

# STATE OF NEW YORK

6959--A

Cal. No. 922

2023-2024 Regular Sessions

## IN SENATE

May 16, 2023

Introduced by Sens. RIVERA, BORRELLO, BRESLIN, BROUK, CLEARE, COMRIE, COONEY, FERNANDEZ, GALLIVAN, GOUNARDES, HARCKHAM, HELMING, HINCHEY, HOYLMAN-SIGAL, JACKSON, KAVANAGH, LIU, MARTINS, MAY, OBERACKER, PARKER, SALAZAR, SEPULVEDA, SKOUFIS, STAVISKY, STEC, THOMAS, WEBB -- read twice and ordered printed, and when printed to be committed to the Committee on Health -- recommitted to the Committee on Health in accordance with Senate Rule 6, sec. 8 -- reported favorably from said committee and committed to the Committee on Finance -- reported favorably from said committee, ordered to first report, amended on first report, ordered to a second report and ordered reprinted, retaining its place in the order of second report

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-five, 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-five, 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 under

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

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1 federal law, and as adjusted pursuant to applicable regulations to take  
2 into account any increase or decrease in the scope of services furnished  
3 by the facility.

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

6 (c-1) As soon as practicable the department shall analyze the actual  
7 federally qualified health center costs filed as required by department  
8 regulations, during the prior five year reporting periods. In addition  
9 to such data, the commissioner shall consider, the scope of services,  
10 including type, intensity, duration and amount, provided by such facili-  
11 ties; staffing to meet competitive market and case mix needs of popu-  
12 lations served; physical plant and maintenance costs, infrastructure;  
13 technology costs associated with telehealth modality of service deliv-  
14 ery; informational technology costs; and other costs deemed necessary by  
15 the commissioner. Notwithstanding any other statute, rule, or regu-  
16 lation otherwise imposing ceilings or caps on payments to federally  
17 qualified health centers, provided that such payments are still subject  
18 to federal financial participation, beginning on April first, two thou-  
19 sand twenty-five, the department shall develop and issue updated rates  
20 of payments reflecting the actual costs and updated aggregated data.

21 § 3. This act shall take effect immediately.