

# NY STATE OF THE STATE 2025

## Overview

On January 14<sup>th</sup>, Governor Kathy Hochul delivered her fourth State of the State speech, outlining her policy agenda for the 2025 Legislative Session. The accompanying 2025 State of the State book describes the Governor’s proposed agenda across 15 sections, three of which focus on health care and social services.

Some of the notable health-related proposals in the 2025 State of the State include:

- Evaluating Medicaid coverage options for GLP-1 agonist drugs like Ozempic;
- Extending the Safety Net Transformation Program;
- Strengthening oversight of “corporate and investor-backed” health care transactions;
- Undertaking a “comprehensive review” of network adequacy standards;
- Advancing integrated care for dual eligibles; and
- Expanding the range of options for involuntary commitment and mandatory treatment for behavioral health conditions.

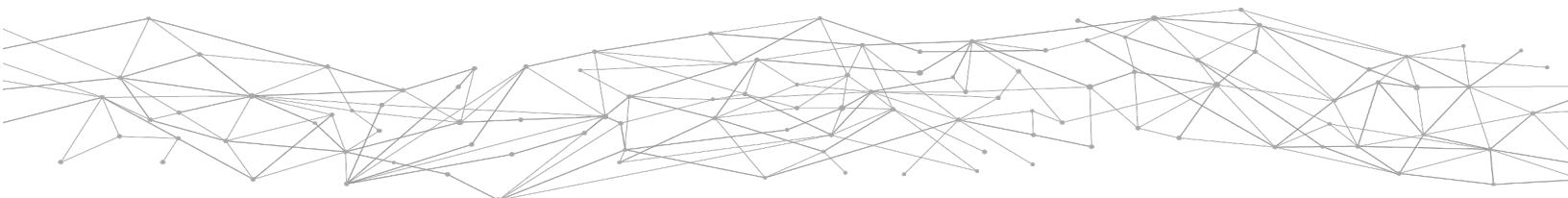
Further details, including legislative language for proposals that require funding appropriations, will be included in the Governor’s upcoming Executive Budget and Financial Plan, which are expected to be released later next week.

A full summary of proposals relevant to health care providers and stakeholders in the State of the State is provided below. The 2025 State of the State book is available [here](#).

## Health

### Safety Net Transformation Program

The Governor proposes to allocate additional resources to the Safety Net Transformation Program. This program, enacted as part of the 2024-25 NYS Budget, is designed to offer a single structure through which safety net hospitals may access the funding and regulatory flexibility needed to enact transformation projects. Such projects will have the goal of improving care, achieving sustainability, and encouraging clinical partnerships. The Governor noted that during the first year of implementation, the program “experienced demand that far exceeded the available funding.”



## Investor-Backed Health Care Transactions

Building on reporting requirements for material transactions implemented in the 2023-24 Enacted NYS Budget, the Governor intends to introduce legislation that would strengthen the State's ability to collect data and analyze investor-backed health care transactions, including mergers and acquisitions.

## Prescription Drugs

Governor Hochul intends to direct the Department of Health (DOH) to evaluate access to glucagon-like peptide-1 (GLP-1) receptor agonists such as Wegovy and Ozempic for Medicaid members who are at risk of major cardiovascular events.

The Governor is also proposing to explore participation in the federal Section 804 Importation Program, which would allow the state to import lower-cost Canadian drugs. Additionally, the Governor intends to introduce legislation requiring additional transparency from pharmacy benefit managers (PBMs).

## Integrated Care for Medicaid Members

The Governor will direct DOH to work with Medicaid managed care plans to increase the availability and adoption of integrated care options for Medicaid members who require long-term care, and to limit non-integrated offerings.

## Network Adequacy

The Governor proposes to direct DOH to conduct a review of the State's network adequacy standards, including any regional variations. DOH will also increase enforcement of plan compliance through monitoring and penalties.

## Scope of Practice

The Governor proposes to introduce legislation to expand scope of practice to allow:

- Certified Nursing Assistants (CNAs) to administer routine medications in nursing homes;
- Physician assistances to practice more independently; and
- pharmacists to order smoking cessation medications and counsel patients.

