

STATE OF NEW YORK

9507

IN SENATE

March 18, 2026

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

AN ACT to amend the public health law and the insurance law, in relation to supporting medically fragile children who require community-based and home health services

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

1 Section 1. Section 4406-i of the public health law, as added by chap-
2 ter 170 of the laws of 2023, is amended to read as follows:
3 § 4406-i. Utilization review determinations for medically fragile
4 children. 1. Notwithstanding any inconsistent provision of the health
5 maintenance organization's clinical standards, the health maintenance
6 organization, and any utilization review agent under contract with such
7 health maintenance organization, shall administer and apply the clinical
8 standards (and make determinations of medical necessity) for inpatient,
9 outpatient and community-based services regarding medically fragile
10 children in accordance with the requirements of this section and any
11 regulations with special considerations and processes for utilization
12 review related to medically fragile children.
13 2. Health maintenance organizations shall undertake the following with
14 respect to medically fragile children, and as applicable, shall ensure
15 that their contracted utilization review agents undertake the following
16 with respect to medically fragile children:
17 (a) Consider as medically necessary all covered services that assist
18 medically fragile children in reaching their maximum functional capaci-
19 ty, taking into account the appropriate functional capacities of chil-
20 dren of the same age. In the case of community-based long-term services
21 and supports, those shall include but not be limited to skilled nursing,
22 home-based private duty nursing, personal care services, consumer
23 directed personal assistance program services, home health aide, phys-
24 ical therapy, occupational therapy, speech therapy, and feeding therapy.
25 In the case of Medicaid managed care, health maintenance organizations
26 shall continue to cover services until that child achieves age-appropri-
27 ate functional capacity.

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

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1 (b) Shall not base determinations solely upon review standards appli-
2 cable to (or designed for) adults to medically fragile children. Deter-
3 minations shall take into consideration the specific needs of the child
4 and the circumstances pertaining to their growth and development. The
5 determinations shall consider the level of care required for a medically
6 fragile child, including twenty-four hour, seven-day per week and/or
7 institutional level of care and determinations shall be made on a case-
8 by-case basis taking into account the particular needs of the child and
9 family.

10 (c) Accommodate unusual stabilization and prolonged discharge plans
11 for medically fragile children, as appropriate. Health maintenance
12 organizations, and as applicable their contracted utilization review
13 agents, shall consider when developing and approving discharge plans
14 issues including sudden reversals of condition or progress which may
15 make discharge decisions uncertain or more prolonged than for other
16 children or adults.

17 (c-1) In the case of community-based long term care services for
18 medically fragile children, the health maintenance organization's deter-
19 mination additionally shall specify the level of care and supports that
20 shall be in place in order to safely and adequately provide care for a
21 medically fragile child in the home, and consider the child's long term
22 care needs, not just what is required to address the immediate situ-
23 ation.

24 (d) It is the health maintenance organization's network management
25 responsibility to identify an available provider of needed covered
26 services, as determined through a person centered care plan, to effect
27 safe discharge from a hospital or other facility. In the case of Medi-
28 caid managed care, payments shall not be denied to a discharging hospi-
29 tal or other facility due to lack of an available post-discharge provid-
30 er as long as they have worked with the utilization review agent to
31 identify an appropriate provider.

32 (e) This section does not limit any other rights the medically fragile
33 child may have, including the right to appeal the denial of out of
34 network coverage at in-network cost sharing levels where an appropriate
35 in-network provider is not available pursuant to subdivision one-b of
36 section forty-nine hundred four of this chapter.

37 (f) Health maintenance organizations shall contract with providers
38 with demonstrated expertise in caring for the medically fragile chil-
39 dren. Network providers shall refer to appropriate network community
40 and facility providers for covered services to meet the needs of the
41 child or seek authorization from the health maintenance organization for
42 out-of-network providers when participating providers cannot meet the
43 child's needs.

44 3. In the case of Medicaid managed care, when rendering or arranging
45 for care or payment, both the provider and the health maintenance organ-
46 ization shall inquire of, and shall consider the desires of the family
47 of a medically fragile child including, but not limited to, the avail-
48 ability and capacity of the family, the need for the family to simul-
49 taneously care for the family's other children, and the need for parents
50 to continue employment.

