

# STATE OF NEW YORK

4589

2025-2026 Regular Sessions

## IN SENATE

February 10, 2025

Introduced by Sens. RIVERA, BORRELLO, BROUK, CLEARE, COMRIE, COONEY, FERNANDEZ, GALLIVAN, GOUNARDES, HARCKHAM, HELMING, HINCHEY, HOYLMAN-SIGAL, JACKSON, KAVANAGH, LIU, MARTINS, MAY, OBERACKER, PARKER, SALAZAR, SEPULVEDA, SKOUFIS, STAVISKY, STEC, WEBB -- 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:

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 FQHC Market Basket inflator as calculated under  
17 federal law, and as adjusted pursuant to applicable regulations to take  
18 into account any increase or decrease in the scope of services furnished  
19 by the facility; provided, however, that no facility shall be subject to  
20 an operating cost component lower than what was applied prior to Septem-  
21 ber thirtieth, two thousand twenty-five.

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

LBD00317-01-5

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

3 (c-1) As soon as practicable the department shall analyze the actual  
4 federally qualified health center costs filed as required by department  
5 regulations, during the prior five year reporting periods. In addition  
6 to such data, the commissioner shall consider the scope of services,  
7 including type, intensity, duration and amount, provided by such facili-  
8 ties; staffing to meet competitive market and case mix needs of popu-  
9 lations served; physical plant and maintenance costs; infrastructure  
10 costs; technology costs associated with telehealth modality of service  
11 delivery; informational technology costs; and other costs deemed neces-  
12 sary by the commissioner. Notwithstanding any other statute, rule, or  
13 regulation otherwise imposing ceilings or caps on payments to federally  
14 qualified health centers, provided that such payments are still subject  
15 to federal financial participation, beginning on April first, two thou-  
16 sand twenty-five, and then again every three years thereafter, the  
17 department shall develop and issue updated rates of payments reflecting  
18 the actual costs and updated aggregated data consistent with the method-  
19 ology described in this paragraph; provided, however, that no facility  
20 shall be subject to a rate that is less than the rate used prior to  
21 September thirtieth, two thousand twenty-five.

22 § 3. This act shall take effect immediately.