

# The Future of Health Care Reform is Top of Governor Hochul's State of the State Address

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On January 10, New York's Governor, Kathy Hochul, delivered the [2023 "State of the State" address](#). The address featured a number of health care reform initiatives—a strong indication that New York will prioritize health care issues and spending in the year ahead. Below is a summary of Governor Hochul's big-ticket health care agenda items.

First, Governor Hochul outlined how New York plans to utilize its historic \$20 billion, multi-year health care spending bill to build upon New York's health care system in the following ways:

- Establishing a "[Commission on the Future of Health Care](#)" to help guide New York's strategic response to ongoing innovations in how New Yorkers pay for and deliver medical care given the shift to and adoption of digital, outpatient and in-the-home services;
- Establishing a new capital grant fund for health care technology;
- Reforming traveling nurse agency staffing practices to reduce health care spending and require staffing agencies to register and report operational data;
- Expanding health care providers' "scope of practice" by joining the Interstate Licensure Compact and the Nurse Licensure Compact; and
- Streamlining approval processes for health care projects in New York, including the Certificate of Need process and steps to ensure that private sector health care transactions are financially sustainable and support quality and access to care objectives.

Second, Governor Hochul committed to improving access to, and the quality of, mental and behavioral health care. To achieve these goals, Governor Hochul proposed:

- Expanding insurance coverage for mental health services by prohibiting insurance companies from denying access to medically necessary, high-need, acute, and crisis mental health services, and by adopting appointment availability and geographic accessibility standards for behavioral health services;

- Expanding mental health services for school-aged children whose need for and access to mental health services were especially affected by pandemic-related school closures;
- Increasing operational capacity for inpatient psychiatric treatment by 1,000 beds, including by requiring Article 28 community hospitals to make use of all of their existing beds and invest \$27.5 million to support increased inpatient psych rates;
- Improving mental health care coordination and planning by creating a system of accountability—from admission through discharge and post-acute care, including Critical Time Intervention Care Coordination Teams;
- Dramatically expanding outpatient services with 12 new psychiatric emergency care sites and 40 new treatment teams, mobilized to reach the most at-risk New Yorkers and expanded certified community behavioral health clinics to provide walk-in integrated behavioral health care; and
- Ensuring payment parity for behavioral health services rendered in-person or via telehealth.

Third, Governor Hochul’s administration plans to “strengthen the foundation” of New York’s health care system by:

- Expanding Medicaid coverage for preventive health services and Medicaid’s buy-in program for New Yorkers with disabilities;
- Protecting New Yorkers from burdensome medical debt and costs by preventing creditors’ attachment of homes and wages to secure medical debt, amending the Consumer Credit Fairness Act to cover medical debt, investing in medical debt literacy, and requiring hospitals to use a standard financial assistance application form;
- Improving primary care by expanding access and increasing Medicaid reimbursement rates;
- Ensuring access to high quality long-term care, including by investing in care teams to provide care for low-income adults in their home;
- Revitalizing emergency medical services and medical transportation, including allowing EMTs to treat people out in the community; and
- Supporting the ongoing collaboration between the Office of Addiction Services and Supports and the Department of Health in addressing the State’s substance abuse epidemic.

Finally, Governor Hochul emphasized the need for emergency preparedness. In the address, she explained how New York will prepare for future emergencies by:

- Modernizing New York’s health reporting systems to be more secure in how it stores and transmits health data, and more efficient and effective in how it uses it;
- Rebuilding the Wadsworth Laboratories to advance cutting edge research on biomedical and environmental issues critical to protecting the health of New Yorkers; and
- Strengthening New York’s public health emergency readiness capacity in light of lessons learned during the COVID-19 pandemic.

The full State of the State book can be found [here](#). Many of these proposals will be included in the Governor’s proposed budget, which is expected to be released around February 1, with final budget passage after Legislative review and negotiation around April 1.

Understanding the State’s health care policy and investment objectives is critical for health care businesses and stakeholders as they plan for and develop business goals for the year. The Firm’s Health Care team can assist with evaluating and implementing strategies to account for the forthcoming changes.

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