

STATE OF NEW YORK

2089

2025-2026 Regular Sessions

IN ASSEMBLY

January 15, 2025

Introduced by M. of A. PAULIN, SEPTIMO, SIMON, WEPRIN, BICHOTTE HERME-
LYN, LEVENBERG, KIM, KELLES -- read once and referred to the Committee
on Health

AN ACT to amend the public health law, in relation to setting reimburse-
ment rates for essential safety net hospitals

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

1 Section 1. Section 2807-c of the public health law is amended by
2 adding a new subdivision 34-a to read as follows:

3 34-a. Health equity stabilization and transformation act. (a) For the
4 purposes of this subdivision, "essential safety net hospital" shall
5 mean:

6 (i) Any hospital eligible for participation in the directed payment
7 template (DPT) preprint submitted by the state to the Centers for Medi-
8 caid and Medicare Services for fiscal year two thousand twenty-five;

9 (ii) Any non-state public hospital operated by a county, municipality
10 or public benefit corporation; or

11 (iii) is an acute children's hospital licensed by the department
12 primarily for the provision of pediatric and neonatal services for which
13 a discrete institutional cost report was filed for the past three
14 calendar years, and which has medicaid discharges in excess of fifty
15 percent of it's total discharges.

16 (iv) Any voluntary hospital certified under this article that is a
17 general hospital, which, in any of the previous three calendar years,
18 has met the following criteria:

19 (A) at least thirty-six percent of inpatient volumes are associated
20 with Medicaid and uninsured individuals;

21 (B) at least thirty-six percent of outpatient volumes are associated
22 with Medicaid and uninsured individuals; and

23 (C) no more than twenty percent of inpatient volumes are associated
24 with commercially insured individuals.

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

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1 (b) For purposes of this subdivision, "essential safety net hospital"
2 shall not include hospitals that are (i) public hospitals operated by
3 the state; (ii) federally designated as a critical access hospital;
4 (iii) federally designated as a sole community hospital; or (iv) a
5 specialty hospital.

6 (c) For purposes of this subdivision, "health care services" shall
7 include, but is not limited to, acute inpatient discharges, inpatient
8 psychiatric days, ambulatory surgery visits, emergency room visits, and
9 outpatient clinic services.

10 (d) For essential safety net hospitals that qualify pursuant to para-
11 graph (a) of this subdivision, the commissioner shall, subject to feder-
12 al approval, require inpatient hospital rates and hospital outpatient
13 rates paid by the medical assistance program for services provided to
14 patients enrolled in Medicaid managed care to reimburse the entire class
15 of essential safety net hospitals in each geographic region at no less
16 than regional average commercial rates for health care services provided
17 by all hospitals in the same geographic region, as reported in a bench-
18 marking database maintained by a nonprofit organization specified by the
19 commissioner. Such nonprofit organization shall not be affiliated with
20 an insurer, a corporation subject to article forty-three of the insur-
21 ance law, a municipal cooperative health benefit plan certified pursuant
22 to article forty-seven of the insurance law, a health maintenance organ-
23 ization certified pursuant to article forty-four of this chapter, or a
24 provider licensed under this chapter. For purposes of this paragraph:

25 (i) The commissioner shall establish geographic regions within the
26 state for establishing the regional average commercial rate. One region
27 shall consist of the average commercial rate for services provided in
28 the following counties: Bronx, Kings, New York, Queens, and Richmond.

29 (ii) The regional average commercial rate for health care services
30 shall reflect the most recent twelve-month period in which data on
31 commercial rates is available, and shall be updated no less frequently
32 than every two years, provided that the average commercial rate shall be
33 trended forward to adjust for inflation on an annual basis between such
34 updates. Such adjustment shall be made by a federally recognized metric
35 as determined by the commissioner.

36 (iii) The commissioner shall ensure that all essential safety net
37 hospitals shall receive the rates defined in this paragraph. The commis-
38 sioner shall not exclude any qualifying essential safety net hospitals,
39 including public hospitals.

40 (e) Managed care organizations shall provide written certification to
41 the commissioner on a quarterly basis that all payments to essential
42 safety net hospitals are made in compliance with this subdivision and in
43 accordance with section three thousand two hundred twenty-four-a of the
44 insurance law.

45 (f) Any hospital qualifying under this subdivision shall annually
46 report to the department demonstrating that it meets the criteria as an
47 essential safety net hospital. The report shall also include information
48 to demonstrate how increased reimbursement has been utilized to improve
49 patient access, patient quality and patient experience. Such report
50 shall also include specific efforts made to improve maternal health.

51 (g) The commissioner shall make any quality data reported by essential
52 safety net hospitals pursuant to paragraph (f) of this subdivision
53 publicly available in a manner that is useful for patients to make qual-
54 ity determinations. Such information shall be posted on the depart-
55 ment's website.

1 (h) No later than September first, two thousand twenty-five, the
2 commissioner shall provide the governor, the temporary president of the
3 senate and the speaker of the assembly with a report on the feasibility
4 of obtaining a state plan amendment to modify the Medicaid fee-for-ser-
5 vice rates for health care services in the manner prescribed in this
6 subdivision. The report shall also be posted on the department's
7 website.

8 § 2. This act shall take effect July 1, 2025. Effective immediately
9 the commissioner of health shall make such rules and regulations, and
10 seek any federal approvals necessary for the implementation of this act
11 on its effective date.