STATE OF NEW YORK

6959

2023-2024 Regular Sessions

IN SENATE

May 16, 2023

Introduced by Sen. RIVERA -- read twice and ordered printed, and when printed to be committed to the Committee on Health

AN ACT to amend the public health law, in relation to federally qualified health center rate adequacy

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

Section 1. Paragraph (b) of subdivision 8 of section 2807 of the public health law, as added by section 28 of part B of chapter 1 of the laws of 2002, is amended to read as follows:

(b) For each twelve month period following September thirtieth, two thousand one **and continuing through September thirtieth, two thousand twenty-four**, the operating cost component of such rates of payment shall reflect the operating cost component in effect on September thirtieth of the prior period as increased by the percentage increase in the Medicare Economic Index as computed in accordance with the requirements of 42 USC § 1396a(aa)(3) and as adjusted pursuant to applicable regulations to take into account any increase or decrease in the scope of services furnished by the facility. **For each twelve month period following September thirtieth, two thousand twenty-four, the operating cost component shall be calculated consistent with rates of payment established pursuant to paragraph (c-1) of this subdivision, and then annually adjusted by using the FQHC Market Basket inflator as calculated pursuant to 42 USC § 1395m(o)(2), and as adjusted pursuant to applicable regulations to take into account any increase or decrease in the scope of services furnished by the facility.**

§ 2. Subdivision 8 of section 2807 of the public health law is amended by adding a new paragraph (c-1) to read as follows:

(c-1) As soon as practicable the department shall analyze the actual federally qualified health center costs filed pursuant to 10 NYCRR 86-4.3 during the prior five year reporting periods. In addition to such data, the commissioner shall consider, the scope of services,

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

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including type, intensity, duration and amount, provided by such facilities; staffing to meet competitive market and case mix needs of populations served; physical plant and maintenance costs, infrastructure; technology costs associated with telehealth modality of service delivery; informational technology costs; and other costs deemed necessary by the commissioner. Notwithstanding any other statute, rule, or regulation otherwise imposing ceilings or caps on payments to federally qualified health centers, provided that such payments are still subject to federal financial participation, beginning on April first, two thousand twenty-four, the department shall develop and issue updated rates of payments reflecting the actual costs and updated aggregated data. Prior to implementing the updated rates of payment, the department shall consult with relevant stakeholders including but not limited to the statewide trade association representing such federally qualified health centers for review, revision, and confirmation of the updated rates of payment, as appropriate.

§ 3. This act shall take effect immediately.