STATE OF NEW YORK

7992

IN SENATE

January 4, 2024

Introduced by Sen. MANNION -- 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:

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

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

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

8. Payment rates for managed long term care plan enrollees eligible for medical assistance. The commissioner shall establish payment rates for services provided to enrollees eligible under title XIX of the federal social security act. Such payment rates shall be subject to approval by the director of the division of the budget and shall reflect savings to both state and local governments when compared to costs which would be incurred by such program if enrollees were to receive comparable health and long term care services on a fee-for-service basis in the geographic region in which such services are proposed to be provided.

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

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Payment rates shall be risk-adjusted to take into account the characteristics of enrollees, or proposed enrollees, including, but not limited to: frailty, disability level, health and functional status, age, gender, the nature of services provided to such enrollees, and other factors as determined by the commissioner. The risk adjusted premiums may also be combined with disincentives or requirements designed to mitigate any incentives to obtain higher payment categories. In setting such payment rates, the commissioner shall consider costs borne by the managed care program to ensure actuarially sound and adequate rates of payment to ensure quality of care shall comply with all applicable laws and regulations, state and federal, including regulations as to actuarial soundness for medicaid managed care. **In setting such reimbursement, the commissioner shall establish a quality incentive program for managed long term care plans that shall be distributed based on such plans' performance in meeting quality objectives, which shall be set by the commissioner in advance of the period during which quality is measured. Such quality incentive program shall be funded at a level of at least one percent of the total annual premium paid to managed long term care plans. In establishing the manner in which to measure quality and distribute quality incentive program funds, the commissioner shall establish a methodology that provides the greatest level of funding to managed long term care plans receiving the highest quality scores and shall consult with representatives of managed long term care plans and other key stakeholders.**

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