

STATE OF NEW YORK

6266

2025-2026 Regular Sessions

IN SENATE

March 7, 2025

Introduced by Sens. SALAZAR, ADDABBO, CLEARE, FERNANDEZ, PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Health

AN ACT to amend the social services law and the public health law, in relation to establishing a quality incentive program for managed care providers

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

1 Section 1. Subdivision 18 of section 364-j of the social services law
2 is amended by adding a new paragraph (c-1) to read as follows:

3 (c-1) In setting such reimbursement, the commissioner of health shall
4 establish a quality incentive program for managed care providers that is
5 distributed based on managed care providers' performance in meeting
6 quality objectives, which shall be set by the commissioner in advance of
7 the period during which quality is measured. Such quality incentive
8 program shall be funded at a level of at least one percent of the total
9 annual premium paid to managed care providers, or three hundred million
10 dollars, whichever is greater. In establishing the manner in which to
11 measure quality and distribute quality incentive program funds, the
12 commissioner of health shall establish a methodology that provides the
13 greatest level of funding to managed care providers receiving the high-
14 est quality scores and shall consult with representatives of managed
15 care providers and other key stakeholders.

16 § 2. Subdivision 8 of section 4403-f of the public health law, as
17 amended by section 21 of part B of chapter 59 of the laws of 2016, is
18 amended to read as follows:

19 8. Payment rates for managed long term care plan enrollees eligible
20 for medical assistance. The commissioner shall establish payment rates
21 for services provided to enrollees eligible under title XIX of the
22 federal social security act. Such payment rates shall be subject to
23 approval by the director of the division of the budget and shall reflect

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

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1 savings to both state and local governments when compared to costs which
2 would be incurred by such program if enrollees were to receive compara-
3 ble health and long term care services on a fee-for-service basis in the
4 geographic region in which such services are proposed to be provided.
5 Payment rates shall be risk-adjusted to take into account the character-
6 istics of enrollees, or proposed enrollees, including, but not limited
7 to: frailty, disability level, health and functional status, age,
8 gender, the nature of services provided to such enrollees, and other
9 factors as determined by the commissioner. The risk adjusted premiums
10 may also be combined with disincentives or requirements designed to
11 mitigate any incentives to obtain higher payment categories. In setting
12 such payment rates, the commissioner shall consider costs borne by the
13 managed care program to ensure actuarially sound and adequate rates of
14 payment to ensure quality of care shall comply with all applicable laws
15 and regulations, state and federal, including regulations as to actuari-
16 al soundness for medicaid managed care. In setting such reimbursement,
17 the commissioner shall establish a quality incentive program for managed
18 long term care plans that shall be distributed based on such plans'
19 performance in meeting quality objectives, which shall be set by the
20 commissioner in advance of the period during which quality is measured.
21 Such quality incentive program shall be funded at a level of at least
22 one percent of the total annual premium paid to managed long term care
23 plans. In establishing the manner in which to measure quality and
24 distribute quality incentive program funds, the commissioner shall
25 establish a methodology that provides the greatest level of funding to
26 managed long term care plans receiving the highest quality scores and
27 shall consult with representatives of managed long term care plans and
28 other key stakeholders.

29 § 3. This act shall take effect immediately; provided, however, that
30 the amendments to section 364-j of the social services law and section
31 4403-f of the public health law made by sections one and two of this act
32 shall not affect the repeal of such sections and shall be deemed
33 repealed therewith.