

STATE OF NEW YORK

6766

2023-2024 Regular Sessions

IN ASSEMBLY

May 8, 2023

Introduced by M. of A. PAULIN, SEPTIMO -- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to setting reimbursement rates for essential safety net hospitals

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 2807-c of the public health law is amended by
2 adding a new subdivision 34-a to read as follows:

3 34-a. Health equity stabilization and transformation act. (a) For the
4 purposes of this subdivision, "essential safety net hospital" shall
5 mean:

6 (i) Any hospital eligible for participation in the directed payment
7 template (DPT) preprint submitted by the state to the Centers for Medi-
8 caid and Medicare Services for fiscal year two thousand twenty-three;

9 (ii) Any non-state public hospital operated by a county, municipality
10 or public benefit corporation; or

11 (iii) Any voluntary hospital certified under this article that is a
12 general hospital, which, in any of the previous three calendar years,
13 has met the following criteria:

14 (A) at least thirty-six percent of inpatient volumes are associated
15 with Medicaid and uninsured individuals;

16 (B) at least thirty-six percent of outpatient volumes are associated
17 with Medicaid and uninsured individuals; and

18 (C) no more than twenty percent of inpatient volumes are associated
19 with commercially insured individuals.

20 (b) For purposes of this subdivision, "essential safety net hospital"
21 shall not include hospitals that are (i) public hospitals operated by
22 the state; (ii) federally designated as a critical access hospital;
23 (iii) federally designated as a sole community hospital; (iv) a special-
24 ty hospital; or (v) a children's hospital.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 (c) For purposes of this subdivision, "health care services" shall
2 include, but is not limited to, acute inpatient discharges, inpatient
3 psychiatric days, ambulatory surgery visits, emergency room visits, and
4 outpatient clinic services.

5 (d) For essential safety net hospitals that qualify pursuant to para-
6 graph (a) of this subdivision, the commissioner shall, subject to feder-
7 al approval, require inpatient hospital rates and hospital outpatient
8 rates paid by the medical assistance program for services provided to
9 patients enrolled in Medicaid managed care to reimburse the entire class
10 of essential safety net hospitals in each geographic region at no less
11 than regional average commercial rates for health care services provided
12 by all hospitals in the same geographic region, as reported in a bench-
13 marking database maintained by a nonprofit organization specified by the
14 commissioner. Such nonprofit organization shall not be affiliated with
15 an insurer, a corporation subject to article forty-three of the insur-
16 ance law, a municipal cooperative health benefit plan certified pursuant
17 to article forty-seven of the insurance law, a health maintenance organ-
18 ization certified pursuant to article forty-four of this chapter, or a
19 provider licensed under this chapter. For purposes of this paragraph:

20 (i) The commissioner shall establish geographic regions within the
21 state for establishing the regional average commercial rate. One region
22 shall consist of the average commercial rate for services provided in
23 the following counties: Bronx, Kings, New York, Queens, and Richmond.

24 (ii) The regional average commercial rate for health care services
25 shall reflect the most recent twelve-month period in which data on
26 commercial rates is available, and shall be updated no less frequently
27 than every two years, provided that the average commercial rate shall be
28 trended forward to adjust for inflation on an annual basis between such
29 updates. Such adjustment shall be made by a federally recognized metric
30 as determined by the commissioner.

31 (iii) The commissioner shall ensure that all essential safety net
32 hospitals shall receive the rates defined in this paragraph. The commis-
33 sioner shall not exclude any qualifying essential safety net hospitals,
34 including public hospitals.

35 (e) Managed care organizations shall provide written certification to
36 the commissioner on a quarterly basis that all payments to essential
37 safety net hospitals are made in compliance with this subdivision and in
38 accordance with section three thousand two hundred twenty-four-a of the
39 insurance law.

40 (f) Any hospital qualifying under this subdivision shall annually
41 report to the department demonstrating that it meets the criteria as an
42 essential safety net hospital. The report shall also include information
43 to demonstrate how increased reimbursement has been utilized to improve
44 patient access, patient quality and patient experience. Such report
45 shall also include specific efforts made to improve maternal health.

46 (g) The commissioner shall make any quality data reported by essential
47 safety net hospitals pursuant to paragraph (f) of this subdivision
48 publicly available in a manner that is useful for patients to make qual-
49 ity determinations. Such information shall be posted on the depart-
50 ment's website.

51 (h) No later than September first, two thousand twenty-three, the
52 commissioner shall provide the governor, the temporary president of the
53 senate and the speaker of the assembly with a report on the feasibility
54 of obtaining a state plan amendment to modify the Medicaid fee-for-ser-
55 vice rates for health care services in the manner prescribed in this

1 subdivision. The report shall also be posted on the department's
2 website.

3 § 2. This act shall take effect July 1, 2023. Effective immediately
4 the commissioner of health shall make such rules and regulations, and
5 seek any federal approvals necessary for the implementation of this act
6 on its effective date.