STATE OF NEW YORK

10924

IN ASSEMBLY

April 9, 2026

Introduced by M. of A. HEVESI, STECK -- read once and referred to the Committee on Ways and Means

AN ACT establishing a targeted inflationary increase for designated persons

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

Section 1. 1. Subject to available appropriations and approval of the director of the budget, the commissioners of the department of health, office of mental health, office for people with developmental disabilities, office of addiction services and supports, office of temporary and disability assistance, office of children and family services, and the directors of the state office for the aging and the office of victim services (hereinafter "the commissioners") shall establish a state fiscal year 2026-2027 targeted inflationary increase, effective April 1, 2026, for projecting for the effects of inflation upon rates of payments, contracts, or any other form of reimbursement for the programs and services listed in subdivision four of this section. The targeted inflationary increase established herein shall be applied to the appropriate portion of reimbursable costs or contract amounts. Where appropriate, transfers to the department of health (DOH) shall be made as reimbursement for the state and/or local share of medical assistance.

2. Notwithstanding any inconsistent provision of law, subject to the approval of the director of the budget and available appropriations therefor, for the period of April 1, 2026 through March 31, 2027, the commissioners shall provide funding to support a two and seven-tenths percent (2.7%) targeted inflationary increase under this section for all eligible programs and services as determined pursuant to subdivision four of this section.

3. Notwithstanding any inconsistent provision of law, and as approved by the director of the budget, the 2.7 percent targeted inflationary increase established herein shall be inclusive of all other inflationary increases, cost of living type increases, inflation factors, or trend factors that are newly applied effective April 1, 2026. Except for the 2.7 percent targeted inflationary increase established herein, for the

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

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period commencing on April 1, 2026 and ending March 31, 2027 the commissioners shall not apply any other new targeted inflationary increases or cost of living adjustments for the purpose of establishing rates of payments, contracts or any other form of reimbursement. The phrase "all other inflationary increases, cost of living type increases, inflation factors, or trend factors" as defined in this subdivision shall not include payments made pursuant to the American Rescue Plan Act or other federal relief programs related to the Coronavirus Disease 2019 (COVID-19) pandemic public health emergency. This subdivision shall not prevent the office of children and family services from applying additional trend factors or staff retention factors to eligible programs and services under paragraph (v) of subdivision four of this section.

4. Eligible programs and services. (i) Programs and services funded, licensed, or certified by the office of mental health (OMH) eligible for the targeted inflationary increase established herein, pending federal approval where applicable, include: office of mental health licensed outpatient programs, pursuant to parts 587 and 599 of title 14 CRR-NY of the office of mental health regulations including clinic (mental health outpatient treatment and rehabilitative services programs), continuing day treatment, day treatment, intensive outpatient programs and partial hospitalization; outreach; crisis residence; crisis stabilization, crisis/respite beds; mobile crisis, part 590 comprehensive psychiatric emergency program services; crisis intervention; home based crisis intervention; family care; supported single room occupancy; supported housing programs/services excluding rent; treatment congregate; supported congregate; community residence - children and youth; treatment/apartment; supported apartment; community residence single room occupancy; on-site rehabilitation; employment programs; recreation; respite care; transportation; psychosocial club; assertive community treatment; case management; care coordination, including health home plus services; local government unit administration; monitoring and evaluation; children and youth vocational services; single point of access; school-based mental health program; family support children and youth; advocacy/support services; drop in centers; recovery centers; transition management services; bridger; home and community based waiver services; behavioral health waiver services authorized pursuant to the section 1115 MRT waiver; self-help programs; consumer service dollars; conference of local mental hygiene directors; multicultural initiative; ongoing integrated supported employment services; supported education; mentally ill/chemical abuse (MICA) network; personalized recovery oriented services; children and family treatment and support services; residential treatment facilities operating pursuant to part 584 of title 14-NYCRR; geriatric demonstration programs; community-based mental health family treatment and support; coordinated children's service initiative; homeless services; and promise zones.

(ii) Programs and services funded, licensed, or certified by the office for people with developmental disabilities (OPWDD) eligible for the targeted inflationary increase established herein, pending federal approval where applicable, include: local/unified services; chapter 620 services; voluntary operated community residential services; article 16 clinics; day treatment services; family support services; 100% day training; epilepsy services; traumatic brain injury services; hepatitis B services; independent practitioner services for individuals with intellectual and/or developmental disabilities; crisis services for individuals with intellectual and/or developmental disabilities; family care residential habilitation; supervised residential habilitation;

supportive residential habilitation; respite; day habilitation; prevocational services; supported employment; community habilitation; intermediate care facility day and residential services; specialty hospital; pathways to employment; intensive behavioral services; community transition services; family education and training; fiscal intermediary; support broker; and personal resource accounts. The office for people with developmental disabilities, in collaboration with the department of education, shall also provide a comparable targeted inflationary increase to the independent living centers program.

