

# NEW YORK STATE FISCAL YEAR 2026

## EXECUTIVE BUDGET SUMMARY

### Overview

On January 21<sup>st</sup>, Governor Kathy Hochul announced highlights from her fourth Executive Budget, covering New York State Fiscal Year (FY) 2026, which will run from April 1, 2025 to March 31, 2026.

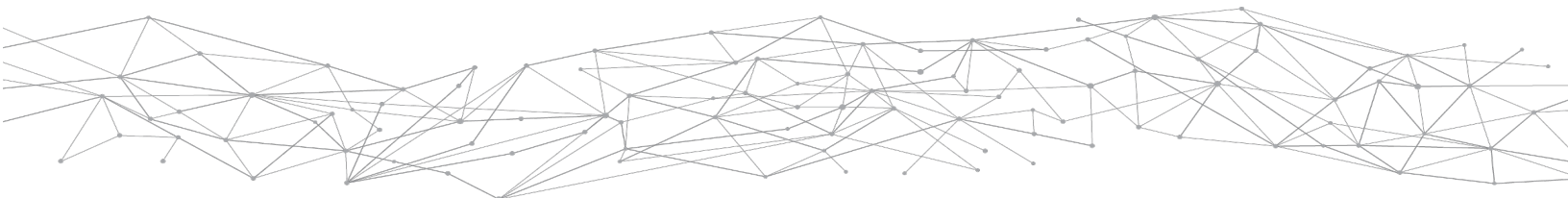
This year, the Division of the Budget (DOB) notes that overall, New York's financial position "remains strong," with favorable operating results during FY 2025 and projections of a continuing strong economy. There is a current year surplus of \$5.3 billion, which the Governor proposes to use to support various new investments and proposals. However, DOB also says that "uncertainty looms" due to many factors, including "the new Federal administration" and "sustained trends of rising enrollment and costs in public health insurance programs." The Budget therefore seeks to continue to maintain or increase the level of state reserves.

Overall, the Executive Budget proposes total spending of \$252 billion in FY 2026, an increase of \$8.6 billion or 3.6% from revised FY 2025 estimates. The Budget now includes outyear gaps totaling \$27.3 billion over the next three years (FY 2027 through 2029), cumulatively about \$4 billion greater than the Mid-Year projections (and about \$7 billion higher than the original Executive Budget). DOB highlights that "spending growth is largely driven by continued high levels of enrollment in the Medicaid program," and that "State spending for Medicaid has tripled over the past 15 years." The original Executive Budget projection for total state Medicaid spending in FY 2025 was \$35.5 billion but has since been revised upwards to \$37.7 billion.

For the new FY 2026, DOB is projecting a 17% overall increase to \$44.1 billion in total state Medicaid spending, although about \$1.2 billion of this is virtual spending due to the new managed care organization (MCO) tax which is revenue-neutral. The MCO tax will bring in \$3.7 billion in resources, of which \$1 billion will be used to offset Global Cap cost growth and \$2.7 billion used for investments in the health care system. DOB notes that it will seek to achieve "recurring savings in future budgets to ensure long-term Medicaid spending levels are sustainable."

The Budget also proposes a number of other major policies, including a \$300 direct payment to taxpayers with income of up to \$150,000 (\$500 for joint filers up to \$300,000), which will cost \$3 billion. Some items proposed in the State of the State are not included in the budget but may be implemented through administrative authority.

The below summary provides further detail on these and other highlights from the Budget. Where available, legislative sources are marked in [brackets]. The full Budget materials are available [here](#).



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## Medicaid

### Medicaid Global Cap

The Executive Budget proposes to extend the Medicaid Global Cap by an additional year, through FY 2027 [HMH, Part A]. The Global Cap sets a spending limit on state share Medicaid costs at the five-year rolling average of national Medicaid spending projections. The State projects that the Global Cap will increase from \$24.9 billion in FY 2025 to \$30.4 billion by FY 2029. While total state share Medicaid spending is expected to increase more than this, the State is taking several measures to relieve pressure on the Cap, such as reclassifying the State's payment of growth in local share expenses (about \$2 billion per year) outside of the Global Cap and providing \$1 billion over the next two years from the MCO tax to offset Global Cap deficits.

### Aggregate Medicaid Rate Increase for FQHCs and DTCs

The Budget proposes an "aggregate increase" of Medicaid payments to federally qualified health centers (FQHCs) and diagnostic and treatment centers (DTCs) of \$20 million for FY 2026. Unlike the similar increases for hospitals, nursing homes, and ALPs last year, these increases would be made ongoing (in FY 2026 "and thereafter") [HMH, Part F, Section 5].