The Governor is proposing to shift the oversight and licensure of physician and physician assistants from the State Education Department (SED) to DOH. The Governor will also introduce legislation to allow the Medicaid program to cover Hospital at Home programs, which allow hospitals to deliver inpatient-level care in patient homes when appropriate.

## **Emergency Medical Services (EMS)**

The Governor intends to introduce legislation defining EMS as an essential service and requiring counties to ensure all residents have adequate access to these services. The legislation will also require counties to develop a county EMS mapping that will allow the State to identify and fill gaps in coverage, coordinated statewide by the EMS Task Force.

## **Medicaid Coverage for Justice-Involved Youth**

Governor Hochul proposes to expand Medicaid coverage to provide pre- and post-release services to youth in carceral settings under 21 years of age and up to age 26 for those formerly in foster care. Eligible young people will receive targeted case management services, including physical and behavioral health screenings and diagnostic services.

## **Health Equity and Social Services**

The Governor intends to direct Medicaid managed care plans to analyze their populations “through a health equity lens” to determine disparities in quality and outcomes. Plans would be required to develop quality measures, stratified by key demographic factors, and implement strategies to address any gaps. Such strategies may include developing value-based payments that improve health equity.

The Governor also intends to expand eligibility criteria for air conditioning units to Essential Plan members who are pregnant and those with additional health conditions.

## **Abortion and Reproductive Health**

The Governor proposes to:

- Provide additional funding for the Reproductive Freedom and Equity Grant Fund.
- Develop a new flexible funding stream for reproductive health providers to ensure adequate reimbursement for abortion care.
- Codify abortion as protected emergency medical care under New York law and require hospitals to provide abortion services when medically necessary.
- Allow prescription labels to remove the name of medical providers prescribing medication abortion to patients in anti-abortion states.

## **Infertility Treatment in Medicaid**

The Governor intends to introduce legislation to extend coverage for fertility preservation services to Medicaid members undergoing medical treatments that may lead to infertility and expand eligibility for the Infertility Reimbursement Program for underinsured individuals.

## Dental Care

The Governor proposes to develop minimum standards for dental plans available on the Marketplace and to explore the use of federal 1332 Waiver funding to subsidize the costs of purchasing dental plans. The Governor also intends to introduce legislation to allow dental hygienists to practice in more settings and direct health plans to reinvest funding in initiatives that improve the availability of dental care.

## Mental Health

### Involuntary Commitment

The Governor proposes to expand involuntary commitment laws to authorize intervention when individuals are at substantial risk of harm due to their inability to meet basic needs like food, shelter, or medical care. The Governor also proposes to expand authority for Psychiatric Nurse Practitioners within this framework. Revised standards would require evaluators to consider a comprehensive set of factors when making decisions about involuntary commitment and would require hospitals to notify community providers upon patient admission or discharge.

### Assisted Outpatient Treatment (AOT)

The Governor intends to make changes to the implementation of Kendra's Law, the State's Assisted Outpatient Treatment (AOT) program for individuals with serious mental illness. Kendra's Law establishes mechanisms for identifying at-risk individuals, assessing whether court-ordered outpatient treatment is required, and developing and implementing treatment plans consisting of care coordination and other necessary services. The Governor proposes to:

- Increase funding to counties for staffing, with new standards for reporting, monitoring, and quality assurance;
- Enhance statewide training and oversight for counties and providers; and
- Direct the Office of Mental Health (OMH) to standardize Enhanced Voluntary Service Packages (ESPs) statewide, which allow individuals to access intensive services without a court order and provide a transition option for those whose AOT orders have expired.

The Governor [previously](#) specified that changes to AOT may include improving record sharing, expanding who can petition for AOT orders, and using video conferencing to streamline processes.

