

2024 State of the State Health Care Proposals

OVERVIEW

On January 9th, Governor Kathy Hochul delivered her State of the State speech outlining her policy agenda for the 2024 Legislative Session. The accompanying State of the State Book, entitled “Our New York, Our Future,” describes the Governor’s proposed agenda across 19 sections. Several of these sections focus on health care issues, including Section I (“Tackling the Mental Health Crisis”), Section VI (“Improving Maternal and Infant Maternal Health”), and Section XIV (“Improving the Health of New Yorkers”).

Some of these priorities are already included in the new amendment to New York’s Medicaid waiver which was approved earlier today (SPG’s summary is available [here](#)), while others will be pursued separately. Notable items include:

- Certificate of Need (CON) reforms, including increasing the monetary thresholds for higher review tiers;
- Development of a Paramedic Telemedicine Urgent Care program in rural areas;
- Creation of a new, streamlined designation process for Children and Family Treatment and Support Services (CFTSS);
- Creating a total of 200 new or renovated psychiatric inpatient beds;
- Strengthening mental health parity enforcement and fines;
- Promulgating new network adequacy regulations for Medicaid and commercial insurers to set standards for behavioral health access, including limits on appointment wait times;
- Introducing legislation to require commercial plans to reimburse Article 31 and 32 clinics at the Medicaid rate, at minimum;
- Increasing Medicaid reimbursement rates for mental health services at Article 28 clinics and private practices;
- Introducing legislation to eliminate co-pays for insulin for all regulated insurance plans;
- Expanding New York’s Paid Family Leave program to cover 40 hours of additional paid leave for prenatal medical appointments; and
- Creating “Empire AI,” a consortium of research institutions to promote New York’s leadership in the field of AI, which will be funded by \$400 million in public and private investments.

Other sections of the State of the State outline the Governor’s plans for housing development, public safety, consumer protections, education, child care, and governmental operations. Further details, including legislative language for proposals that require funding appropriations, will be included in the Governor’s upcoming Executive Budget and Financial Plan, which will be released next week.

A summary of the Governor’s health care-related proposals is provided below. The full State of the State book is available [here](#).

HEALTH CARE TRANSFORMATION

Health Care Safety Net Transformation Program

The Governor proposes to launch the “Health Care Safety Net Transformation Program” to offer financial resources and regulatory flexibilities to encourage partnerships that improve the resilience of safety-net institutions.

CON Reform

The Governor intends to direct the Department of Health (DOH) to make updates to the State’s Certificate of Need (CON) process, which governs the establishment, construction, and renovation of health care facilities. Specifically, DOH will consider:

- Increasing the financial thresholds that require project to undergo a more detailed review; and
- Streamlining the application and approval processes, particularly for services and settings considered routine.

Emergency Medical Services (EMS)

The Governor proposes to deem EMS services as “essential services” under state law, which would guarantee that an EMS provider is available to respond to an emergency. The Governor would also direct the newly establish EMS statewide taskforce to create five “EMS zones” that would be charged with maintaining its own EMS workforce to augment local EMS agency workforce.

The Governor also proposes the development of a Paramedic Telemedicine Urgent Care program, which will use paramedics in rural areas and a health care provider via telemedicine to deliver low-acuity emergency services in a fixed location.

Cybersecurity

The Governor proposes to develop a New York Hospital Cybersecurity Roundtable to share cybersecurity best practices across hospitals statewide.

Home and Community-Based Care

The Governor intends to introduce legislation that would allow hospitals meeting certain requirements to deliver care in patient homes as appropriate, and would permit EMS providers to provide care in the community during non-emergent situations.

Assisted Living Residences and Home Care Services Transparency

The Governor proposes the establishment of quality reporting and accreditation requirements for all Assisted Living Residences (ALRs) statewide. This information will be made public by DOH to improve transparency for consumers when choosing such facilities.

The Governor also intends to introduce legislation to make the Special Needs Assisted Living Residence (SNALR) Voucher program permanent. The SNALR program provides subsidies to help individuals with Alzheimer's disease or dementia remain in ALRs.

The Governor will also direct DOH to provide publicly available data regarding home care services, including information about agencies providing home care, the populations they are serving, and the services these populations are accessing.