These increases are to be funded by revenue from the MCO tax and may be suspended if funds are not available from that source [HMH, Part F Section 7].

### Exclusion of Medicaid Services from DFS IDR Process

The Budget would remove the Medicaid program from being subject to the independent dispute resolution (IDR) process for surprise out-of-network bills [HMH, Part E, Section 1]. A separate policy for handling out-of-network claims for Medicaid enrollees is not provided, but Medicaid-participating providers are generally prohibited from balance billing Medicaid enrollees.

### Exclusion of Permanent Placement Nursing Home Residents from Partial MLTC

The Budget would enact a new provision that would exclude from managed care eligibility "any person who is permanently placed in a residential health care facility for a consecutive period of three months or more." However, this would not apply to members in the Medicaid Advantage Plus (MAP) program [HMH, Part D, Section 2].

This would go into effect October 1<sup>st</sup> and is projected to save \$15.2 million per year.

## Managed Care

### MCO Tax

The Budget would enact the MCO tax in statute. Plans would be assessed a per-member month fee, stratified by the product type—Medicaid, Essential Plan (EP), or Other (which includes CHIP, Exchange coverage, and other regulated comprehensive coverage)—and the number of member months. The per member month fees are:

# of Member Months	Medicaid	EP	Other
1 to 249,999	\$126	\$13	\$2
250,000 to 499,999	\$88	\$7	\$1.50
500,000 or more	\$25	\$7	\$1.50

These funds will be deposited into the Healthcare Stability Fund established last year [HMH, Part F, Sections 1-2].

Of the projected \$3.7 billion in net funds to be drawn down through the tax (about \$2 billion in FY 2026 and about \$1.7 billion in FY 2027), the Budget proposes that, for the next three years:

- \$305 million per year will be dedicated to hospitals.
- \$200 million per year will be dedicated to nursing homes.
- \$50 million per year will be used to increase the Medicaid physician fee schedule.
- \$50 million per year will be used to fund the Medicaid managed care quality pools.
- \$10 million per year will be provided to clinics.
- \$300 million per year will fund the Safety Net Transformation Program established in the FY 2025 budget (also known as Part S), reducing to \$268 million (the balance of funds) in the third year.

Finally, for the next two years, \$500 million per year would be used to compensate for the Global Cap deficit [Financial Plan].

### Authority to Fine Plans for Failure to Meet Contractual Obligations

The Budget presents a slightly revised version of last year’s proposal to establish authority for DOH to fine MCOs (defined as any Article 44 plan, including MLTC plans) due to failures to meet their contractual obligations as established in the MCO’s Model Contract or other state or federal regulations.

The main differences from last year’s proposal are that:

- The term “liquidated damages” is no longer used.
- Instead of giving plans a right to appeal, plans would automatically get a formal hearing before a fine is assessed.
- There is no 60-day timeline for plans to pay fines.

Fines may vary from \$250 to \$25,000 per violation, as determined by DOH based on the severity of noncompliance, and each day of noncompliance may be counted as a separate violation. Each instance or day of failing to furnish required medical services to an enrollee may also be counted as a violation. DOH could collect fines through withholds of capitation payments as needed. Fines may not be “passed through” to any network provider or subcontractor [HMH, Part H, Section 9].

The Budget projects savings of \$5 million per year from these fines.

## **Mainstream Managed Care Quality Pool**

The Budget proposes to remove the Global Cap funding for the mainstream managed care quality pool and replace it with funding from the Healthcare Stability Fund (i.e., money from the MCO tax) in the amount of \$50 million [Executive Scorecard].

It is not clear whether this would be state-only funding or matchable funding, which would result in a total quality pool of \$100 million. Last year’s quality pool was \$52.4 million (all funds).

## **Omitted Proposals**

Notably, the Budget does not include previous years’ proposals for an MCO procurement in Medicaid.

## **Hospitals**

### **Aggregate Medicaid Rate Increase for Hospitals**

The Budget proposes to make further increases to Medicaid hospital payments. In the FY 2025 Budget, Medicaid payments to hospitals were increased by 7.5% for inpatient and 6.5% for outpatient services, with a promised additional “aggregate increase” of \$525 million overall for FY 2025, which has not yet been administered.

