

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:

1 Section 1. 1. Subject to available appropriations and approval of the
2 director of the budget, the commissioners of the department of health,
3 office of mental health, office for people with developmental disabili-
4 ties, office of addiction services and supports, office of temporary and
5 disability assistance, office of children and family services, and the
6 directors of the state office for the aging and the office of victim
7 services (hereinafter "the commissioners") shall establish a state
8 fiscal year 2026-2027 targeted inflationary increase, effective April 1,
9 2026, for projecting for the effects of inflation upon rates of
10 payments, contracts, or any other form of reimbursement for the programs
11 and services listed in subdivision four of this section. The targeted
12 inflationary increase established herein shall be applied to the appro-
13 priate portion of reimbursable costs or contract amounts. Where appro-
14 priate, transfers to the department of health (DOH) shall be made as
15 reimbursement for the state and/or local share of medical assistance.

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

23 3. Notwithstanding any inconsistent provision of law, and as approved
24 by the director of the budget, the 2.7 percent targeted inflationary
25 increase established herein shall be inclusive of all other inflationary
26 increases, cost of living type increases, inflation factors, or trend
27 factors that are newly applied effective April 1, 2026. Except for the
28 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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1 period commencing on April 1, 2026 and ending March 31, 2027 the commis-
2 sioners shall not apply any other new targeted inflationary increases or
3 cost of living adjustments for the purpose of establishing rates of
4 payments, contracts or any other form of reimbursement. The phrase "all
5 other inflationary increases, cost of living type increases, inflation
6 factors, or trend factors" as defined in this subdivision shall not
7 include payments made pursuant to the American Rescue Plan Act or other
8 federal relief programs related to the Coronavirus Disease 2019 (COVID-
9 19) pandemic public health emergency. This subdivision shall not prevent
10 the office of children and family services from applying additional
11 trend factors or staff retention factors to eligible programs and
12 services under paragraph (v) of subdivision four of this section.

13 4. Eligible programs and services. (i) Programs and services funded,
14 licensed, or certified by the office of mental health (OMH) eligible for
15 the targeted inflationary increase established herein, pending federal
16 approval where applicable, include: office of mental health licensed
17 outpatient programs, pursuant to parts 587 and 599 of title 14 CRR-NY of
18 the office of mental health regulations including clinic (mental health
19 outpatient treatment and rehabilitative services programs), continuing
20 day treatment, day treatment, intensive outpatient programs and partial
21 hospitalization; outreach; crisis residence; crisis stabilization,
22 crisis/respice beds; mobile crisis, part 590 comprehensive psychiatric
23 emergency program services; crisis intervention; home based crisis
24 intervention; family care; supported single room occupancy; supported
25 housing programs/services excluding rent; treatment congregate;
26 supported congregate; community residence - children and youth;
27 treatment/apartment; supported apartment; community residence single
28 room occupancy; on-site rehabilitation; employment programs; recreation;
29 respice care; transportation; psychosocial club; assertive community
30 treatment; case management; care coordination, including health home
31 plus services; local government unit administration; monitoring and
32 evaluation; children and youth vocational services; single point of
33 access; school-based mental health program; family support children and
34 youth; advocacy/support services; drop in centers; recovery centers;
35 transition management services; bridger; home and community based waiver
36 services; behavioral health waiver services authorized pursuant to the
37 section 1115 MRT waiver; self-help programs; consumer service dollars;
38 conference of local mental hygiene directors; multicultural initiative;
39 ongoing integrated supported employment services; supported education;
40 mentally ill/chemical abuse (MICA) network; personalized recovery
41 oriented services; children and family treatment and support services;
42 residential treatment facilities operating pursuant to part 584 of title
43 14-NYCRR; geriatric demonstration programs; community-based mental
44 health family treatment and support; coordinated children's service
45 initiative; homeless services; and promise zones.

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

1 supportive residential habilitation; respite; day habilitation; prevoca-
2 tional services; supported employment; community habilitation; interme-
3 diate care facility day and residential services; specialty hospital;
4 pathways to employment; intensive behavioral services; community transi-
5 tion services; family education and training; fiscal intermediary;
6 support broker; and personal resource accounts. The office for people
7 with developmental disabilities, in collaboration with the department of
8 education, shall also provide a comparable targeted inflationary
9 increase to the independent living centers program.

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

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

42 (v) Programs and services funded, licensed, or certified by the office
43 of children and family services (OCFS) eligible for the targeted infla-
44 tionary increase established herein, pending federal approval where
45 applicable, include: programs for which the office of children and fami-
46 ly services establishes maximum state aid rates pursuant to section
47 398-a of the social services law and section 4003 of the education law;
48 emergency foster homes; foster family boarding homes and therapeutic
49 foster homes; supervised settings as defined by subdivision twenty-two
50 of section 371 of the social services law, as added by section 1-a of
51 part L of chapter 56 of the laws of 2021; adoptive parents receiving
52 adoption subsidy pursuant to section 453 of the social services law;
53 congregate and scattered supportive housing programs and supportive
54 services provided under the NY/NY III supportive housing agreement to
55 young adults leaving or having recently left foster care; child care
56 resource and referral agencies; healthy families New York; New York

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

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

13 (vii) Programs and services funded, licensed, or certified by the
14 department of health eligible for the cost of living adjustment estab-
15 lished herein, pending federal approval where applicable, include:
16 health home care management agencies authorized under section 365-1 of
17 the social services law; rape crisis programs; maternal, infant, and
18 early childhood home visiting (MIECHV) initiative; and Medicaid trans-
19 portation program.

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

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

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

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

1 funds that are owed to such local governmental unit or direct contract
2 provider.
3 § 2. This act shall take effect immediately and shall be deemed to
4 have been in full force and effect on and after April 1, 2026.