

# STATE OF NEW YORK

7560

2023-2024 Regular Sessions

## IN ASSEMBLY

May 25, 2023

Introduced by M. of A. PAULIN -- read once and referred 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:

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

4 (b) For each twelve month period following September thirtieth, two  
5 thousand one and continuing through September thirtieth, two thousand  
6 twenty-four, the operating cost component of such rates of payment shall  
7 reflect the operating cost component in effect on September thirtieth of  
8 the prior period as increased by the percentage increase in the Medicare  
9 Economic Index as computed in accordance with the requirements of 42 USC  
10 § 1396a(aa)(3) and as adjusted pursuant to applicable regulations to  
11 take into account any increase or decrease in the scope of services  
12 furnished by the facility. For each twelve month period following  
13 September thirtieth, two thousand twenty-four, the operating cost compo-  
14 nent shall be calculated consistent with rates of payment established  
15 pursuant to paragraph (c-1) of this subdivision, and then annually  
16 adjusted by using the FOHC Market Basket inflator as calculated pursuant  
17 to 42 USC § 1395m(o)(2), and as adjusted pursuant to applicable regu-  
18 lations to take into account any increase or decrease in the scope of  
19 services furnished by the facility.

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

22 (c-1) As soon as practicable the department shall analyze the actual  
23 federally qualified health center costs filed pursuant to 10 NYCRR  
24 86-4.3 during the prior five year reporting periods. In addition to  
25 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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1 including type, intensity, duration and amount, provided by such facili-  
2 ties; staffing to meet competitive market and case mix needs of popu-  
3 lations served; physical plant and maintenance costs, infrastructure;  
4 technology costs associated with telehealth modality of service deliv-  
5 ery; informational technology costs; and other costs deemed necessary by  
6 the commissioner. Notwithstanding any other statute, rule, or regu-  
7 lation otherwise imposing ceilings or caps on payments to federally  
8 qualified health centers, provided that such payments are still subject  
9 to federal financial participation, beginning on April first, two thou-  
10 sand twenty-four, the department shall develop and issue updated rates  
11 of payments reflecting the actual costs and updated aggregated data.  
12 Prior to implementing the updated rates of payment, the department shall  
13 consult with relevant stakeholders including but not limited to the  
14 statewide trade association representing such federally qualified health  
15 centers for review, revision, and confirmation of the updated rates of  
16 payment, as appropriate.

17 § 3. This act shall take effect immediately.