

NYS 2025-26 BUDGET

UPDATE: ONE-HOUSE BILLS

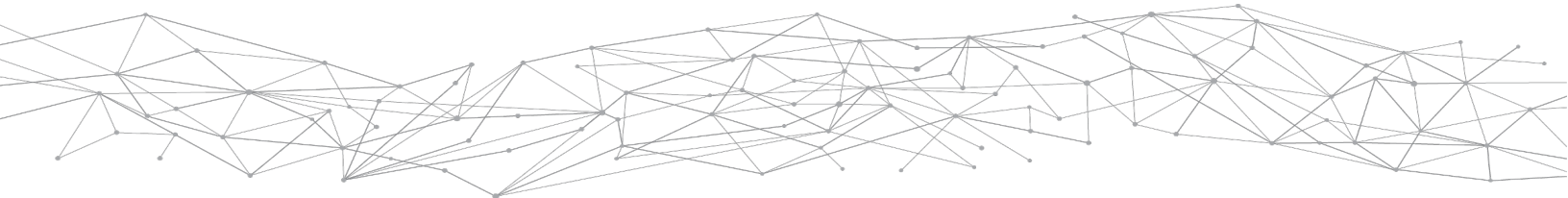
Overview

This week, the New York State Assembly and Senate announced the one-house versions of the state's budget legislation for State fiscal year (FY) 2025-26. Each chamber's proposal is based on the Governor's Executive Budget but may include modified appropriations and may include or exclude some of the accompanying Article VII legislative proposals. The three parties will now begin negotiations on reconciling these proposals, with a target date of April 1st to finalize the Enacted Budget for 2026.

Some key changes proposed by the Assembly and/or Senate include:

- Higher increases to Medicaid payments for health centers, hospitals, nursing homes, and assisted living facilities;
- Removal of "separate and post-treatment consent" requirement;
- Requirement for health insurance plans to annually report the percentage of total health care expenditures devoted to primary care;
- Enhanced "Targeted Inflationary Increase" for eligible mental hygiene and human service programs of 7.8 percent;
- Additional required information on the written notice for investor-backed health care transactions;
- Supplemental funding to support direct care workers serving individuals with disabilities;
- Requirement for hospitals to provide a list of "hospital rule-based exclusions" to the Department of Health (DOH) annually; and
- Establishment of the New York State Abortion Clinical Training Program.

The below document is a non-comprehensive summary of notable changes, additions, and removals to proposals from the Executive Budget. SPG's Executive Budget summary is available [here](#). As a reminder, these bills are far from final, and many omitted provisions may return or be modified.



Medicaid

- The Executive Budget would renew the Medicaid Global Cap through FY 2025. The Assembly would include this renewal, but the Senate bill would repeal the Medicaid Global Cap [HMH, Part A].
- The Senate and Assembly rejected the Executive proposal to 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].
- Both houses accepted the Executive’s “aggregate increase” of Medicaid payments to federally qualified health centers (FQHCs) and diagnostic and treatment centers (DTCs), with the Assembly increasing the total to \$70 million and the Senate increasing the total to \$100 million [HMH, Part F].
- The Senate proposes to further increase Medicaid payments for physicians, Early Intervention providers, Certified Home Health Agencies (CHHAs), Emergency Medical Service (EMS) providers, and dental providers [HMH, Part F].
- The Senate included a proposal to amend the Public Health Law concerning audits conducted by the Medicaid Inspector General (OMIG) which would limit OMIG’s authority to claw back provider payments [HMH, Part HH].

Long-Term Care

- The Executive Budget would delay the deadline to develop the Assisted Living Program (ALP) need methodology (which would be used to determine whether DOH approves new ALP beds). Both the Senate and Assembly rejected the delay [HMH, Part B, Section 5].
- Both houses accepted the Executive’s “aggregate increase” for nursing homes and ALPs, with increased total amounts [HMH, Part F, Sections 4 and 6].
- The Senate included a new proposal that would modify the current prohibition on DOH establishing an annual cap on enrollment in PACE and dual-eligible managed care plans to also prohibit establishing a cap on enrollment in managed long-term care rate regions where the long-term services/supports (LTSS) utilization ratio is below 1,000 per 10,000 people [HMH, Part GGG].

Hospitals

- The Senate and Assembly rejected the Executive proposal to eliminate the supplemental Medicaid fee-for-service payments to voluntary hospitals for inpatient services up to the Medicaid Upper Payment Limit (UPL) [HMH, Part D].
- The Senate accepted and the Assembly rejected the Executive proposal to provide a “uniform rate increase” (unspecified amount) for hospital outpatient services. Both houses

accepted the Executive's additional "aggregate increase" for hospital services, with the Assembly increasing the amount to \$625 million and the Senate to \$725 million [HMH, Part F, Section 3].

