# STATE OF NEW YORK

4589--A

2025-2026 Regular Sessions

# IN SENATE

February 10, 2025

Introduced by Sens. RIVERA, ADDABBO, BORRELLO, BRISPORT, BROUK, BYNOE, CLEARE, COMRIE, COONEY, FAHY, FERNANDEZ, GALLIVAN, GONZALEZ, GOUNARDES, HARCKHAM, HELMING, HINCHEY, JACKSON, KAVANAGH, LIU, MARTINS, MAY, OBERACKER, PARKER, SALAZAR, SEPULVEDA, SERRANO, SKOUFIS, STAVISKY, STEC, WALCZYK, WEBB -- read twice and ordered printed, and when printed to be committed to the Committee on Health -- recommitted to the Committee on Health in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public health law, in relation to federally qualified health center rate adequacy

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

Section 1. Paragraph (b) of subdivision 8 of section 2807 of the public health law, as added by section 28 of part B of chapter 1 of the laws of 2002, is amended to read as follows:

(b) For each twelve month period following September thirtieth, two thousand one **and continuing through September thirtieth, two thousand twenty-six**, the operating cost component of such rates of payment shall reflect the operating cost component in effect on September thirtieth of the prior period as increased by the percentage increase in the Medicare Economic Index as computed in accordance with the requirements of 42 USC § 1396a(aa)(3) and as adjusted pursuant to applicable regulations to take into account any increase or decrease in the scope of services furnished by the facility. **For each twelve month period following September thirtieth, two thousand twenty-six, the operating cost component shall be calculated consistent with rates of payment established pursuant to paragraph (c-1) of this subdivision, and then annually adjusted by using the FQHC Market Basket inflator as calculated under federal law, and as adjusted pursuant to applicable regulations to take into account any increase or decrease in the scope of services furnished**

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

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by the facility; provided, however, that no facility shall be subject to an operating cost component lower than what was applied prior to September thirtieth, two thousand twenty-six.

§ 2. Subdivision 8 of section 2807 of the public health law is amended by adding a new paragraph (c-1) to read as follows:

(c-1) As soon as practicable the department shall analyze the actual federally qualified health center costs filed as required by department regulations, during the prior five year reporting periods. In addition to such data, the commissioner shall consider the scope of services, including type, intensity, duration and amount, provided by such facilities; staffing to meet competitive market and case mix needs of populations served; physical plant and maintenance costs; infrastructure costs; technology costs associated with telehealth modality of service delivery; informational technology costs; and other costs deemed necessary by the commissioner. Notwithstanding any other statute, rule, or regulation otherwise imposing ceilings or caps on payments to federally qualified health centers, provided that such payments are still subject to federal financial participation, beginning on April first, two thousand twenty-six, and then again every three years thereafter, the department shall develop and issue updated rates of payments reflecting the actual costs and updated aggregated data consistent with the methodology described in this paragraph; provided, however, that no facility shall be subject to a rate that is less than the rate used prior to September thirtieth, two thousand twenty-six.

§ 3. This act shall take effect immediately.