51 4. In the case of Medicaid managed care, the health maintenance organ-
52 ization shall pay for all days of inpatient hospital care at a partic-
53 ipating specialty care center for medically fragile children when the
54 health maintenance organization and the specialty care facility mutually
55 agree the patient is ready for discharge from the specialty care center
56 to the patient's home but requires specialized home services that are

1 not available or in place, or the patient is awaiting discharge to a
2 residential health care facility when no residential health care facili-
3 ty bed is available given the specialized needs of the medically fragile
4 child. In the case of Medicaid managed care, the health maintenance
5 organization shall pay, for all days of residential health care facility
6 care at a participating specialty care center for medically fragile
7 children when the health maintenance organization and the specialty care
8 facility mutually agree the patient is ready for discharge from the
9 specialty care center to the patient's home but requires specialized
10 home services that are not available or in place. In the case of Medi-
11 caid managed care, such requirements shall apply until the health plan
12 can identify and secure admission to an alternate provider rendering the
13 necessary level of services. The specialty care center shall facilitate
14 placement efforts to effectuate the discharge.

15 5. In the event a health maintenance organization enters into a
16 participation agreement with a specialty care center for medically frag-
17 ile children in this state, the requirements of this section shall apply
18 to such participation agreement and to all claims submitted to, or
19 payments made by, any other health maintenance organizations, insurers
20 or payors making payment to the specialty care center pursuant to the
21 provisions of that participation agreement.

22 § 2. The public health law is amended by adding a new section 4406-j
23 to read as follows:

24 § 4406-j. Home and community-based services for medically fragile
25 children. 1. Private duty nursing. (a) Notwithstanding any other
26 provision in this article, medical necessity reviews shall be prohibited
27 for private duty nursing hours prescribed for private duty nursing
28 services that includes: tracheostomy, respiratory support, suctioning, a
29 nasogastric feeding tube, gastrostomy feeding tube, central lines, or
30 total parenteral nutrition.

31 (b) Private duty nursing authorization shall be determined by consid-
32 ering an institutional level of care that would otherwise be needed and
33 shall be individualized based on the assessment of the particular child,
34 consistent with section forty-four hundred six-i of this article,
35 reviewed on a case by case basis with consideration to skilled care
36 needs, inclusive of tracheostomy, respiratory support, nasogastric feed-
37 ing tube, gastrostomy feeding tube, central lines, or total parenteral
38 nutrition.

39 (c) Informal care by family members shall be voluntary and cannot be
40 assumed or required when determining authorization of private duty nurs-
41 ing services.

42 2. Home health services. (a) Medicaid managed care organizations shall
43 reimburse registered nurses for completing processes to recertify
44 services.

45 (b) If a child meets the level of care criteria based upon the
46 medically fragile child subgroup of the children's home and community
47 based services waiver and is approved under such subgroup for such waiv-
48 er, provided the Medicaid managed care plans and fee for services, Medi-
49 caid shall not deny, reduce, suspend or discontinue home and community
50 based waiver services, unless such services are subsequently deemed
51 medically unnecessary by the prescribing physician, and dependent on
52 continuing federal financial participation.

53 (c) Where a provider can demonstrate that appeals of denials for home
54 health care services have been upheld by seventy percent or more over
55 the past twelve months, the Medicaid managed care plan shall continue
56 covering the services pending completion of the appeals process.

1 (d) In order to ensure appropriate transitions of care, home health
2 services shall be continued for no less than ninety days where home
3 health services are deemed to no longer be medically necessary or appro-
4 priate.

5 (e) Telehealth and remote patient monitoring for children who meet
6 medically fragile criteria when prescribed by a physician shall be reim-
7 bursable services.

8 § 3. The public health law is amended by adding a new section 4406-k
9 to read as follows:

10 § 4406-k. Fair hearings involving services for medically fragile chil-
11 dren. Parents and caregivers of medically fragile children shall be
12 given an option to appear virtually or telephonically for any fair hear-
13 ing involving a medically fragile child.