HEALTH CARE ACCESS AND AFFORDABILITY

The Governor included several proposals aimed at increasing access to care, expanding covered services, improving provider reimbursement, and reducing costs for consumers. Such proposals include:

- Expanding access to dental care in school-based health centers, incentivizing Medicaid managed care plans to contract with more dentists, increasing quality oversight of dental care within Medicaid, and implementing a provider education campaign.
- Submitting a waiver request to the federal government to provide continuous Medicaid and Children's Health Insurance Program (CHIP) coverage to any eligible child between the ages of 0 and 6 years old.
- Amending the Reproductive Health Act to affirm the right of a minor to receive contraceptive services and confidentially receive reproductive health care services.
- Increasing Medicaid rates for providers participating in New York's Patient-Centered Medical Home (PCMH) Model.
- Expanding coverage for Adverse Childhood Experiences (ACEs) screening to all adults enrolled in Medicaid.
- Directing DOH to appoint a Director of Patient Advocacy (DPA), who will work across programs to streamline and simplify information and processes for patients.

ESSENTIAL PLAN AND QUALIFIED HEALTH PLANS

The Governor proposes the following changes to the Essential Plan and Qualified Health Plans:

- Offering new health insurance premium subsidies to individuals enrolled in Qualified Health Plans.
- Eliminating cost-sharing in both the Essential Plan and Qualified Health Plans for office visits, laboratory work and testing, pharmaceuticals, and other supplies and services to promote better management of chronic conditions.
- Authorize the Essential Plan to cover the purchase, delivery, and installation of air conditioners for members for whom persistent asthma poses a significant medical risk.
- Establishing a workgroup to revisit and update provider network adequacy standards for both types of plan.

CHILDREN'S SERVICES

The Governor proposes the following to support children's health care service provision:

- Increase funding for school-based health centers and provide an incremental rate increase for providers serving children through New York's PCMH model.
- Provide additional support for providers participating in the Early Intervention program for children and toddlers with disabilities and to DOH-licensed providers and private practitioners treating children's mental health needs.
- Create a new and streamlined designation process for Children and Family Treatment and Support Services (CFTSS).
- Provide grant-funding to community-based organizations that are making investments in improving the quality of life for children with special needs.
- Expand the efforts of the New York State Children's Asthma Initiative to train the health care workforce in delivering multidisciplinary care across multiple settings.

HEALTH CARE WORKFORCE

To address health care workforce shortages, the Governor proposes to:

- Launch a new loan repayment program (as included in the new Medicaid waiver) for psychiatrists, primary care physicians, dentists, nurse practitioners, and pediatric clinical nurse specialists who commit to serving the Medicaid population for at least four years.
- Direct the Center of Healthcare Workforce Innovation to accept applications to increase training opportunities for health care workers statewide.
- Continue to fund the Nurses Across New York Program, which provides debt forgiveness for providers serving medically underserved areas for at least three years, and expand the program to nurses that work with specific populations (such as behavioral health and individuals with disabilities).
- Launch a grant program to fund wraparound services like transportation or child care for students training in the health care field.
- Advance legislation to enter New York into the Interstate Licensure Compact and Nurse Licensure Compact.
- Expand scope of practice for nurses, physician assistants, and medical assistants.

MENTAL HEALTH

Inpatient Psychiatric Facilities

The Governor proposes to expand inpatient psychiatric capacity by:

- Funding three additional 25-bed Transition to Home Units (THUs), which provide inpatient psychiatric care to individuals with serious mental illness who are experiencing homelessness.
- Creating 100 new inpatient psychiatric beds in state psychiatric centers, 15 of which will serve children and adolescents with specialized needs, such as foster care involvement.

- Developing 25 new forensic psychiatric beds.
- Repurposing 50 existing psychiatric inpatient beds to specifically serve individuals awaiting restoration to competency prior to trial.

Criminal Justice

The Governor proposes the following initiatives to improve mental health services for individuals involved in the criminal justice system:

- Create a dedicated team at the Office of Mental Health (OMH) that will be responsible for establishing and monitoring data shared by law enforcement, correctional entities, hospitals, and providers to facilitate connections to services.
- Dedicate funding to establish new mental health courts and allow for existing courts to take on more cases.
- Fund mental health navigators in county court systems who will be responsible for identifying defendants who have a history of mental health treatment, lack of engagement in treatment, or other mental health concerns.
- Provide funding for Intensive Forensic Assertive Community Treatment (FACT) teams to support individuals with serious mental illness who are involved with the criminal justice system.
- Establish a specialized version of the Supervision Against Violent Engagement (SAVE) program for individuals who are under parole supervision and have mental health diagnoses.
- Expand Crisis Intervention Team (CIT) training for law enforcement.
- Increasing funding for the Office of Children and Family Services (OCFS) Supervision and Treatment Services for Juveniles Program (STSJP), which provides intensive wraparound case management and programming.
- Implement a suicide prevention initiative for incarcerated individuals.

