

# STATE OF NEW YORK

2371

2025-2026 Regular Sessions

## IN ASSEMBLY

January 16, 2025

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

AN ACT to amend the insurance law, the public health law, the civil service law and the social services law, in relation to value-based care for maternity coverage

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

1 Section 1. Paragraph 10 of subsection (i) of section 3216 of the  
2 insurance law is amended by adding a new subparagraph (C) to read as  
3 follows:

4 (C)(i) Coverage provided by this paragraph shall be organized and paid  
5 for through a value-based arrangement pursuant to the schedule set forth  
6 in this subparagraph. "Value-based arrangement" shall mean an arrange-  
7 ment that financially rewards certain positive outcomes and financially  
8 penalizes certain negative outcomes. For the purposes of this section,  
9 a negative outcome shall include a c-section on a low risk individual.

10 (ii) By December thirty-first, two thousand twenty-five each insurer  
11 shall enter into value-based arrangements with hospitals, federally  
12 qualified health centers providing maternity services, and/or birthing  
13 centers that provide at least eighty-five percent of the maternity care  
14 for enrollees of such insurer.

15 (iii) By December thirty-first, two thousand twenty-six each insurer  
16 shall enter into value-based arrangements with hospitals, federally  
17 qualified health centers providing maternity services, and/or birthing  
18 centers that provide at least ninety-five percent of the maternity care  
19 for enrollees of such insurer.

20 § 2. Paragraph 5 of subsection (k) of section 3221 of the insurance  
21 law is amended by adding a new subparagraph (C) to read as follows:

22 (C)(i) Coverage provided by this paragraph shall be organized and paid  
23 for through a value-based arrangement pursuant to the schedule set forth  
24 in this subparagraph. "Value-based arrangement" shall mean an arrange-

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

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1 ment that financially rewards certain positive outcomes and financially  
2 penalizes certain negative outcomes. For the purposes of this section,  
3 a negative outcome shall include a c-section on a low risk individual.

4 (ii) By December thirty-first, two thousand twenty-five each insurer  
5 shall enter into value-based arrangements with hospitals, federally  
6 qualified health centers providing maternity services, and/or birthing  
7 centers that provide at least eighty-five percent of the maternity care  
8 of enrollees of such insurer.

9 (iii) By December thirty-first, two thousand twenty-six each insurer  
10 shall enter into value-based arrangements with hospitals, federally  
11 qualified health centers providing maternity services, and/or birthing  
12 centers that provide at least ninety-five percent of the maternity care  
13 of enrollees of such insurer.

14 § 3. Paragraph 1 of subsection (c) of section 4303 of the insurance  
15 law is amended by adding a new subparagraph (D) to read as follows:

16 (D)(i) Coverage provided by this paragraph shall be organized and paid  
17 for through a value-based arrangement pursuant to the schedule set forth  
18 in this subparagraph. "Value-based arrangement" shall mean an arrange-  
19 ment that financially rewards certain positive outcomes and financially  
20 penalizes certain negative outcomes. For the purposes of this section,  
21 a negative outcome shall include a c-section on a low risk individual.

22 (ii) By December thirty-first, two thousand twenty-five each insurer  
23 shall enter into value-based arrangements with hospitals, federally  
24 qualified health centers providing maternity services, and/or birthing  
25 centers that provide at least eighty-five percent of the maternity care  
26 of enrollees of such insurer.

27 (iii) By December thirty-first, two thousand twenty-six each insurer  
28 shall enter into value-based arrangements with hospitals, federally  
29 qualified health centers providing maternity services, and/or birthing  
30 centers that provide at least ninety-five percent of the maternity care  
31 of enrollee of such insurer.

32 § 4. Section 4406 of the public health law is amended by adding a new  
33 subdivision 6 to read as follows:

34 6. (a) A health maintenance organization which provides coverage for  
35 maternity care shall reimburse and pay for such coverage through a  
36 value-based arrangement pursuant to the schedule contained in this  
37 subdivision. "Value-based arrangement" shall mean an arrangement that  
38 financially rewards certain positive outcomes and financially penalizes  
39 certain negative outcomes. For the purposes of this section, a negative  
40 outcome shall include a c-section on a low risk individual.

41 (b) By December thirty-first, two thousand twenty-five, each health  
42 maintenance organization shall enter into contracts with hospitals,  
43 federally qualified health centers providing maternity care, and/or  
44 birthing centers that provide value-based arrangements that provide at  
45 least eighty-five percent of the maternity care for enrollees of such  
46 organization.

47 (c) By December thirty-first, two thousand twenty-six, each health  
48 maintenance organization shall enter into contracts with hospitals,  
49 federally qualified health centers providing maternity care, and/or  
50 birthing centers that provide value-based arrangements that provide at  
51 least ninety-five percent of the maternity care of enrollees of such  
52 organization.

53 § 5. Section 162 of the civil service law is amended by adding a new  
54 subdivision 10 to read as follows:

55 10. (a) Any contract entered into under this section shall require  
56 that coverage for maternity care shall be organized and paid for through

1 a value-based arrangement pursuant to the schedule contained in para-  
2 graphs (b) and (c) of this subdivision. "Value-based arrangement" shall  
3 mean an arrangement that financially rewards certain positive outcomes  
4 and financially penalizes certain negative outcomes. For the purposes  
5 of this section a negative outcome shall include a c-section on a low  
6 risk individual.

7 (b) By December thirty-first, two thousand twenty-five, each insurer  
8 shall enter into value-based arrangements with hospitals, federally  
9 qualified health centers providing maternity services, and/or birthing  
10 centers that provide at least eighty-five percent of the maternity care  
11 of enrollees of such insurer.

12 (c) By December thirty-first, two thousand twenty-six each insurer  
13 shall enter into value-based arrangements with hospitals, federally  
14 qualified health centers providing maternity services, and/or birthing  
15 centers that provide at least ninety-five percent of the maternity care  
16 of enrollees of such insurer.

17 § 6. Section 364-j of the social services law is amended by adding a  
18 new subdivision 40 to read as follows:

19 40. (a) A managed care provider which provides coverage for maternity  
20 care shall reimburse and pay for such coverage through a value-  
21 based arrangement pursuant to the schedule contained in this  
22 subdivision. "Value-based arrangement" shall mean an arrangement that  
23 financially rewards certain positive outcomes and financially penalizes  
24 certain negative outcomes. For the purposes of this section, a negative  
25 outcome shall include a c-section on a low risk individual.

26 (b) By December thirty-first, two thousand twenty-five, each managed  
27 care provider shall enter into value based arrangements with hospitals,  
28 federally qualified health centers providing maternity services, and/or  
29 birthing centers that provide at least eighty-five percent of the mater-  
30 nity care of enrollees of the managed care provider.

31 (c) By December thirty-first, two thousand twenty-six, each managed  
32 care provider shall enter into value-based arrangements with hospitals,  
33 federally qualified health centers providing maternity services, and/or  
34 birthing centers that provide at least ninety-five percent of the mater-  
35 nity care of enrollees of the managed care provider.

36 § 7. This act shall take effect on the forty-fifth day after it shall  
37 have become a law; provided, however, that the amendments to section  
38 364-j of the social services law made by section six of this act shall  
39 not affect the repeal of such section and shall be deemed repealed ther-  
40 ewith. Effective immediately the addition, amendment and/or repeal of  
41 any rule or regulation necessary for the implementation of this act on  
42 its effective date are authorized to be made and completed on or before  
43 such effective date.