

# STATE OF NEW YORK

3762

2025-2026 Regular Sessions

## IN SENATE

January 29, 2025

Introduced by Sens. RIVERA, BAILEY, BRISPORT, BROUK, CLEARE, COMRIE, COONEY, FERNANDEZ, GIANARIS, GONZALEZ, GOUNARDES, HARCKHAM, HINCHEY, HOYLMAN-SIGAL, JACKSON, KAVANAGH, KRUEGER, LIU, MAY, MAYER, MYRIE, PARKER, PERSAUD, RAMOS, SALAZAR, SANDERS, SEPULVEDA, SERRANO, WEBB -- read twice and ordered printed, and when printed to be committed to the Committee on Health

AN ACT to amend the social services law, in relation to coverage for certain individuals under the 1332 state innovation program

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

1 Section 1. Section 369-ii of the social services law, as added by  
2 section 3 of part H of chapter 57 of the laws of 2023, is amended to  
3 read as follows:  
4 § 369-ii. 1332 state innovation program. 1. Authorization. Notwith-  
5 standing section three hundred sixty-nine-gg of this title, subject to  
6 federal approval, if it is in the financial interest of the state to do  
7 so, the commissioner of health is authorized, with the approval of the  
8 director of the budget, to establish a 1332 state innovation program  
9 pursuant to section 1332 of the patient protection and affordable care  
10 act (P.L. 111-148) and subdivision twenty-five of section two hundred  
11 sixty-eight-c of the public health law. The commissioner of health's  
12 authority pursuant to this section is contingent upon obtaining and  
13 maintaining all necessary approvals from the secretary of health and  
14 human services and the secretary of the treasury based on an application  
15 for a waiver for state innovation. The commissioner of health [~~may~~]  
16 shall take all actions necessary to obtain such approvals, including  
17 seeking any necessary approvals for amendments to the waiver.  
18 2. Definitions. For the purposes of this section:  
19 (a) "Eligible organization" means an insurer licensed pursuant to  
20 article thirty-two or forty-two of the insurance law, a corporation or  
21 an organization under article forty-three of the insurance law, or an

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

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1 organization certified under article forty-four of the public health  
2 law, including providers certified under section forty-four hundred  
3 three-e of the public health law.

4 (b) "Approved organization" means an eligible organization approved by  
5 the commissioner of health to underwrite a 1332 state innovation health  
6 insurance plan pursuant to this section.

7 (c) "Health care services" means:

8 (i) the services and supplies as defined by the commissioner of health  
9 in consultation with the superintendent of financial services, and shall  
10 be consistent with and subject to the essential health benefits as  
11 defined by the commissioner in accordance with the provisions of the  
12 patient protection and affordable care act (P.L. 111-148) and consistent  
13 with the benefits provided by the reference plan selected by the commis-  
14 sioner of health for the purposes of defining such benefits, and shall  
15 include coverage of and access to the services of any national cancer  
16 institute-designated cancer center licensed by the department of health  
17 within the service area of the approved organization that is willing to  
18 agree to provide cancer-related inpatient, outpatient and medical  
19 services to all enrollees in approved organizations' plans in such  
20 cancer center's service area under the prevailing terms and conditions  
21 that the approved organization requires of other similar providers to be  
22 included in the approved organization's network, provided that such  
23 terms shall include reimbursement of such center at no less than the  
24 fee-for-service medicaid payment rate and methodology applicable to the  
25 center's inpatient and outpatient services;

26 (ii) dental and vision services as defined by the commissioner of  
27 health, and

28 (iii) as defined by the commissioner of health and subject to federal  
29 approval, certain services and supports provided to enrollees who have  
30 functional limitations and/or chronic illnesses that have the primary  
31 purpose of supporting the ability of the enrollee to live or work in the  
32 setting of their choice, which may include the individual's home, a  
33 worksite, or a provider-owned or controlled residential setting.

34 (d) "Qualified health plan" means a health plan that meets the crite-  
35 ria for certification described in § 1311(c) of the patient protection  
36 and affordable care act (P.L. 111-148), and is offered to individuals  
37 through the NY State of Health, the official health Marketplace, or  
38 Marketplace, as defined in subdivision two of section two hundred  
39 sixty-eight-a of the public health law.