This year, the Governor proposes “a uniform rate increase” (unspecified amount) for hospital outpatient services, and another “aggregate increase” of \$425 million for FY 2026 (in addition to the funds from last year). Unlike last year’s increases, these increases would be made ongoing (in FY 2026 “and thereafter”) [HMH, Part F, Section 3].

These increases are to be funded by revenue from the MCO tax and may be suspended if funds are not available from that source [HMH, Part F Section 7].

## Requirement to Report Community Benefit Spending

The Budget proposes to require all Article 28 general hospitals to file a “certified report” describing the hospital’s community benefit expenses, within 180 days of the end of its fiscal year.

Community benefit expense categories would include:

- “At cost” assistance, including free or discounted services under the hospital’s financial assistance policy;
- Unreimbursed costs from Medicaid;
- Unreimbursed costs from CHIP or other means-tested government programs;
- Community health improvement services and community benefit operations;
- Health professions education programs;
- Subsidized health services (such as negative-margin services, services that meet an identifiable community need, and services that if not provided would be unavailable or have to be taken up by another nonprofit or government agency);
- Research funded by tax-exempt sources; and
- Cash and in-kind contributions for community benefit.

The report must also describe how the hospital’s community benefit expenses support the State’s priorities, including the Prevention Agenda. The requirement would go into effect starting October 2025 [HMH, Part M].

## Hospital at Home Services

The Budget proposes to codify the federal “Acute Hospital Care at Home” demonstration program in state law, which would allow general hospitals to provide acute care in patient homes. Such hospitals would not be permitted to provide home care or professional services. Patients must have a pre-existing clinical relationship with the hospital or health care professional providing the service. Hospitals would be responsible for coordinating discharge to home care agency as appropriate after the patient’s acute care episode ends [HMH, Part Y].

## Sexual Assault Forensic Examiners (SAFE)

The Budget proposes to require hospitals to ensure 24/7 staffing of certified Sexual Assault Forensic Examiners (SAFE). SAFE professionals may be registered nurses, nurse practitioners, physician assistants, or physicians that are specially trained in forensic examination of sexual offense victims [HMH, Part T]. The Budget includes \$2 million to strengthen DOH’s capability to enforce this requirement and potentially expand telehealth capacity in hospitals that would face challenges securing their own trained examiners [Briefing Book].

## **Elimination of Voluntary Inpatient UPL Payments**

The Budget proposes to eliminate the supplemental Medicaid fee-for-service payments to voluntary hospitals for inpatient services up to the Medicaid Upper Payment Limit (UPL), which have represented up to an aggregate \$339 million annually since FY 2014 [HMH, Part D, Section 1].

## **Removal of H+H from Indigent Care Pool**

The Budget proposes to eliminate \$113.4 million of the Indigent Care Pool (ICP) that is provided to major public general hospitals (leaving a pool of \$26 million) and exclude Health + Hospitals from these ICP payments [HMH, Part D, Section 2]. The State would save 50% of this funding.

## **Long Term Care**

### **Aggregate Medicaid Rate Increase for Nursing Homes and ALPs**

The Budget proposes to make further increases to Medicaid nursing home payments. In the FY 2025 Budget, Medicaid payments to nursing homes were increased by 7.5%, with a promised additional “aggregate increase” of \$285 million overall for FY 2025. The Budget also included an increase for Assisted Living Programs (ALPs) of \$15 million for FY 2025. These increases have not yet been implemented.

This year, the Governor proposes another “aggregate increase” of \$385 million for nursing homes and \$15 million for ALPs (in addition to the funds from last year). Unlike last year’s increases, these increases would be made ongoing (in FY 2026 “and thereafter”) [HMH, Part F, Sections 4 and 6].

These increases are to be funded by revenue from the MCO tax and may be suspended if funds are not available from that source [HMH, Part F Section 7].

### **Discontinuation of Managed Long-Term Care Quality Pool Supplemental Funding**

The Budget again proposes to eliminate the managed long-term care (MLTC) quality pool supplemental funding [Executive Scorecard]. Last year, the Executive proposal to eliminate the MLTC quality pool was reduced in the Enacted version to a \$29.6 million state share cut, leaving the current amount of \$22.4 million per year that the Executive proposes to remove.

## **Delay of ALP Need Methodology**

The Budget proposes to extend the deadline to develop the Assisted Living Program (ALP) need methodology (which would be used to determine whether DOH approves new ALP beds) by one year, to April 2026 [HMH, Part B, Section 5].

