in this region and in all rural areas, there is now serious difficulty in recruiting and retaining physicians and other health professionals. This difficulty may well turn into an impossibility in rural settings and for certain specialties. (1)

Let's consider one provider type at a time:

1). Hospitals

There are 14 hospitals in the North Country with eight of them having 25 or fewer beds and several already operating in the red. These smaller hospitals, with "critical access" and other special designations, are essential to evaluate, treat, and stabilize patients before discharge to home or transfer to a higher level of care. Their financial solvency depends very much on Medicaid revenue.

Here are the fourteen:

Clinton County: Champlain Valley Physicians Hospital (CVPH), Plattsburgh (300 beds)

Essex County: Adirondack Medical Center, Saranac Lake (39 beds)

**Elizabethtown Community Hospital,
Elizabethtown (~ 25 beds)**

**Franklin County: Alice Hyde Medical Center, Malone (25
beds, 165 long-term care beds)**

Hamilton County: no hospital

Herkimer County: Little Falls Hospital, Little Falls (~ 18 beds)

**Jefferson County: Carthage Area Hospital, Carthage (~25
beds)**

River Hospital, Alexandria Bay (~ 15 beds)

**Samaritan Medical Center, Watertown (~
290 acute beds and 124 post-acute beds)**

**Lewis County: Lewis County General Hospital, Lowville (~ 25
beds)**

**Saint Lawrence County: Canton-Potsdam Hospital, Potsdam
(~ 94 beds)**

**Claxton-Hepburn Medical Center,
Ogdensburg (~ 66 beds)**

**Clifton-Fine Hospital, Star Lake (~ 20
beds)**

**Gouverneur Hospital, Gouverneur (~ 20
beds)**

Warren County: Glens Falls Hospital, Glens Falls (391 beds)

Washington County: no hospital

Those considered at high risk of closing, because of small bed count and high Medicaid dependence, include Alice Hyde, Elizabethtown, Little Falls, Carthage Area, River, Lewis County, Clifton-Fine, and Gouverneur.

Those at medium risk of closing include Canton-Potsdam and Claxton-Hepburn.

The larger hospitals, Glens Falls Hospital and Samaritan Medical Center, and CVPH are at lower risk but can be expected to incur financial instability due to the increased burden of uncompensated care and diminished Medicaid reimbursement. Services will need to be cut with the ones most at jeopardy being obstetrical care and mental health services.

With some hospital closures appearing unavoidable, this is the time for our state and local leaders to develop strategies and draft plans to assure that essential services for local communities remain viable and available. The provision of obstetrical care is a telling example. Medicaid covers approximately 50% of childbirths in the North Country. For a pregnant woman in labor, living in the mountains or in farm country, to have to travel hours by car or ambulance to deliver jeopardizes the well-being of both the mother and the baby.

2). Nursing Homes

Having one of the two most elderly populations anywhere in the nation, New York's North Country has a corresponding need for skilled nursing facilities (SNFs). In this region, there are 29 SNFs licensed for a total of 3,642 beds. New York has not adjusted SNF Medicaid reimbursement for inflation since 2008, and many SNF's are now at the brink of insolvency. Medicaid pays for 72

percent of nursing home days and covers 86 percent of the services provided by licensed home care service agencies (LHCSAs) in New York. (2)

Without state or local support, many of these facilities will face steep revenue declines and financial collapse. The consequences will include hardship—and heartbreak—for residents and their families. Taking a system view, these closures will cause overloading of nearby hospitals with revenue loss and fewer provided services.

3). Medical Practices

Medical practices of all types and stripes—private practices, hospital clinics, community health centers—play a key role in small rural communities. In general, being the only local source of medical care, practitioners in these settings both hold and feel special responsibility to see and care for everyone coming to the office door. With sizable numbers of patients losing their Medicaid coverage and having no other source of payment, it nonetheless feels irresponsible, unethical, and just impossible for physicians and other health professionals in these towns to tell these people to go elsewhere when there is no other place for them to go. Especially not when these patients may, later in the day, be in the same line at the grocery store or, on Sunday, across the aisle in church. Many of these providers can be expected to close their eyes, hit their heads against the wall, and move away.