40 (e) "Basic health insurance plan" means a health plan providing health  
41 care services, separate and apart from qualified health plans, that is  
42 issued by an approved organization and certified in accordance with  
43 section three hundred sixty-nine-gg of this title.

44 (f) "1332 state innovation plan" means a standard health plan provid-  
45 ing health care services, separate and apart from a qualified health  
46 plan and a basic health insurance plan, that is issued by an approved  
47 organization and certified in accordance with this section.

48 3. State innovation plan eligible individual. (a) A person is eligible  
49 to receive coverage for health care under this section if they:

50 (i) reside in New York state and are under sixty-five years of age,  
51 including individuals that are ineligible for the basic health program  
52 under 42 U.S.C. section 18051 on the basis of immigration status  
53 provided they are determined eligible pursuant to subdivision nine of  
54 this section and are determined eligible through the waiver process to  
55 receive coverage under this section regardless of direct federal finan-  
56 cial support for such individuals;

1 (ii) are not eligible for medical assistance under title eleven of  
2 this article, excluding eligibility for limited medical assistance for  
3 the treatment of an emergency medical condition authorized pursuant to  
4 42 U.S.C. 1396, or for the child health insurance plan described in  
5 title one-A of article twenty-five of the public health law;

6 (iii) are not eligible for minimum essential coverage, as defined in  
7 section 5000A(f) of the Internal Revenue Service Code of 1986, or is  
8 eligible for an employer-sponsored plan that is not affordable, in  
9 accordance with section 5000A(f) of such code; and

10 (iv) have household income at or below two hundred fifty percent of  
11 the federal poverty line defined and annually revised by the United  
12 States department of health and human services for a household of the  
13 same size; and has household income that exceeds one hundred thirty-  
14 three percent of the federal poverty line defined and annually revised  
15 by the United States department of health and human services for a  
16 household of the same size; provided, however, that MAGI eligible  
17 noncitizens lawfully present in the United States, and individuals that  
18 are ineligible for the basic health program under 42 U.S.C. section  
19 18051 on the basis of immigration status with household incomes at or  
20 below one hundred thirty-three percent of the federal poverty line shall  
21 be eligible to receive coverage for health care services pursuant to the  
22 provisions of this section [~~if such noncitizen would be ineligible for~~  
23 ~~medical assistance under title eleven of this article due to their immi-~~  
24 ~~gration status~~].

25 (b) Subject to federal approval, a child born to an individual eligi-  
26 ble for and receiving coverage for health care services pursuant to this  
27 section who but for their eligibility under this section would be eligi-  
28 ble for coverage pursuant to subparagraphs two or four of paragraph (b)  
29 of subdivision one of section three hundred sixty-six of this article,  
30 shall be administratively enrolled, as defined by the commissioner of  
31 health, in medical assistance and to have been found eligible for such  
32 assistance on the date of such birth and to remain eligible for such  
33 assistance for a period of one year.

34 (c) Subject to federal approval, an individual who is eligible for and  
35 receiving coverage for health care services pursuant to this section is  
36 eligible to continue to receive health care services pursuant to this  
37 section during the individual's pregnancy and for a period of one year  
38 following the end of the pregnancy without regard to any change in the  
39 income of the household that includes the pregnant individual, even if  
40 such change would render the pregnant individual ineligible to receive  
41 health care services pursuant to this section.

42 (d) For the purposes of this section, 1332 state innovation program  
43 eligible individuals are prohibited from being treated as qualified  
44 individuals under section 1312 of the Affordable Care Act and as eligi-  
45 ble individuals under section 1331 of the ACA and enrolling in qualified  
46 health plan through the Marketplace or standard health plan through the  
47 Basic Health Program.

48 4. Enrollment. (a) Subject to federal approval, the commissioner of  
49 health is authorized to establish an application and enrollment proce-  
50 dure for prospective enrollees. Such procedure will include a verifica-  
51 tion system for applicants, which must be consistent with 42 USC §  
52 1320b-7.

53 (b) Such procedure shall allow for continuous enrollment for enrollees  
54 to the 1332 state innovation program where an individual may apply and  
55 enroll for coverage at any point.