## **Workforce**

### **Interstate Licensure Compacts**

The Budget would repeat the Governor's previous proposal from the last three years to join the interstate Nurse Licensure Compact, which would simplify the process for nurses to use another state licensure to practice in New York [HMH, Part W].

However, this year the previous proposal to join the Interstate Medical Licensure Compact for physicians has been omitted.

### **Scope of Practice: Physician Assistants**

The Budget repeats the Governor's previous proposal to allow physician assistants to practice independently under certain circumstances and in specific settings [HMH, Part V].

### **Scope of Practice: Certified Medication Aides**

The Budget repeats the Governor's previous proposal to expand scope of practice to allow certified medication aides in residential health care facilities to administer routine medications to residents under the supervision of a registered nurse [HMH, Part V].

### **Scope of Practice: Medical Assistants**

The Budget repeats the Governor's previous proposal to permit qualifying medical assistants to administer immunizations in an outpatient office under the supervision of a registered physician or physician assistant [HMH, Part V].

### **Scope of Practice: Pharmacists**

The Budget repeats the Governor's previous proposal to permit licensed pharmacists to administer Covid-19 vaccines to patients age 2+. It also proposes to allow licensed pharmacists to prescribe and order medications to treat nicotine dependence and to supervise registered pharmacy technicians in vaccine administration [HMH, Part V].

## Scope of Practice: EMT/Paramedics

The Budget proposes to allow emergency medical technician-paramedics to administer drugs such as methadone and buprenorphine to relieve acute withdrawal symptoms [HMH, Part O, Section 24].

## Scope of Practice: Dental Hygienists

The Budget proposes to expand the scope of practice for dental hygienists, allowing them to provide services currently within the exclusive scope of dentists. Dental hygienists would also be able to receive a certificate to administer and/or monitor block anesthesia while under the supervision of a dentist.

The Budget proposes to create and define the practice/title of “registered dental hygienist, collaborative practice (RDH-CP).” This would allow dental hygiene services to be performed in a collaborative practice without prior evaluation of a dentist or medical professional and without supervision, in accordance with a written practice agreement with a licensed dentist. Dental hygiene collaborative practice services may be provided in a variety of settings, including but not limited to long-term care facilities, schools, Federally Qualified Health Centers (FQHCs), mental health treatment facilities, and domestic violence shelters [HMH, Part X].

## Oversight

The Budget proposes to transfer licensing and oversight of physicians, physician assistants, and specialist assistants from the State Education Department (SED) to the Department of Health (DOH) [HMH, Part V].

## Investor-Backed Health Care Transactions

Building on reporting requirements for material transactions implemented in the 2023-24 Enacted NYS Budget, the Executive Budget proposes requiring additional reporting of information relating to proposed and closed material transactions and impose a fee on involved parties to cover review costs. These requirements would go into effect one year after the date of passage of the Budget (i.e., in the spring of 2026).

## Written Notice

Health care entities would be required to provide written notice to DOH at least 60 days (currently 30 days) before closing a material transaction. Additional information that would be included in the written notice include:

- A statement about whether the involved parties or their parent companies own any other health care entity that has closed or reduced operations in the past three years; and
- A statement as to whether a sale-leaseback agreement or mortgage/lease payments are a component of the proposed transaction.

## Reviews

DOH would conduct preliminary reviews of all proposed transactions. In the preliminary review, DOH may determine that a full cost and market impact review is necessary. DOH may require the parties to delay closings to conduct the full review. However, DOH would **not** be given separate authority to refuse or disapprove the transaction, and the closing date may **not** be delayed for more than 180 days from the start of the original preliminary review. DOH may charge fees to the parties for all “actual, reasonable, and direct costs” incurred to perform its reviews.

## Reporting and Confidentiality

During the five-years post-closing, entities would be required to annually report on metrics related to cost, quality, access, health equity, and competition. Nonpublic information would be kept confidential; however, data may be used as evidence in investigations, reviews, or other actions by DOH or the Attorney General, including in assessing Certificate of Need (CON) applications [HMH, Part S].

## Behavioral Health

### Hospitalization and Involuntary Commitment for Individuals with Mental Illness

The Budget proposes to:

- Expand the criteria for involuntary admission to a hospital for individuals with mental illness to include the risk of harm due to the inability or refusal to provide for their own essential needs (i.e., food, shelter, medical care).
- Require clinicians to consider medical records, credible reports of recent behavior, medical/behavioral history, and other relevant information when determining whether a person’s mental illness is likely to result in serious harm to themselves or others.
- Allow psychiatric nurse practitioners to make one of the two required commitment certifications for involuntary hospital treatments.
- Add domestic partners and cohabitants as individuals who can report an individual’s need for immediate care and treatment.
- Require hospitals and Comprehensive Psychiatric Emergency Programs (CPEPs) to notify community providers when their clients are admitted to the hospital [HMH, Part EE].