## Community-Based Supports

The Governor proposes to invest in community-based mental health supports, including:

- Expand the Intensive Support Engagement Team (INSET) program, which provides 24/7 access to a multidisciplinary team of peer specialists for individuals with mental illness.
- Establish a Hospital-Based Peer Bridger Program, under which OMH would select hospitals to hire peer supervisors and specialists to assist inpatient teams and support individuals transitioning from inpatient care to the community.
- Add street medicine and street psychiatry providers to Safe Options Support (SOS) outreach teams statewide, who can provide medical treatment and psychiatric care to individuals during outreach.

## Youth Mental Health

To support youth mental health, the Governor proposes the following:

- Expand the network of Clubhouse programs statewide and develop new safe spaces for youth where they can access behavioral health wellness resources, foster relationships with peers, and receive support.
- Provide teen mental health first aid training to high school students and after-school providers.
- Connect licensed mental health care facilities to State-funded after-school programs.
- Partner with SUNY to match social work graduate students with State-funded after-school programs to complete their required fieldwork.
- Develop clinical assessment hubs staffed by experts to evaluate complex clinical needs and behaviors in children, without the need for hospitalization, and provide connections to care.

## Health Insurance Oversight

The Governor proposes to allocate new resources to strengthen oversight of health insurance coverage for mental health care, including through new surveillance, consumer and provider education, and investigation and mediation of complaints.

## Community Wellness Programs

The Governor proposes a grant program to support community-driven, culturally responsive wellness programming in areas of the state that have experienced marginalization, violence, and poverty. The program will support community-based organizations, grassroots entities, and advocacy groups with development of population-specific mental wellness activities.

## Maternal Mental Health

The Governor proposes to direct OMH to develop and expand maternal behavioral health services, including through the co-location of mental health services into OB-GYN practices in high-needs communities.

## Social Services

### Substance Use

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

- Expand mobile medication units to increase access medication treatment in underserved areas, including counties lacking opioid treatment programs.
- Support street outreach activities by expanding OASAS supportive services in areas where OMH Safe Options Support (SOS) teams are operational.
- Authorize paramedics to administer buprenorphine.
- Authorize all hospitals, including those with a full-time pharmacy, to be able to dispense three-day supplies of Opioid Use Disorder Medication for patients while arrangements are being made for treatment referral.
- Align the State's controlled substance schedules with federal schedules, including the addition of fentanyl analogues and other prescription medications.

### Individuals with Disabilities

To support individuals with disabilities, the Governor proposes to:

- Provide funding to establish the Regional Disability Clinics statewide and support one-time costs that expand access to healthcare for individuals with developmental disabilities and their families;
- Increase wheelchair access for Medicaid members by increasing rates for clinical specialty evaluation for new wheelchairs and expanding coverage of repair and maintenance services for wheelchairs;
- Increase the Workers with Disabilities Employment Tax Credit from \$2,100 to \$5,000;
- Allocate \$75 million to modernize the Office for People with Developmental Disabilities (OPWDD) Institute for Basic Research (IBR);
- Expand the scope of the Spinal Cord Injury Research Board to fund additional research for innovative therapies for spinal cord injuries.

## Children and Youth Services

To reduce youth homelessness and protect vulnerable children, the Governor proposes to:

- Expand services for youth who are unstably housed or homeless, including connections with transitional housing;
- Allow runaway and homeless youth to consent to their own behavioral healthcare.
- Establish a statewide, standardized kinship home review that simplifies the process for children in need of out-of-home placements.

## Supportive Housing

The Governor proposes to:

- Increase funding for the Homeless Housing and Assistance Program (HHAP), which supports the development of permanent affordable and supportive housing for homeless individuals.
- Increase funding for the Empire State Supportive Housing Initiative (ESSHI) and the New York State Supportive Housing Program (NYSSHP).

## Other

### State Government Reform

The Governor proposes to:

- Form a new State Office of Innovation and Efficiency, which will support other government agencies by providing internal consulting, centralized project support, and performance tracking.
- Improve hiring in the Civil Service by extending the Hiring for Emergency Limited Placement Statewide (NY HELPS) program and waiving civil service exam fees.
- Install self-service kiosks in high-need areas to provide access to WIC, SNAP, and child care services at high-traffic locations.