



STATE OF THE STATE 2023

Earlier today, Governor Hochul gave her annual State of the State speech to highlight proposals that we expect to see released in the Executive Budget. Some of these proposals lack details and clarity until the Governor's proposed budget bills are released. During elections years the Governor has two additional weeks to release the Executive budget, making the latest date we expect to see the final proposal February 1.

- **Minimum Wage Index**

- After reaching \$15 per hour, each region's minimum wage will increase consistent with the year-over-year Consumer Price Index-W for the Northeast Region, the best measure of inflation in our region.
- To ensure that no single-year increase would threaten employment, annual increases would be capped, and an "off-ramp" would be available in the event of certain economic conditions.
- The Governor did not address Medicaid funding that will be required to fully fund this new requirement, but we will look for this in the budget

Health

- **Establish a Commission on the Future of Health Care that includes a plan for Struggling Hospitals**

- The Governor's Plan will aim to make recommendations on policy, regulation, reimbursement, and other strategies to improve outcomes and transform care delivery
- The plan will shape the allocation strategy of subsidies for financially distressed hospitals and nursing homes and health care capital funding.

- **Provide Transformative Health Care Capital Funding**

- The Governor proposes an undermined increase in capital funding for capital health care initiatives.

- **Create a New Capital Grant Fund for Health-Related Technology Upgrades**

- This new fund will support providers’ technological investment upgrades that facilitate the State’s health care transformation goals.
 - These funds will be used to invest in advanced clinical technologies, cybersecurity tools, and other technological upgrades to improve quality of care, patient experience, accessibility, and efficiency
- **Reform Traveling Nurse Agency Staffing Practices**
 - Governor Hochul will introduce legislation to require staffing agencies to register and report key data about their operations with the goal of increasing transparency into the utilization and costs of contract labor.
 - The State will use the collected data to explore options to remedy the dependence upon, and escalating costs related to, agency staffing
- **Allow New York to join the Interstate Licensure Compact and the Nurse Licensure Compact**
 - This will allow physicians and nurses licensed in other states to practice in New York
- **The Governor also has proposed codifying EO4.0 to make workforce flexibilities permanent**
- **Reform Certificate of Need (CON) process**
 - Governor Hochul will direct the Department of Health to review and amend the CON process, including raising the cost threshold for projects that need to file a CON and revisiting the definition of “public need” used in the application process.
- **Expand Medicaid Coverage of Preventative Health Services**
 - Governor Hochul proposes to expand Medicaid coverage to increase supportive housing funding, expand Adverse Childhood Experiences screening, expand coverage for nutritionist services, expand coverage for therapy, increase dental care rates, increase rates for children’s vaccine administration, expand coverage of spinal muscular atrophy prenatal screening, expand screening for social determinants of health, and expand coverage for Doula services
- **Expand the Medicaid Buy-in Program for New Yorkers with Disabilities**
 - Governor Hochul will submit a waiver to expand the Medicaid Buy-In program so more New Yorkers with disabilities can work and still qualify for Medicaid coverage.
- **Essential Plan Coverage Changes**
 - The Governor’s proposed changes will include reducing cost sharing for patients, increasing reimbursement rates for health care providers, expanding funding for health plans to broaden coverage of mental health and social services, and requiring health plans to spend more on patient care.

- **Medical Debt Practice Changes**

- The Governor is proposing to expand the Pharmacy Benefit Bureau launched last year, requiring drug manufacturers to report, in advance, changes drug prices and make that information publicly available to consumers.
- The Governor is creating a new Health Guaranty Fund to protect New Yorkers if a health insurer becomes financially impaired or insolvent, similar to what is in place for life and property insurers.

- **Investments in Long Term Care**

- Governor Hochul proposes investing in care teams to provide care for low-income adults in their home.
- Governor Hochul proposes changes to reporting and accreditation for assisted living residences and the implementation of quality improvement initiatives in nursing homes.

- **Opioid Treatment Proposals**

- Governor Hochul will launch the Opioid Interagency Task Force to consider all options related to opioid use disorder treatment and harm reduction strategies.
- Make drug checking technology available at Drug User Health Hubs.

- **Modernize our Health Reporting Systems**

- The Department of Health will launch an initiative to automate data reporting, reduce the administrative burden on providers, and provide greater flexibility to the Department of Health on the types and frequency of data collection.
- New York will redesign surveys to align the data collected from health care providers with what is needed for informative analysis and decision-making, in addition to providing support to non-hospital health care providers that need to install electronic medical record systems and connect to the State's health data reporting systems.
- A new DOH Program Office will be established to oversee the creation of the new analytic platform and additional investment in the existing health information exchange (HIE).