## Assisted Outpatient Treatment

The Budget proposes to amend the regulations for Assisted Outpatient Treatment (AOT), as follows:

- Update the criteria for ordering AOT, including substantial interference with a person’s health/safety or treatment noncompliance resulting in emergency care or incarceration.
- Clarify that previous non-compliance with court oversight or mandated treatment will not preclude a finding that an individual is likely to benefit from AOT.
- Add domestic partners to the list of individuals who may petition for AOT [HMH, Part EE].

## Targeted Inflationary Increase

The Budget proposes to establish a one-time “Targeted Inflationary Increase” at a rate of 2.1 percent for eligible mental hygiene and other human services program for FY 2026. Eligible programs include those funded, licensed, or certified by OMH, OASAS, OPWDD, OCFS, OTDA, and SOFA. The increase would be the only applicable inflationary adjustment or cost-of-living increase for these programs, except for specific trend or staff retention factors applied by OCFS and any remaining outstanding payments from federal Covid-19 relief programs [HMH, Part FF].

The purpose of the increase is to “provide fiscal relief to providers to address rising operating costs and enable them to offer more competitive wages to their staff” [Briefing Book]. The targeted inflationary increase is projected to allocate an additional \$195.4 million state share (\$328.3 million all funds) to these programs.

## Consent to Treatment for Homeless Youth

The Budget proposes to allow runaway and homeless youth to provide independent consent for services, including to receive outpatient and inpatient behavioral health services without parental consent [HMH, Part DD].

## Pharmacy

### Prescriber Prevails and DOH Authority to Modify the OTC Formulary

The Budget renews the Executive’s longstanding proposal to end the current “prescriber prevails” requirements [HMH, Part C].

It also renews last year’s proposal to give DOH the authority to remove coverage of over-the-counter drugs that are reimbursable by Medicaid, rather than only to add new drugs, as in current law [HMH, Part I, Sections 1-3].

## Intellectual/Developmental Disabilities

### Extension of Managed Care Authority

The Budget proposes to extend statues related to implementing managed long-term care plans for OPWDD through December 2027. This extension will preserve statutory flexibility if OPWDD decides to transition its service delivery system to managed care [HMH, Part CC].

### ABA Reforms

The Governor proposes Applied Behavior Analysis (ABA) reforms that are projected to save \$9.6 million in FY 2026 and \$19 million in FY 2027 [Executive Scorecard]. Further details may be forthcoming.

## State Agency Flexibility

### Temporary Operators: DOH

The Budget would expand and clarify the authority of temporary operators that are assigned to hospitals or adult care facilities under emergency circumstances (which may include serious financial instability or unsafe operating conditions). Temporary operators of a facility would be specified to have the authority to hire or fire key employees of the facility, maintain and control the facility's records, dispose of assets and incur liabilities on behalf of the facility, and adopt operating policies. On top of the initial 180-day term of a temporary operator, DOH would be able to extend their authority for up to two 180-day terms (up from the current 90-day extensions) [HMH, Part K].

### Temporary Operators: OMH and OPWDD

The Budget proposes to provide OMH and OPWDD with permanent authority to appoint temporary operators to ensure the continued operation of programs that serve individuals with mental illness, intellectual/developmental disabilities, and or chemical dependence. In 2024, OMH utilized this authority to maintain operations and provide services for two residential programs [HMH, Part BB].

### Demonstration Projects

The Budget renews last year's proposal to permanently establish the authority of OMH, OASAS, and OPWDD to develop and implement time-limited demonstration projects [HMH, Part AA].