As a corollary, the loss of so many sources of care will surely create and exacerbate mental health and substance abuse problems, with services for these conditions being on the list for Medicaid defunding.

The Local Economy

All of the above leads to serious trouble for the economy.

As an example of the multiplier effect, the loss of the only medical practice in small towns generally leads to the local pharmacy closing—with that closure being followed by other retail outlets as people traveling to a larger town or city for office visits and prescriptions decide to purchase their gasoline and their groceries there too.

Providing services that feel essential to so many people, the medical office is not just another stopping place in a rural community but one that drives local economic activity. And this at a time when the number of Canadian visitors have already dropped 34%. (3)

As another aspect of the importance of health care to the economy, the delivery system is now the largest sector providing employment in the North Country, one that offers livable wages and benefits. Because of Medicaid cuts, the loss of between 3,200 and 5,200 jobs is being projected leading to less money flowing through the economy, lower tax revenue, and more cascading of health insurance losses.

Across the North Country, in cities like Ogdensburg, villages like Malone, and hamlets like Elizabethtown, health care is a main economic pillar that now needs close attention--and will soon need repair. The one and only place to go for help now is Albany, the one site in New York with a special pillar all its own, our state Capitol.

Another serious stress is also on the way. With the coming cuts to Medicaid having so many consequences that are hard to assess, commercial insurers are now warning local businesses to expect unprecedented increases in the cost of premiums. The initial jump will take place in January 2026 with subsequent increases adding up to at least 38% within the next few years—all on top of the usual inflationary increases.

As a related matter, premiums for the Essential Plan and ACA marketplace may go up as much as 20% in January due to the federal cuts, and as much as 75% if expanded premium tax credits expire 12/31/25. The recent application by the NYS DOH for discontinuation of the 1332 waiver and return to the Basic Plan puts the Essential Plan itself in question. Many healthy participants may well gamble on continued good health and discontinue their coverage, which would result in the insurers having to underwrite a sicker population leading in one more way to yet higher insurance costs for both local businesses and policy holders.

As a final observation, there is nothing in this report intended to suggest that Medicaid is a program needing no improvement.

As a bundle of programs that have become increasingly—even bafflingly—complex over time and now serve more than one in three New Yorkers, there are no doubt opportunities for streamlining and for cost savings. It is worth pointing out, however, that the figure of \$20 billion for fraud, waste, and abuse

in the NYS Medicaid program cited by some officials is mostly attributable to incomplete documentation or to overestimates of income by recipients for the coming year (i.e. correctable errors). Most of Medicaid “fraud” is, in fact, being perpetrated by providers up-coding their services and bills rather than by recipients submitting false information.

To be sure, the entire U.S. health system needs reform--or perhaps a thorough remaking. After all, the cost of health care in the U.S.A. is higher than any other nation in the world. Yet among the 32 most developed nations, the U.S. scores lowest for quality, mortality, and satisfaction.

This health care system itself is supported by three major financial pillars—commercial insurance, Medicare, and Medicaid. It would be nice to believe that serious cuts to Medicaid might be a starting point for truly comprehensive reform, but undertaking sweeping changes to one of these programs without consideration of and adaptation by the others can only prove disruptive, and possibly destructive, to patients, to the health care system, and to the economy.

For now, here in the North Country, so many Medicaid enrollees will be affected and so much is at stake for everyone—our six hundred thousand residents and our millions of visitors--that close attention by public leaders to assess the impact of the new coverage gaps and then act to fill those as may be possible is critically important, in many ways like never before.