1 (c) Upon an applicant's enrollment in a 1332 state innovation plan,  
2 coverage for health care services pursuant to the provisions of this  
3 section shall be retroactive to the first day of the month in which the  
4 individual was determined eligible, except in the case of program tran-  
5 sitions within the Marketplace.

6 (d) A person who has enrolled for coverage pursuant to this section,  
7 and who loses eligibility to enroll in the 1332 state innovation program  
8 for a reason other than [~~citizenship status,~~] lack of state residence,  
9 [~~failure to provide a valid social security number,~~] providing inaccu-  
10 rate information that would affect eligibility when requesting or renew-  
11 ing health coverage pursuant to this section, or failure to make an  
12 applicable premium payment, before the end of a twelve month period  
13 beginning on the effective date of the person's initial eligibility for  
14 coverage, or before the end of a twelve month period beginning on the  
15 date of any subsequent determination of eligibility, shall have their  
16 eligibility for coverage continued until the end of such twelve month  
17 period, provided that the state receives federal approval for using  
18 funds under an approved 1332 waiver.

19 5. Premiums. Subject to federal approval, the commissioner of health  
20 shall establish premium payments enrollees in a 1332 state innovation  
21 plan shall pay to approved organizations for coverage of health care  
22 services pursuant to this section. Such premium payments shall be estab-  
23 lished in the following manner:

24 (a) up to fifteen dollars monthly for an individual with a household  
25 income above two hundred percent of the federal poverty line but at or  
26 below two hundred fifty percent of the federal poverty line defined and  
27 annually revised by the United States department of health and human  
28 services for a household of the same size; and

29 (b) no payment is required for individuals with a household income at  
30 or below two hundred percent of the federal poverty line defined and  
31 annually revised by the United States department of health and human  
32 services for a household of the same size.

33 6. Cost-sharing. The commissioner of health shall establish cost-shar-  
34 ing obligations for enrollees, subject to federal approval, including  
35 childbirth and newborn care consistent with the medical assistance  
36 program under title eleven of this article. There shall be no cost-shar-  
37 ing obligations for enrollees for:

38 (a) dental and vision services as defined in subparagraph (ii) of  
39 paragraph (c) of subdivision two of this section; and

40 (b) services and supports as defined in subparagraph (iii) of para-  
41 graph (c) of subdivision two of this section.

42 7. Rates of payment. (a) The commissioner of health shall select the  
43 contract with an independent actuary to study and recommend appropriate  
44 reimbursement methodologies for the cost of health care service coverage  
45 pursuant to this section. Such independent actuary shall review and make  
46 recommendations concerning appropriate actuarial assumptions relevant to  
47 the establishment of reimbursement methodologies, including but not  
48 limited to; the adequacy of rates of payment in relation to the popu-  
49 lation to be served adjusted for case mix, the scope of health care  
50 services approved organizations must provide, the utilization of such  
51 services and the network of providers required to meet state standards.

52 (b) Upon consultation with the independent actuary and entities  
53 representing approved organizations, the commissioner of health shall  
54 develop reimbursement methodologies and fee schedules for determining  
55 rates of payment, which rates shall be approved by the director of the  
56 division of the budget, to be made by the department to approved organ-

1 izations for the cost of health care services coverage pursuant to this  
2 section. Such reimbursement methodologies and fee schedules may include  
3 provisions for capitation arrangements.

4 (c) The commissioner of health shall have the authority to promulgate  
5 regulations, including emergency regulations, necessary to effectuate  
6 the provisions of this subdivision.

7 (d) The department of health shall require the independent actuary  
8 selected pursuant to paragraph (a) of this subdivision to provide a  
9 complete actuarial report, along with all actuarial assumptions made and  
10 all other data, materials and methodologies used in the development of  
11 rates for the 1332 state innovation plan authorized under this section.  
12 Such report shall be provided annually to the temporary president of the  
13 senate and the speaker of the assembly.

14 8. An individual who is lawfully admitted for permanent residence,  
15 permanently residing in the United States under color of law, or who is  
16 a non-citizen in a valid nonimmigrant status, as defined in 8 U.S.C.  
17 1101(a)(15), and who would be ineligible for medical assistance under  
18 title eleven of this article due to their immigration status if the  
19 provisions of section one hundred twenty-two of this chapter were  
20 applied, shall be considered to be ineligible for medical assistance for  
21 purposes of paragraphs (b) and (c) of subdivision three of this section.