## Emergency Medical Services (EMS)

The Budget repeats previous proposals to designate Emergency Medical Services (EMS) as an essential service, requiring all municipalities to provide adequate EMS response capacity (excluding cities with populations over one million). The Budget also proposes to:

- Codify definitions related to EMS delivery to ensure consistency in the provision of services;
- Establish the Emergency Medical Community Assessment Program (EMCAP) to develop standardized scoring metrics that will be used to evaluate the performance of EMS agencies statewide;
- Require the Statewide EMS Council and DOH to develop a Statewide Comprehensive Emergency Medical System Plan, which will be used to develop individual county EMS plans.
- Direct counties to designate primary response agencies, which will be required to respond to all requests for services (except in instances of capacity limitations).
- Authorize municipalities to establish special districts for the purpose of financing and implementing EMS service expansion within their region, to comply with the designation of EMS as an essential services, with protections for existing districts.
- Authorize the Commissioner of Health to approve and deploy EMS demonstration programs to promote innovation in the delivery of EMS and test novel delivery methods developed by agencies and practitioners.
- Establish standards for the licensure of EMS practitioners [HMH, Part R].

## State Agencies

### Department of Health (DOH)

The Executive Budget allocates \$134.3 billion in All Funds appropriations for the Department of Health (DOH), representing a 7.4% increase from FY 2025, which includes:

- Aid to Localities: \$129.04 billion [AtL 621]
- Capital Projects: \$1.51 billion [Capital 367]
- State Operations: \$3.76 billion [State Ops 340]

This includes total spending of:

- \$111.2 billion for Medicaid
- \$13.9 billion for the Essential Plan
- \$7.7 billion for public health programs
- \$608 million for NY State of Health marketplace operations [DOH Agency Appropriations].

Other notable budget initiatives include:

- The capital projects allocation for the Safety Net Transformation Program is increased to a maximum of \$1 billion overall [Capital 368]. This is separate from the \$300 million operating allocation from the MCO tax.
- The Budget would allocate \$5 million in capital grants for eligible abortion care providers to promote expanded reproductive health infrastructure, modernize facilities, and provide enhanced safety and security [DOH Appropriations Presentation].
- The Budget would provide \$20 million for a new funding stream to allow providers to cover medication abortion care and other abortion services [DOH Appropriations Presentation].
- The Budget would provide \$5.6 million to counties to develop Emergency Medical Services (EMS) plans and for the Statewide EMS task force [DOH Appropriations Presentation].

## Office of Mental Health (OMH)

The Executive Budget allocates \$6.27 billion in All Funds appropriations for the Office of Mental Health (OMH), representing a 6.3% increase from FY 2025, which includes:

- Aid to Localities: \$3.27 billion [AtL 868]
- Capital Projects: \$0.604 billion [Capital 450]
- State Operations: \$2.40 billion [State Ops 528]

The Executive Budget aims to strengthen involuntary commitment laws, invest in mental health infrastructure and expand community-based services by funding the following initiatives:

- Allocate \$16.5 million to enhance county-level implementation of Assisted Outpatient Treatment (AOT) programs statewide [OMH Appropriations Presentation]
- Provide \$10 million to establish seven new Clubhouses and up to four Youth Safe Spaces Mental Health Programs statewide [OMH Appropriations Presentation]
- Allocate \$2.8 million to add street medicine and street psychiatry to Safe Option Support (SOS) teams [OMH Appropriations Presentation]
- Allocate \$6.5 million to create 24/7 Welcome Centers at five New York City subway stations for mobile outreach teams to connect and coordinate services for unhoused individuals [OMH Appropriations Presentation]
- Allocate \$160 million to create a 100-bed forensic inpatient unit on Wards Island [Capital 454] and allocate \$21.2 million to support additional direct care staff at State-operated forensic facilities [Briefing Book]
- Provide \$4 million to establish Hospital-Based Peer Bridger Services and Expand Intensive and Sustained Engagement Teams (INSET) [Briefing Book]
- Provide \$1.6 million to pilot an Aging in Place Program for older adults residing in CR-SROs [Briefing Book]

- Provide \$11.9 million to increase stipends for nearly 18,000 OMH Supportive Housing units [Briefing Book]
- Provide \$1.5 million to expand Teen Mental Health First Aid training [Briefing Book]
- Provide \$1 million to create comprehensive clinical assessment hubs to evaluate children with complex behavioral and clinical needs [Briefing Book]
- Provide \$1.5 million to integrate behavioral health services into OB-GYN practices in underserved communities [Briefing Book]
- Provide \$1 million for OMH staff to oversee networking monitoring and to ensure that commercial insurers are in compliance with the law requiring behavioral health reimbursement at Medicaid rates [Briefing Book]
- Provide \$2.4 million to the Capital District Psychiatric Center to expand its Crisis Unit by 8 beds and expand the Mobile Integration Team [Briefing Book]