This Coalition knows very well that New Yorkers everywhere in the state are facing serious trouble. In certain locations, especially in large urban centers, the numbers of both people and dollars to be affected are huge, even mind-boggling. But overlooking the people or neglecting the needs in the North Country where health services are already stretched, both literally

and figuratively, could well result in a medical wasteland, a veritable desert that, for so many, would be unlivable.

Now is the time to begin careful assessment and to prepare for action both in the state, county and local governments to limit the damage and avert the destruction that will otherwise lie ahead.

SPECIAL CONCERNS AND PRELIMINARY RECOMMENDATIONS

With Medicaid cuts about to shrink health services across this region with the prospect of total collapse in some localities, this Coalition is requesting our state and local leaders to give special attention and needed action to the following concerns.

1. Assurance of Emergency Transportation

With several of the North Country's rural hospitals facing closure, there will be need for more and longer ambulance and medical taxi transports in these communities. Public planning, guidance, and support are a need at present.

2. Provision of Urgent Care and Expanded Primary Care

Likewise, with the prospect of Emergency Departments closing, the establishment of and support of Urgent Care Centers will become important and even essential. With the decline in small private practices, the North Country has seen the development of networks of health centers that are nationally and locally recognized as models for the provision of rural health care. Support for these networks and their expansion is essential, as hospitals close.

Attracting and retaining rural health care professionals has been enhanced by student loan repayments in underserved areas. Recruitment would also be enhanced by creating residency training programs in this region for family medicine and primary care.

3. Provision of Tele-Health

With the erosion of local health services, tele-health will take on new importance as a source of consultation and care. This is a service mode which will require expanded broadband in this rural countryside and the assurance of adequate reimbursement for participating providers.

4. Protection of Obstetrical Care

With half of the childbirths in the North Country being Medicaid, ongoing attention is warranted to assure that these deliveries do not become uninsured, unaffordable and unreasonably distant from prenatal, perinatal and postnatal care.

5. Assurance of Mental Health Services

Because mental health disabilities are often not visible, mental health care is characteristically the first service to be sacrificed in the face of system-wide funding losses. With so many people losing Medicaid and the security it offers, mental health services will become even more important than at present. Already many rural areas have noted increased incidence of depression and suicides in young people aged 18-35.

Substance abuse services are another mental (and physical) health area of great importance. The extent of drug and alcohol abuse remain high in the North Country. Most of those being treated are on Medicaid. Although they may not meet the strictest definition of disability (i.e., they may not qualify for SSI/SSD), those going without treatment are at high risk of becoming permanently disabled or dying.

6. Rural Health Transformation Funding

HR1 includes the provision of \$50 billion over the next five years for the protection of rural Medicaid recipients and services. While valuable, this funding represents only 0.5% (one half of one percent) of the total cuts mandated by this law. HR1 cuts \$137 billion in rural health care.

Fifty percent of this transformation fund will be distributed equally among the 50 states with the remainder to be awarded by CMS on a competitive basis state by state. Approval of these competitive grants in Washington will be contingent on the state submitting a single detailed application to federal officials by November 5. The applications have detailed requirements and are limited to 5 year funding. (4)

The preparation of an application for these funds along with deciding where to allocate funds if approved represents a critically important new task for our seriously stressed and understaffed Department of Health.

To reiterate, the members of the Healthcare Coalition for the North Country hope this report will be of assistance to our state and local policy and decision makers in understanding the medical landscape we will be crossing together. We welcome your thoughts, criticisms, but most importantly your suggestions for preserving healthcare in the North Country. We look forward to working with you further.

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Footnotes:

- 1) <https://www.osc.ny.gov/files/reports/pdf/rural-health-shortages.pdf>
- 2) <https://www.nysenate.gov/sites/default/files/admin/structure/media/manage/filefile/a/2025-02/leadingage-new-york.pdf>
- 3) Albany Times Union, August 21, 2025
[As Trump's trade war continues, Canadians continue to stay away](#)
- 4) <https://www.healthaffairs.org/do/10.1377/forefront.20250722.757156/full/>