22 9. (a) In determining eligibility for residents of the state that are  
23 ineligible for the basic health program under 42 U.S.C. section 18051 on  
24 the basis of immigration status, the commissioner of health may place  
25 limitations on enrollment to ensure that the costs associated with  
26 rendering services to this population do not exceed the revenues antic-  
27 ipated to be transferred to the 1332 state innovation program fund,  
28 pursuant to section ninety-eight-d of the state finance law. In estab-  
29 lishing any limitations pursuant to this subdivision the commissioner of  
30 health shall enroll as many individuals as reasonably practicable while  
31 ensuring continual coverage for such additional individuals based on  
32 current and anticipated 1332 state innovation program fund reserves.

33 (b) In determining any limitations on enrollment, the commissioner of  
34 health shall determine income bands for such individuals from zero to  
35 two hundred fifty percent of the federal poverty line defined and annu-  
36 ally revised by the United States department of health and human  
37 services for a household of the same size. The commissioner of health  
38 shall prioritize the enrollment of individuals from the lowest income  
39 band first and then the remaining income bands in ascending order.

40 (c) Notwithstanding the provisions of paragraph (b) of this subdivi-  
41 sion, the commissioner of health may also include subsets of the popu-  
42 lation whose continued health and well-being would be significantly at  
43 risk without routine access to health care. Population subsets to be  
44 prioritized for enrollment shall be determined by the commissioner of  
45 health and shall include but not be limited to: (i) individuals with  
46 life threatening conditions, (ii) individuals in need of an organ trans-  
47 plant; and (iii) individuals with significant behavioral health issues  
48 including but not limited to serious mental illness or substance use  
49 disorder.

50 10. The commissioner is authorized to seek a waiver or other applica-  
51 ble federal approval for any additional monies to support the 1332 state  
52 innovation program that may be associated with a reduction in the utili-  
53 zation of treatment for an emergency medical condition authorized pursu-  
54 ant to 42 U.S.C. 1396. Any additional monies shall be transferred to the  
55 1332 state innovation program fund established pursuant to section nine-  
56 ty-eight-d of the state finance law and used for such purposes.

1 11. Reporting. The commissioner of health shall submit a report to the  
2 temporary president of the senate and the speaker of the assembly annu-  
3 ally by December thirty-first. The report shall include, at a minimum,  
4 an analysis of the 1332 state innovation program and its impact on the  
5 financial interest of the state; its impact on the Marketplace including  
6 enrollment and premiums; its impact on the number of uninsured individ-  
7 uals in the state; its impact on the Medicaid global cap; any enrollment  
8 limitations established pursuant to subdivision nine of this section  
9 including the rationale and supporting fiscal calculations used to  
10 justify such limitation, including any historical data, if available,  
11 for the previous three years related to any previous limitations of  
12 enrollment, funds transferred to the 1332 state innovation program fund  
13 pursuant to section ninety-eight-d of the state finance law, and totals  
14 on any savings to the state due to coverage of residents of the state  
15 that are ineligible for the basic health program under 42 U.S.C. section  
16 18051 on the basis of immigration status; and the demographics of the  
17 1332 state innovation program enrollees including age and immigration  
18 status.

19 [~~10.~~] 12. Severability. If the secretary of health and human services  
20 or the secretary of the treasury do not approve any provision of the  
21 application for a state innovation waiver, such decision shall in no way  
22 affect or impair any other provisions that the secretaries may approve  
23 under this section.

24 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
25 sion, section or part of this act shall be adjudged by any court of  
26 competent jurisdiction to be invalid, such judgment shall not affect,  
27 impair, or invalidate the remainder thereof, but shall be confined in  
28 its operation to the clause, sentence, paragraph, subdivision, section  
29 or part thereof directly involved in the controversy in which such judg-  
30 ment shall have been rendered. It is hereby declared to be the intent of  
31 the legislature that this act would have been enacted even if such  
32 invalid provisions had not been included herein.

33 § 3. This act shall take effect on the same date and in the same  
34 manner as section 3 of part H of chapter 57 of the laws of 2023, takes  
35 effect.