Mental Health

- **Expand Insurance Coverage for Mental Health Services**

- Governor Hochul’s plan will prohibit insurance companies from denying access to medically necessary, high-need, acute, and crisis mental health services for both adults and children.
 - Governor Hochul’s plan will adopting appointment availability and geographic accessibility standards for behavioral health services.
 - Governor Hochul proposes ensuring payment parity for behavioral health telehealth services.
- **Expand Mental Health Services for School-Aged Children**
 - The Governor’s proposed plan will Increasing Medicaid rates for Article 31 school-based satellite clinics, increasing Medicaid rates for school-based wraparound services and invest in annual school-based partnership and capacity grants to provide the start-up funding to get these expanded school-based services off the ground quickly.
- **Increase Operational Capacity for Inpatient Psychiatric Treatment By 1,000 Beds**
 - Governor Hochul will now direct Article 28 community hospitals to immediately bring 850 inpatient psychiatric beds online.
 - The proposal will also allow OMH to fine hospitals for non-compliance with their operating certificate at a rate of up to \$2,000 per violation, per day.
- **Improve Admissions and Discharge Planning and Establish Systemic Accountability**
 - Governor Hochul proposes new comprehensive standards for evaluation and increased state-level oversight to ensure that new protocols are being used effectively.
 - Governor Hochul proposes the creation of 50 new Critical Time Intervention (CTI) Care Coordination Teams to provide wrap-around services for discharged patients, from housing to job supports.
 - Requirements that emergency departments and inpatient providers discharge high-risk, high need individuals into immediately available wrap-around services, including CTI Care Coordination.
 - Requirements that outpatient programs provide immediate and ongoing appointments for high-risk individuals during the discharge process, ensuring a “warm handoff” of care.
- **Expansion of Outpatient Services**
 - Governor Hochul proposes 12 new comprehensive psychiatric emergency programs providing hospital-level crisis care throughout the State.

- Governor Hochul establishes new Assertive Community Treatment teams providing mobile, high intensity services to the most at-risk New Yorkers, with 22 new teams in New York City and 20 in the rest of the state.
- Certified Community Behavioral Health Clinics (CCBHCs), providing walk-in, immediate integrated behavioral health care, and both mental health and substance use disorder services for New Yorkers of all ages and insurance status, expanding from 13 to 39 clinics statewide, supplemented by an Indigent Care Pool (ICP) to ensure access.
- Safe Options Support teams, providing outreach and connection to services for homeless populations with mental illness and substance use disorders, with five new teams in New York City and three in the rest of the state.
- Article 31 Clinics that provide core mental health services serving the most vulnerable New Yorkers, with expanded capacity at 20 sites.
- Health Home Plus care management, to provide assistance as patients seek to access the services they need, hiring dozens of new care managers to serve individuals with serious mental illness.

Disability Services

- **Reinvigorate the Interagency Coordinating Council for Services to Persons who are Deaf, Deafblind or Hard of Hearing**
 - Governor Hochul will reinvigorate this council, within the Office of the Chief Disability Officer, which will coordinate council operations, engage with stakeholders across the state, gather data, and formulate policies to serve the community, among other initiatives.
- **Connect People with Disabilities to Inclusive Internships**
 - Based on New York City's Inclusive Internship Program, a full-time coordinator in the Department of Labor will connect people with disabilities to inclusive internships with State agencies aimed at leading to stable, long-term employment.
- **Executive Order to Make New York a Model Employer for People with Disabilities**
 - This EO will require the State to identify policies and practices that will help increase the employment rate and decrease the poverty rate of people with disabilities, in addition to working with businesses to facilitate the adoption of inclusive policies and practices that support integrated employment.

Emergency Services

- **Revitalize Emergency Medical Services and Medical Transportation**

- Governor Hochul is proposing legislation to ensure emergency transportation providers are appropriately reimbursed for trips and to increase payment for more complex patients.
- Establish a working group to recommend ways to expand access to non-emergency medical transportation.
- Establish nine regional EMS organizations that can better coordinate all the EMS agencies and providers operating within their region
- Establish a statewide EMS disaster response system that can rapidly deploy personnel and equipment when and where it is needed during an emergency.
- Allow EMS providers to perform expanded clinical care in the community.
- Permit ambulances to treat patients in place or take patients to urgent care clinics without sacrificing payment for the trip, decreasing the number of unnecessary emergency room visits.