(iii) Programs and services funded, licensed, or certified by the office of addiction services and supports (OASAS) eligible for the targeted inflationary increase established herein, pending federal approval where applicable, include: medically supervised withdrawal services - residential; medically supervised withdrawal services - outpatient; medically managed detoxification; inpatient rehabilitation services; outpatient opioid treatment; residential opioid treatment; residential opioid treatment to abstinence; problem gambling treatment; medically supervised outpatient; outpatient rehabilitation; specialized services substance abuse programs; home and community based waiver services pursuant to subdivision 9 of section 366 of the social services law; children and family treatment and support services; continuum of care rental assistance case management; NY/NY III post-treatment housing; NY/NY III housing for persons at risk for homelessness; permanent supported housing; youth clubhouse; recovery community centers; recovery community organizing initiative; residential rehabilitation services for youth (RRSY); intensive residential; community residential; supportive living; residential services; job placement initiative; case management; family support navigator; local government unit administration; peer engagement; vocational rehabilitation; HIV early intervention services; dual diagnosis coordinator; problem gambling resource centers; problem gambling prevention; prevention resource centers; primary prevention services; other prevention services; comprehensive outpatient clinic; jail-based supports; regional addiction resource centers; and addiction treatment centers.

(iv) Programs and services funded, licensed, or certified by the office of temporary and disability assistance (OTDA) eligible for the targeted inflationary increase established herein, pending federal approval where applicable, include: the nutrition outreach and education program (NOEP); New York state supportive housing program; solutions to end homelessness program; disability advocacy programs; and state supplemental nutrition assistance program outreach program.

(v) Programs and services funded, licensed, or certified by the office of children and family services (OCFS) eligible for the targeted inflationary increase established herein, pending federal approval where applicable, include: programs for which the office of children and family services establishes maximum state aid rates pursuant to section 398-a of the social services law and section 4003 of the education law; emergency foster homes; foster family boarding homes and therapeutic foster homes; supervised settings as defined by subdivision twenty-two of section 371 of the social services law, as added by section 1-a of part L of chapter 56 of the laws of 2021; adoptive parents receiving adoption subsidy pursuant to section 453 of the social services law; congregate and scattered supportive housing programs and supportive services provided under the NY/NY III supportive housing agreement to young adults leaving or having recently left foster care; child care resource and referral agencies; healthy families New York; New York

state learning and enrichment after-school program supports (LEAPS); New York state commission for the blind; and residential and non-residential domestic violence services and preventative services as defined by section 409 of the social services law.

(vi) Programs and services funded, licensed, or certified by the state office for the aging (SOFA) eligible for the targeted inflationary increase established herein, pending federal approval where applicable, include: community services for the elderly; expanded in-home services for the elderly; the wellness in nutrition program; New York connects program; long term ombudsman program; naturally occurring retirement communities (NORCs); neighborhood naturally occurring retirement communities (NNORCs); and social adult day services program.

(vii) Programs and services funded, licensed, or certified by the department of health eligible for the cost of living adjustment established herein, pending federal approval where applicable, include: health home care management agencies authorized under section 365-l of the social services law; rape crisis programs; maternal, infant, and early childhood home visiting (MIECHV) initiative; and Medicaid transportation program.

(viii) Programs and services funded, licensed, or certified by the office of victim services eligible for the cost of living adjustment established herein, pending federal approval where applicable, include: crime victim service programs as defined by section 631-a of the executive law.

5. All state-funded human services programs not listed in paragraphs (i), (ii), (iii), (iv), (v), (vi), (vii), and (viii) of subdivision four of this section shall be deemed eligible for the cost of living adjustment established herein, pending federal approval where applicable, if such program or service is provided to individuals or groups of individuals, for the purpose of improving or enhancing such individuals' health and/or welfare, by addressing social problems. The commissioners and directors of the office of mental health, the office for people with developmental disabilities, the office of addiction services and supports, the office of temporary and disability assistance, the office of children and family services, the state office for the aging, the department of health, and the office of victim services shall publish a list of such newly eligible programs and services each year on department websites no later than March first and review the current list of cost of living adjustment eligible programs every five years.

6. Each local government unit or direct contract provider receiving funding for the targeted inflationary increase established herein shall submit a written certification, in such form and at such time as the commissioners shall prescribe, attesting how such funding will be or was used to first promote the recruitment and retention of non-executive direct support professionals, non-executive direct care staff, non-executive clinical staff, non-executive administrative staff, or respond to other critical non-personal service costs prior to supporting any salary increases or other compensation for executive level job titles.

7. Notwithstanding any inconsistent provision of law to the contrary, agency commissioners shall be authorized to recoup funding from a local governmental unit or direct contract provider for the targeted inflationary increase established herein determined to have been used in a manner inconsistent with the appropriation, or any other provision of this section. Such agency commissioners shall be authorized to employ any legal mechanism to recoup such funds, including an offset of other

funds that are owed to such local governmental unit or direct contract provider.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2026.