§ 4012. Payment for hospice. 1. No government agency shall purchase, pay for or make reimbursement or grants-in-aid for services provided by a hospice unless, at the time the services were provided, the hospice possessed a valid certificate of approval.

2. Payments for hospice care made by government agencies shall be at rates approved by the state director of the budget.

3. Prior to the approval of hospice rates, the commissioner shall determine and certify to the state director of the budget that the proposed rate schedules for payments for hospice services are reasonable and adequate to meet the costs which must be incurred by efficiently and economically operated programs. In making such certification, the commissioner shall take into consideration the elements of cost, geographical differentials in the elements of cost considered, economic factors in the area in which the hospice is located, costs of hospice programs of comparable size, the need for incentives to improve services and institute economies, and applicable medicare reimbursement regulations.

4. Eligible individuals shall be permitted to receive hospice services from a provider under this article while continuing to reside in an adult care facility under title two of article seven of the social services law and enrolled in the assisted living program, subject to the availability of federal financial participation. The commissioner shall make regulations and take other actions reasonably necessary and appropriate to implement this subdivision.

5. The commissioner shall establish a methodology as of July first, two thousand eighteen subject to federal financial participation that shall ensure a prospective ten-percent increase in the medicaid reimbursement rates for hospice providers, relative to the reimbursement rate, as of March thirty-first, two thousand eighteen, for services provided by such providers on and after April first, two thousand eighteen.