

UConn HEALTH

Subject: Federal Government Shutdown Contingency Planning Assessment

From: UConn Health Center

Date: September 30, 2025

Thank you for the opportunity to share the potential impact of a federal shutdown on UConn Health. The length of the shutdown will determine the impact. In the short term (a few days), there will be minimum impact to UConn Health's operations, as we could temporarily use reserves until funding is restored. In the medium term, federal research contracts and grants and Federal Student Financial Aid would be impacted. Were the shutdown to last for three months or more we expect that our clinical operations could then also be significantly impacted.

Research:

UConn Health's average monthly spending on federal grants is about \$8M with the following average FTEs on federal grants:

UCH staff of federal grants	
Faculty	108.05
Staff	281.34
Postdoc	69.98
Grad Assists	77.96
Total	537.33

- In the short term, the effect of the shutdown will delay the arrival of new grants and contracts as no new awards from federal agencies will be granted. In addition, the transfer of funds for existing grants and contracts will be delayed until the federal funding resumes and we are able to draw on the letter of credits.
- New awards already made could be rescinded or substantially delayed, depending on the length of the shutdown.
- If the shutdown is long term, reductions in our programs such as formula research, extension grants and other grants and contracts will face significant exposure.
- Delay in passport and visa processing could impact ongoing projects by impeding necessary travel.

Clinical:

For context, FY25 JDH's major funding sources included:

Medicare	17%
Managed Medicare	29%
Medicaid	20%

- HHS FY26 Contingency plans call for CMS to continue operations. CMS will have sufficient funding for Medicaid to fund the first quarter of FY 2026, based on the advance appropriation provided for in the Full-Year Continuing Appropriations and Extensions Act, 2025. If the shutdown continues beyond the first quarter Medicaid payments would likely be impacted.
- Therefore, a rough estimate of potential at risk funding beyond three months would include the loss of \$16M of Medicaid payments with a potential additional slowdown in Managed Medicare (though they are technically funded). A loss, or slowdown, in payments from any of the above sources would cause working capital issues for UConn Health.

Financial Aid:

- The shutdown could potentially impact the origination and drawdown of Federal Pell Grants and Direct Loans (Stafford and Parent Loans/PLUS). Further, our ability to draw down Federal Supplemental Educational Opportunity Grant (SEOG) and Federal Work-Study funds may also be impacted.

Mitigation:

During a short term shutdown, UConn Health would be able to finance the expenditures from existing resources. However, this would impact our working capital and day's cash on hand as we would be without funds counted on for operations. If the shutdown becomes protracted, we would need to begin reevaluating the long-term outlook of our federally funded programs and likely draw on our hypothecation agreement with the State as Medicaid balances rise. A shutdown stretching into the next calendar year and therefore holding up research funding, clinical payments and student aid would then likely create a more urgent situation where UConn Health may need to request additional state resources.

Should you have questions or need to discuss these potential impacts further please let us know.

Respectfully,

A handwritten signature in blue ink, appearing to read "Chad Bianchi", written in a cursive style.

Chad Bianchi
Controller, UConn Health