STATE OF NEW YORK

2371--A

2025-2026 Regular Sessions

IN ASSEMBLY

January 16, 2025

Introduced by M. of A. PAULIN -- read once and referred to the Committee on Insurance -- recommitted to the Committee on Insurance in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, the public health law, the civil service law and the social services law, in relation to value-based care for maternity coverage

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

Section 1. Paragraph 10 of subsection (i) of section 3216 of the insurance law is amended by adding a new subparagraph (D) to read as follows:

(D)(i) Coverage provided by this paragraph shall be organized and paid for through a value-based arrangement pursuant to the schedule set forth in this subparagraph. "Value-based arrangement" shall mean an arrangement that financially rewards certain positive outcomes and financially penalizes certain negative outcomes. For the purposes of this section, a negative outcome shall include a c-section on a low risk individual.

(ii) By December thirty-first, two thousand twenty-six, each insurer shall enter into value-based arrangements with hospitals, federally qualified health centers providing maternity services, and/or birthing centers that provide at least eighty-five percent of the maternity care for enrollees of such insurer.

(iii) By December thirty-first, two thousand twenty-seven, each insurer shall enter into value-based arrangements with hospitals, federally qualified health centers providing maternity services, and/or birthing centers that provide at least ninety-five percent of the maternity care for enrollees of such insurer.

§ 2. Paragraph 5 of subsection (k) of section 3221 of the insurance law is amended by adding a new subparagraph (C) to read as follows:

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

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(C)(i) Coverage provided by this paragraph shall be organized and paid for through a value-based arrangement pursuant to the schedule set forth in this subparagraph. "Value-based arrangement" shall mean an arrangement that financially rewards certain positive outcomes and financially penalizes certain negative outcomes. For the purposes of this section, a negative outcome shall include a c-section on a low risk individual.

(ii) By December thirty-first, two thousand twenty-six, each insurer shall enter into value-based arrangements with hospitals, federally qualified health centers providing maternity services, and/or birthing centers that provide at least eighty-five percent of the maternity care of enrollees of such insurer.

(iii) By December thirty-first, two thousand twenty-seven, each insurer shall enter into value-based arrangements with hospitals, federally qualified health centers providing maternity services, and/or birthing centers that provide at least ninety-five percent of the maternity care of enrollees of such insurer.

§ 3. Paragraph 1 of subsection (c) of section 4303 of the insurance law is amended by adding a new subparagraph (E) to read as follows:

(E)(i) Coverage provided by this paragraph shall be organized and paid for through a value-based arrangement pursuant to the schedule set forth in this subparagraph. "Value-based arrangement" shall mean an arrangement that financially rewards certain positive outcomes and financially penalizes certain negative outcomes. For the purposes of this section, a negative outcome shall include a c-section on a low risk individual.

(ii) By December thirty-first, two thousand twenty-six, each insurer shall enter into value-based arrangements with hospitals, federally qualified health centers providing maternity services, and/or birthing centers that provide at least eighty-five percent of the maternity care of enrollees of such insurer.

(iii) By December thirty-first, two thousand twenty-seven, each insurer shall enter into value-based arrangements with hospitals, federally qualified health centers providing maternity services, and/or birthing centers that provide at least ninety-five percent of the maternity care of enrollees of such insurer.

§ 4. Section 4406 of the public health law is amended by adding a new subdivision 6 to read as follows:

6. (a) A health maintenance organization which provides coverage for maternity care shall reimburse and pay for such coverage through a value-based arrangement pursuant to the schedule contained in this subdivision. "Value-based arrangement" shall mean an arrangement that financially rewards certain positive outcomes and financially penalizes certain negative outcomes. For the purposes of this section, a negative outcome shall include a c-section on a low risk individual.

(b) By December thirty-first, two thousand twenty-six, each health maintenance organization shall enter into contracts with hospitals, federally qualified health centers providing maternity care, and/or birthing centers that provide value-based arrangements that provide at least eighty-five percent of the maternity care for enrollees of such organization.

(c) By December thirty-first, two thousand twenty-seven, each health maintenance organization shall enter into contracts with hospitals, federally qualified health centers providing maternity care, and/or birthing centers that provide value-based arrangements that provide at least ninety-five percent of the maternity care of enrollees of such organization.

§ 5. Section 162 of the civil service law is amended by adding a new subdivision 10 to read as follows:

10. (a) Any contract entered into under this section shall require that coverage for maternity care shall be organized and paid for through a value-based arrangement pursuant to the schedule contained in paragraphs (b) and (c) of this subdivision. "Value-based arrangement" shall mean an arrangement that financially rewards certain positive outcomes and financially penalizes certain negative outcomes. For the purposes of this section a negative outcome shall include a c-section on a low risk individual.

(b) By December thirty-first, two thousand twenty-six, each insurer shall enter into value-based arrangements with hospitals, federally qualified health centers providing maternity services, and/or birthing centers that provide at least eighty-five percent of the maternity care of enrollees of such insurer.

(c) By December thirty-first, two thousand twenty-seven, each insurer shall enter into value-based arrangements with hospitals, federally qualified health centers providing maternity services, and/or birthing centers that provide at least ninety-five percent of the maternity care of enrollees of such insurer.

§ 6. Section 364-j of the social services law is amended by adding a new subdivision 41 to read as follows:

41. (a) A managed care provider which provides coverage for maternity care shall reimburse and pay for such coverage through a value-based arrangement pursuant to the schedule contained in this subdivision. "Value-based arrangement" shall mean an arrangement that financially rewards certain positive outcomes and financially penalizes certain negative outcomes. For the purposes of this section, a negative outcome shall include a c-section on a low risk individual.

(b) By December thirty-first, two thousand twenty-six, each managed care provider shall enter into value-based arrangements with hospitals, federally qualified health centers providing maternity services, and/or birthing centers that provide at least eighty-five percent of the maternity care of enrollees of the managed care provider.

(c) By December thirty-first, two thousand twenty-seven, each managed care provider shall enter into value-based arrangements with hospitals, federally qualified health centers providing maternity services, and/or birthing centers that provide at least ninety-five percent of the maternity care of enrollees of the managed care provider.

§ 7. This act shall take effect on the forty-fifth day after it shall have become a law; provided, however, that the amendments to section 364-j of the social services law made by section six of this act shall not affect the repeal of such section and shall be deemed repealed therewith. Effective immediately the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.