## Office of Addiction Services and Supports (OASAS)

The Executive Budget allocates \$1.25 billion in All Funds appropriations for the Office of Addiction Services and Supports (OASAS), representing a 1.8% increase from FY 2025, which includes:

- Aid to Localities: 0.963 billion [AtL 842]
- Capital Projects: \$0.094 billion [Capital 429]
- State Operations: \$0.189 billion [State Ops 520]

The Executive Budget continues to address the opioid epidemic by funding the following initiatives:

- Allocate an additional \$3 million to expand support for street outreach activities, including funding addiction professionals to work with SOS teams [AtL 846]
- Provide \$2.5 million to expand Mobile Medication Units in regions that currently do not have access to opioid treatment medications [Briefing Book]
- Provide \$0.3 million to provide technical assistance to Opioid Treatment Programs (OTPs) in complying with State and Federal regulations [Briefing Book]
- Include \$11.4 million to reprocure vocational and job placement services and day services to individuals with substance use disorders [Briefing Book].

## Office for People With Developmental Disabilities (OPWDD)

The Executive Budget allocates \$10.1 billion in All Funds appropriations for the Office for People With Developmental Disabilities (OPWDD), representing a 31.8% increase from FY 2025, which includes:

- Aid to Localities: \$7.48 billion [AtL 900]
- Capital Projects: \$0.267 billion [Capital 489]

- State Operations: \$2.37 billion [State Ops 541]

The Executive Budget provides the following targeted investments to address the needs of individuals with intellectual and developmental disabilities (I/DD):

- Continue investments from FY 2025 to support updated reimbursement rates for OPWDD nonprofit providers, including \$850 million in annualized funding for wage increases for frontline workers [Briefing Book];
- Allocate an additional \$15 Million to develop independent housing opportunities for individuals with I/DD [Briefing Book]
- Leverage federal resources for a gross increase of \$120 million annually to fund OPWDD priority program reforms and new service opportunities [Briefing Book]
- Provide \$75 million for a five-year capital investment to renovate the Institute for Basic Research in Developmental Disabilities (IBR) campus on Staten Island, including the development of a Genomics Core facility and creation of a learning center [Capital 492]
- Allocate \$25 million to develop Regional Disability Clinics statewide and support one-time building modification/equipment costs to improve accessibility to healthcare for individuals with I/DD [Briefing Book]
- Provide \$18 million across four years to renovate the Sunmount Developmental Center [Briefing Book]

The Executive Budget also provides an additional \$53 million to support minimum wage increases for OMH, OASAS, and OPWDD program staff.

## Other

- Allocate an additional \$3.5 million to expand mental health services for support runaway and homeless youth, including preventive and outreach services, drop-in centers, and residential programs [OCFS Appropriations Presentation]
- Allocate an additional \$45 million in support for aging services to help reduce unmet service needs experienced by local Area Agencies on Aging, including in-home services; nutritional supports, and transportation [SOFA Appropriations Presentation]

## Reproductive Health

### Requirement to Provide Abortions as Part of Emergency Care

The Budget specifies that terminating a pregnancy, if medically necessary, is part of emergency services that must be provided by general hospitals that offer emergency services as an organized service. Hospitals with limited capacities will develop triage and transfer protocols to facilitate this [HMH, Part P, Section 1].

## Removing Prescriber Names from Prescription Labels

The Budget proposes to require drug dispensers to remove prescribers' names from abortion medication prescriptions such as mifepristone and misoprostol. The prescribing health care facility name would be used instead [HMH, Part P, Sections 2-3].

## Access to Infertility Treatments

The Budget proposes Medicaid coverage of fertility preservation services for individuals whose infertility is directly or indirectly caused by medical treatment (e.g., surgery, chemotherapy, sickle cell treatment). Such services include medically necessary collection, freezing, preservation, and storage of oocytes or sperm and prescription drugs. In vitro fertilization (IVF) is not covered as a fertility preservation service. DOH would also establish a grant for providers to fund uncompensated health care services related to the provision of infertility treatment [HMH, Part Q].

## Other Health Care Provisions

### Modifications to “Separate and Post-Treatment Consent” Requirement

The Budget modifies last year's controversial requirement for health care providers to “obtain separate patient consent for treatment and payment.” Under the proposed revision:

- The consent requirement would apply only to “non-emergency” services.
- It would no longer be required to wait until after the patient had already received services to obtain consent to pay. However, consent to pay must still be obtained only after “discussing treatment costs.” [HMH, Part L]

### Elimination of Fees for Electronic Death Registration System

The Budget would eliminate the \$20 fee collected for burial and removal permits issued to funeral directors and undertakers related to the state's electronic death registration system [HMH, Part I].