- The Senate included, with expansions, the Executive proposal that would 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. The Assembly omitted this proposal [HMH, Part M].
- Both houses included the Executive proposal that would require hospitals to ensure 24/7 staffing of certified Sexual Assault Forensic Examiners (SAFE) [HMH, Part T].
- The Assembly omitted and the Senate included the Executive proposal to codify the federal "Acute Hospital Care at Home" demonstration in state law, which would allow general hospitals to provide acute care in patient homes [HMH, Part Y].
- The Senate included a new proposal that would require general hospitals to provide a list of "hospital rule-based exclusions" to DOH on an annual basis. Hospital rule-based exclusions are defined as any policies that limit or deny certain medical services that the hospital is otherwise licensed to provide. DOH would be required to post these exclusions online so patients know which hospitals do or do not offer specific types of care, and insurance plans must alert members that hospital exclusions may exist [HMH, Part II].
- The Senate included new language directing DOH to designate five general hospitals or hospices, upon successful application, as "Centers for Sickle Cell Care Excellence" [HMH, Part JJ].

Managed Care

- The Senate accepted and expanded the Executive Budget'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 Model Contract or other state or federal regulations. The Assembly omitted this proposal [HMH, Part E, Section 3].

Investor-Backed Health Care Transactions

- The Assembly omitted and the Senate included the Executive proposal requiring additional reporting of information relating to proposed and closed material transactions. The Senate would include the following additional required information on the written notice:
 - A statement about whether any direct financial interest or materially indirect financial interest in the ownership or operation of the health care entity are a component of the proposed transaction, and if so, the details of the financial interest [HMH, Part S].

Behavioral Health

- Both houses omitted the Executive Budget proposals to expand regulations related to involuntary commitment and Assisted Outpatient Treatment (AOT) for individuals with mental illness. However, the Senate included the proposal that would require hospitals and Comprehensive Psychiatric Emergency Programs (CPEPs) to notify community providers when their clients are admitted to the hospital [HMH, Part EE].
- The Assembly included a proposal to strengthen discharge planning requirements for certain patients leaving psychiatric facilities by requiring more detailed service plans and coordination with community-based providers [HMH, Part KK].
- Both houses included a proposal for the Office of Mental Health (OMH) and Office of Addiction Services and Supports (OASAS) to establish a “behavioral health crisis technical assistance center,” and the Senate included additional legislation known as “Daniel’s Law” to develop a comprehensive system for responding to mental health and substance use crises [Assembly HMH Part II; Senate HMH Part LL].

Intellectual/Developmental Disabilities (I/DD)

- The Senate included a new proposal that would provide supplemental funding of \$4,000 per eligible employee to certain Office for People with Developmental Disabilities (OPWDD) providers so that they can increase wages for staff offering direct care or treatment to individuals with I/DD. Eligible jobs would be determined by the State [HMH, Part BBB].

Pharmacy

- The Executive Budget includes a proposal to end the current “prescriber prevails” requirements. Both the Senate and Assembly omitted this proposal [HMH, Part C].
- The Senate included a new proposal to prevent “pay-for-delay” delays that postpone competition from generic or biosimilar drugs [HMH, Part KK].

Workforce

- The Senate accepted but the Assembly rejected the Executive proposal to allow emergency medical technician-paramedics to administer drugs such as methadone and buprenorphine to relieve acute withdrawal symptoms [HMH, Part O, Section 24].
- Both houses omitted the Executive proposals on the Interstate Nurse Licensure Compact and the expansion of scope of practice for physician assistants, certified medication aides, medical assistants, pharmacists, and dental hygienists [HMH, Parts V, W, and X].

- Both houses rejected the Executive proposal to transfer licensing and oversight of physicians, physician assistants, and specialist assistants from the State Education Department (SED) to DOH [HMH, Part V].

Reproductive Health

- The Senate accepted, with significant expansions and new enforcement mechanisms, the Executive proposal that would require general hospitals to provide abortions as part of emergency care. The Assembly rejected this proposal [HMH, Part P].
- Both houses accepted the Executive proposal that would increase access to infertility treatments for Medicaid beneficiaries [HMH, Part Q].
- The Senate includes a new proposal to establish the New York State Abortion Clinical Training Program to train health care practitioners in the performance of abortion and related reproductive health care services [HMH, Part NN].

Emergency Medical Services (EMS)

- The Senate included the Executive proposal to designate EMS an essential service and strengthen the State's emergency response system, with significant modifications. Instead of establishing licensure standards for EMS practitioners, the Senate would introduce training and educational requirements. The Assembly omitted this proposal [HMH, Part R].

Other

- Both houses increased the Executive's one-time "Targeted Inflationary Increase" for eligible mental hygiene and human service programs to 7.8 percent [HMH, Part FF].
- Both houses omitted the Executive Budget proposal that would require health care providers "to obtain separate patient consent for treatment and payment" [HMH, Part L].
- Both houses once again propose to make permanent the carve-out of school-based health centers (SBHCs) from managed care [Assembly HMH, Part GG; Senate HMH, Part VV].
- The Senate included a new proposal that would require health insurance and Medicaid managed care plans to annually report the percentage of total health care expenditures devoted to primary care. If the primary care share is below 12.5%, payors must file a plan to increase it by at least 1% each year until reaching 12.5%. The definition of primary care excludes inpatient, emergency department, and urgent care visits [HMH, Part OO].
- The Senate included a proposal to extend the current requirement for telehealth payment parity for both Medicaid and commercial plans through April 1, 2028. The proposal would also require parity for telehealth services delivered by FQHCs, including those also licensed under Articles 31 or 32 [HMH, Part UU].