Additionally, the Governor specifically proposes several housing-related initiatives for this population:

- Increase access to transitional housing for individuals referred through the court system.
- Expand funding for transitional housing for individuals post-incarceration, and expanding eligibility for such housing to women released from custody in New York City and the surrounding area.
- Develop specialized housing for individuals with serious mental illness and criminal housing.

Hospitals

The Governor proposes to codify [guidance](#) issued to hospitals earlier this year regarding evaluation and discharge practices for individuals who present with behavioral health conditions within psychiatric inpatient programs, emergency departments, and Comprehensive Psychiatric Emergency Programs (CPEPs). The Governor also proposes to provide funding to OMH to expand surveillance and regulatory compliance activities among its licensed and unlicensed program settings, including hospital inpatient programs and CPEPs.

Children and Youth Mental Health Services

The Governor proposes to expand access to mental health services for children and youth by:

- Providing start-up funding and enhanced reimbursement to support the development of school-based mental health clinics, and ensuring enforcement of laws that require insurers to pay for school-based services regardless of insurance type or network participation.
- Increasing funding for Teen Mental Health First Aid training programs.
- Establishing new youth Assertive Community Treatment (ACT) teams statewide.
- Expanding access to the Partial Hospitalization model and Children's Day Treatment programs in schools.
- Expanding training and specialty services within Children's Community Residences.
- Expanding the Community Mental Health Loan Repayment Program, with slots specifically for clinicians who work in child-serving agencies.
- Convening a Youth Mental Health Advisory Board to ensure that youth-informed best practices continue to be incorporated in developing behavioral health programs and policies.

Insurance Coverage

The Governor proposes to expand insurance coverage, strengthen enforcement of parity requirements, and develop new regulations to increase mental health care access, as follows:

- Funding additional staff to bring enforcement actions and introduce legislation to double fines that insurers face for noncompliance with mental health parity requirements.
- Pursue legislation to require adequate commercial insurance reimbursement for licensed mental health and substance abuse outpatient services. Specifically, commercial plans would be required to pay at minimum the Medicaid rate for comparable services. This builds on the similar proposal passed in last year's budget for school-based mental health clinics.
- Require plans to maintain transparent and accurate network provider directories, and requiring plans to provide out-of-network coverage at no additional cost if appointments for behavioral health services are not available within a specific number of days.
- Increase Medicaid reimbursement for mental health services in DOH-licensed Article 28 facilities and private practices.

CONSUMER PROTECTIONS

Medical Debt

The Governor intends to introduce legislation to expand consumer protection laws and enhance the State's ability to enforce consumer protections, including:

- Limiting hospital lawsuits against low-income patients for medical debt;
- Expanding New York's hospital financial assistance law;
- Limiting the size of monthly payments and interest charged for medical debt; and
- Expanding patient protections related to medical debt.

Paid Medical and Disability Leave Benefits

The Governor proposes to increase the maximum benefit for paid medical and disability leave and tie it to the Statewide Average Weekly Wage (SAWW). The increase would match New York's paid family leave benefit, and would allow eligible employees to receive 67% of their average weekly wage (capped at 67% of the SAWW) for the first 12 weeks of medical leave. The increase would be phased in over five years.

Cost-Sharing for Insulin

The Governor intends to introduce legislation to eliminate patient cost-sharing for insulin for all plans under the authority of the Department of Financial Services (DFS).

MATERNAL AND INFANT HEALTH

To address maternal and infant morbidity and mortality, the Governor proposes to:

- Expand New York's Paid Family Leave program to cover 40 hours of additional paid leave for prenatal medical appointments.
- Require that providers obtain consent from individuals who are pregnant or who recently gave birth prior to drug testing.
- Allow New Yorkers to access doula services without a recommendation from a physician.
- Establish new oversight mechanisms to avoid unnecessary C-sections and new Medicaid financial incentives for hospitals to reduce the number of unnecessary C-sections.
- Eliminate cost-sharing for most prenatal and postpartum care in both the Essential Plan and Qualified Health Plans. The Essential Plan would also add coverage for doula services.
- Provide funding for the distribution of portable cribs to low-income families.
- Establish new reporting requirements for Medicaid managed care plans to give the State better insight into patients' utilization of prenatal and postpartum services.
- Direct DOH to work with birthing hospitals and centers to develop racially-sensitive and culturally-sensitive birth equity improvement plans and convene regional stakeholder groups to develop recommendations on reducing infant mortality.