14 § 4. Section 3217-j of the insurance law, as added by chapter 170 of
15 the laws of 2023, is amended to read as follows:

16 § 3217-j. Utilization review determinations for medically fragile
17 children. (a) Notwithstanding any inconsistent provision of the insur-
18 er's clinical standards, the insurer, and any utilization review agent
19 under contract with such insurer, shall administer and apply the clin-
20 ical standards (and make determinations of medical necessity) for inpa-
21 tient, outpatient and community-based services regarding medically frag-
22 ile children in accordance with the requirements of this section and any
23 regulations with special considerations and processes for utilization
24 review related to medically fragile children.

25 (b) Insurers shall undertake the following with respect to medically
26 fragile children, and as applicable, shall ensure that their contracted
27 utilization review agents undertake the following with respect to
28 medically fragile children:

29 (1) Consider as medically necessary all covered services that assist
30 medically fragile children in reaching their maximum functional capaci-
31 ty, taking into account the appropriate functional capacities of chil-
32 dren of the same age. In the case of community-based long-term services
33 and supports, those shall include but not be limited to home-based
34 private duty nursing, personal care services, consumer directed personal
35 assistance program services, home health aide, physical therapy, occupa-
36 tional therapy, speech therapy, and feeding therapy.

37 (2) Shall not base determinations solely upon review standards appli-
38 cable to (or designed for) adults to medically fragile children. Deter-
39 minations shall take into consideration the specific needs of the child
40 and the circumstances pertaining to their growth and development. The
41 determinations also shall consider the level of care required for a
42 medically fragile child, including twenty-four hour, seven-day per week
43 and/or institutional level of care and determinations shall be made on a
44 case-by-case basis taking into account the particular needs of the child
45 and family.

46 (3) Accommodate unusual stabilization and prolonged discharge plans
47 for medically fragile children, as appropriate. Insurers, and as appli-
48 cable their contracted utilization review agents, shall consider when
49 developing and approving discharge plans issues including sudden
50 reversals of condition or progress, which may make discharge decisions
51 uncertain or more prolonged than for other children or adults.

52 (4) In the case of community-based long-term care services for
53 medically fragile children, the health maintenance organization's deter-
54 mination additionally shall specify the level of care and supports that
55 shall be in place in order to safely and adequately provide care for a
56 medically fragile child in the home, and consider the child's long term

1 care needs, not just what is required to address the immediate situ-
2 ation.

3 (5) It is the insurer's network management responsibility under a
4 managed care health insurance contract as defined in subsection (c) of
5 section four thousand eight hundred one of this chapter to identify an
6 available provider of needed covered services, as determined through a
7 person centered care plan, to effect safe discharge from a hospital or
8 other facility.

9 [~~(5)~~] (6) This section does not limit any other rights a medically
10 fragile child may have, including the right to appeal the denial of out
11 of network coverage at in-network cost sharing levels where an appropri-
12 ate in-network provider is not available pursuant to subsection [~~a-two~~]
13 (a-two) of section four thousand nine hundred four of this chapter.

14 [~~(6)~~] (7) Insurers shall contract with providers with demonstrated
15 expertise in caring for the medically fragile children. Network provid-
16 ers shall refer to appropriate network community and facility providers
17 for covered services to meet the needs of the child or seek authori-
18 zation from the insurer for out-of-network providers when participating
19 providers cannot meet the child's needs.

20 (c) In the event an insurer enters into a participation agreement with
21 a specialty care center for medically fragile children in this state,
22 the requirements of this section shall apply to that participation
23 agreement and to all claims submitted to, or payments made by, any other
24 insurers, health maintenance organizations or payors making payment to
25 the specialty care center or provider of community-based long-term care
26 for medically fragile children pursuant to the provisions of that
27 participation agreement.

28 § 5. Sections one and four of this act shall not apply to any quali-
29 fied health plans in the individual and small group market on and after
30 the date, if any, when the federal department of health and human
31 services determines in writing that such provisions constitute state-re-
32 quired benefits in addition to essential health benefits, pursuant to
33 the federal Affordable Care Act and regulations promulgated thereunder.

34 § 6. This act shall take effect on the first day of January after it
35 shall have become a law.