### Physician Excess Medical Malpractice Program Modifications

The Governor renews last year's Executive Budget proposal to extend the Physician Excess Medical Malpractice Program through June 30, 2025, but change its premium payment structure to require practitioners to contribute 50% of the cost, starting July 1, 2025. Payments by the pool to insurers would be converted to become two installments over two fiscal years, comprising the

full premium for coverage purchased before July 2025 and the remaining 50% of the premium for coverage purchased afterwards [HMH, Part G].

The State projects that it would save approximately \$39 million per year through this modification.

## Extenders

The Budget proposes to extend the authority for various existing provisions, such as:

- The Nursing Home Refinancing/Shared Savings Program passed in the FY 2016 budget would be extended by five years, through 2030 [HMH, Part B, Section 1].
- Foster Family Care Demonstration Programs would be extended by two years, through December 2027 [HMH, Part B, Sections 2-4].
- The statewide Patient-Centered Medical Home program would be extended by three years, through FY 2028 [HMH, Part B, Section 6].
- Authority to make Disproportionate Share Hospital/Intergovernmental Transfer payments to hospitals outside New York City would be extended by three years, through FY 2028 [HMH, Part B, Section 7].
- The community-based paramedicine demonstration program established in 2023 (A.6683/S.6749) would be extended by two years, through May 2027 [HMH, Part B, Section 8].
- Authority for licensure of Licensed Home Care Services Agencies (LHCSAs) would be extended by two years, through June 2027 [HMH, Part B, Section 9].
- Authority for DOH to redeploy excess reserves of certain not-for-profit MCOs (a policy related to the Centene-Fidelis acquisition from 2018) would be extended by two years, through August 2027 [HMH, Part B, Section 10].
- The requirement for a two-month cooling off period after an Article 44 MCO terminates a contract with a hospital would be extended by two years, through June 2027 [HMH, Part B, Section 11].
- The \$80 million limit on payment of nursing home rate appeals would be made permanent [HMH, Part B, Section 12].
- Various policies related to Certified Home Health Agencies (CHHAs) would be made permanent:
  - 60-day episode-based payment [HMH, Part B, Section 13]
  - Bad debt and charity care payments [HMH, Part B, Section 15]
  - Limit on administrative and general costs to the statewide average [HMH, Part B, Section 16].
- Authority for contract staff to administer fair hearings for the Fully Integrated Duals Advantage program would be extended by two years, through 2027 [HMH, Part B, Section 14].
- Statutory trend factors for various Medicaid payments, which have been set to zero since 2017, would be made permanently zero [HMH, Part B, Sections 17-18].
- Authority for the 6% nursing home tax (the Nursing Home Cash Assessment program) would be extended by four years, through March 2029 [HMH, Part B, Section 20].

- The Young Adult Demonstration for Medically Fragile Children, established in the FY 2022 Budget, would be extended by another two years, through 2027 [HMH, Part B, Section 21].
- The 2006 Home Based Primary Care for the Elderly demonstration project would be extended by five years, through 2030 [HMH, Part B, Section 22].
- The prohibition on Medicaid managed care payment for prescription drugs (due to the Medicaid pharmacy carve-out) would be made permanent [HMH, Part B, Section 23].
- Statutory authority to implement coverage of expanded long-term care benefits in the Essential Plan would be extended by five years, through 2030 [HMH, Part B, Section 24].
- The contract with the Statewide Independent Assessor for long-term care assessments and personal assistance eligibility would be extended by one year, through September 2026 [HMH, Part B, Sections 25-26].
- The statutory deadline for Statewide Health Care Facility Transformation Program Round 4 funds to be awarded to Round 3 applicants is moved to February 28, 2023, to reflect the actual award date [HMH, Part J].

## Repealers

The Budget renews last year's proposal to discontinue a variety of policies and programs, including:

- The Enhanced Quality of Adult Living (EQUAL) program, which offers incentive payments to operators of Adult Homes and Enriched Housing Program based on their safety net populations [HMH, Part H, Section 1].
- The operating assistance sub-program for enriched housing in Adult Care Facilities [HMH, Part H, Section 2].
- The Empire Clinical Research Investigator Program (ECRIP) [HMH, Part H, Sections 3-5].
- The Tick-Borne Disease Institute [HMH, Part H, Section 6].