To specifically address improvements to maternal mental health, the Governor proposes to:

- Increase access to mental health screening tools for individuals during pregnancy and the postpartum period.
- Create specialized training for 988 providers related to maternal mental health issues.
- Expand Project TEACH Maternal Mental Health training to include therapists, lactation consultants, WIC staff, home visiting nurses, and other frontline practitioners working with pregnant and postpartum individuals.

PUBLIC HEALTH

Infectious Disease

The Governor proposes to require laboratories to report all negative HIV, syphilis, Hepatitis B, and Hepatitis C test results to improve targeted interventions and address gaps in testing. The Governor also intends to introduce legislation to make HIV testing a routine part of an annual visit.

To address the State's goal of eliminating Hepatitis C by 2030, the Governor proposes to invest in the integration of Hepatitis C prevention in opioid prevention services, provide funding to local health departments to support disease surveillance, and invest in innovative Hepatitis C care models to support people who inject drugs.

To address inequities related to infectious disease, the Governor proposes investments to increase Pre-Exposure Prophylaxis for HIV (PrEP) uptake in communities of color through targeted interventions and innovative delivery models, such as telehealth and learning collaboratives.

Opioid Epidemic

To address the ongoing opioid epidemic, the Governor proposes to:

- Update the State's controlled substances schedule to include new fentanyl analogs, xylazine, and other prescription medications.
- Launch a multi-faceted anti-stigma campaign to raise awareness about opioid use disorder and the services needed to support those in need.
- Permit health care providers in emergency rooms to dispense up to a three-day supply of buprenorphine and increase funding for treatment in the Essential Plan.
- Re-establish a pain management working group to inform best practices and guideline changes, and suggest non-pharmacological ways for patients to cope with pain management.
- Direct DOH to synthesize data across its multiple information systems and propose legislation to increase the retention period for data contained in the prescription drug monitoring program.

Gun Violence

The Governor proposes to develop a Health Systems for Gun Violence Prevention Task Force that will be responsible for developing data infrastructure, firearm injury risk assessment screening, and hospital violence intervention strategies. As part of this strategy, the State would also provide technical assistance to community-based organizations and hospitals statewide to align their hospital violence intervention programs with the recently signed Medicaid reimbursement for Violence Prevention Programs legislation, which allows Medicaid beneficiaries impacted by gun violence to receive violence prevention services from qualified community health workers.

Vital Records

The Governor proposes to direct DOH to modernize the Bureau of Vital Records by digitizing records that are not yet electronic and implementing intelligent document software to create a searchable system for information extraction.

Administrative Simplification and Data Privacy for Abortion Providers

The Governor proposes to direct DOH to modernize technology for the electronic reporting of induced termination of pregnancy instances in order to eliminate the replication of information from paper to electronic form and provide safeguards for sensitive abortion-related information.

Rare Diseases

The Governor proposes the development of a comprehensive program related to innovation, research, drug development, and investment for Amyotrophic Lateral Sclerosis (ALS), with other rare diseases to follow. The Governor would establish a permanent Rare Disease Advisory Council to develop a statewide approach to combating the effects of these diseases.

Services for LGBTQ+ Individuals

To ensure access to gender affirming care, the Governor proposes to update New York's Medicaid coverage requirements to align with the newest version of the Standards of Care for the Health of Transgender and Gender Diverse People. The Governor also proposes new guidance to ensure that commercial insurers update medical necessity criteria to incorporate these standards into their plans.

INDIVIDUALS WITH DISABILITIES

To support individuals with disabilities, the Governor proposes to:

- Issue an Executive Order committing New York to being an Employment First State as it pertains to people with disabilities.
- Expand the tasks direct support professionals can perform, allowing more people with developmental disabilities to remain in or transition to more independent settings and decreasing the reliance on certified residential settings.

Additionally, this year, New York's Most Integrated Setting Coordinating Council will issue an Olmstead plan to ensure that people with disabilities receive services in the most integrated setting appropriate to their needs.

ARTIFICIAL INTELLIGENCE (AI)

The Governor intends to launch "Empire AI," a consortium of New York research institutions that will be tasked with establishing an AI computing center to accelerate the development of AI research and innovation. Empire AI will be funded through a combination of public and private investment totaling over \$400 million, including up to \$275 million from the State in grant and other funding.