Environment/Energy

- **Establishment Cap and Invest Initiative Following Climate Action Council (CAC) Recommendations**
 - DEC and NYSERDA will design a program to implement a gradually declining annual cap on greenhouse gas emissions with the goal of meeting the State’s greenhouse gas reduction goals of 40 percent by 2030 and at least 85 percent below 1990 levels by 2050.
 - Large-scale emitters of greenhouse gasses and distributors of heating and transportation fuels in the State will be required to purchase allowances — via auctions hosted by the State — for the emissions associated with their activities
 - Proceeds from the allowances will be invested in climate mitigation, clean transportation initiatives and a Climate Action Rebate program for families.
 - NYSERDA and DEC must establish a program with the following core principles: Affordability, Climate Leadership, Job Creation and Competitiveness, Investment in disadvantaged communities and funding for a sustainable future.
- **Discounts for electric utility customers**
 - \$200 million in relief for New Yorkers experiencing high electric bills to provide a monthly discount to the more than 800,000 electric utility customers who are making under \$75,000 a year and have not been eligible for the State’s current utility discount program
- **EmPower Plus Low-Income Home Retrofits Program**

- 20,000 low-income families will be eligible to retrofit their homes by adding insulation, installing energy efficient appliances, and where eligible, switching from inefficient fossil fuel heating systems to clean, efficient electric alternatives
- **Sustainable Buildings Initiatives**
 - Requires all new construction to be fully sustainable, with no on-site fossil fuel combustion by 2025 for smaller buildings and by 2028 for larger buildings
 - Prohibit the sale of any new fossil fuel heating equipment by no later than 2030 for smaller buildings, and no later than 2035 for larger buildings
 - Creates a system to grade large buildings statewide on their energy usage as compared to their peers
 - The New York State Office of Parks, Recreation & Historic Preservation (OPRHP) will be required to power its facilities with renewable energy sources by 2030

Transportation Electrification

- **Electrification of NY's Medium and Heavy-Duty Vehicles**
 - Governor Hochul will direct the Department of Public Service (DPS) to launch a proceeding that will identify and remove the barriers to the efficient and timely deployment of the charging infrastructure needed to electrify New York's medium and heavy-duty vehicles
- **Expand EV Charging Infrastructure**
 - NY will utilize \$175 million in federal funds over five years to expand EV charging infrastructure.
- **Waste Reduction and Recycling Infrastructure Act**
 - This proposal will require New York to meet specific recycling rates, create binding post-consumer recycled content rates, and ensure recycling is convenient for consumers.

Critical Water Quality Infrastructure

- **Clean Water Funding**
 - To support water quality and infrastructure projects across the state, Governor Hochul will invest an additional \$500 million in clean water funding.

- Community Assistance Teams will be established to provide outreach to small, rural, and disadvantaged communities and assist with accessing financial assistance to address their clean water infrastructure needs.
 - Apprenticeship programs will be established to make sure localities have the technical staff necessary to operate water and wastewater treatment plants across the state.
- **Financial Assistance to Municipalities to Clean Up PFAS**
 - Governor Hochul will establish a new program to offer financial assistance to municipalities to investigate sources of contamination and remediate contaminated sites over the next five years.

Economic Development/Business

- **Match Federal Technology Innovation Funding**
 - Governor Hochul proposes a Technology Innovation Matching Program, which will provide matching grants for New York companies applying for SBIR and STTR funding.
- **Establish the Office of Semiconductor Expansion, Management, and Integration (Go-Semi) within ESD**
 - GO-SEMI will lead and centralize efforts to implement the Micron project; develop and advance policies to attract the semiconductor industry and its supply chain; coordinate workforce development and community investments between local, state, federal, and private partners; lead efforts to create, attract, and retain the highly skilled workforce needed; and support cohesive development focused on smart growth principles.
- **Establish Minority and Women’s Business Enterprises Certification Reciprocity**
 - Governor Hochul is proposing to streamline the MWBE certification process by pursuing reciprocity with major MWBE certification systems utilized across the state.
- **Extended Prosperity and Innovation Campuses (EPIC) Initiative**
 - EPIC will replace the START-UP NY program and will have the same requirements, benefits, and eligibility criteria upstate and downstate; support a wider range of innovation businesses; be streamlined to remove barriers; and increase the amount of space in the state dedicated to growing innovation and creating jobs.
 - Participating businesses will operate tax-free for 10 years on or near eligible university or college campuses.
- **Direct DFS to prohibit certain overdraft and non-sufficient funds (NSF)**
 - Governor Hochul will propose legislation that will stop the sequencing of transactions, end certain overdraft and NSF fee practices, and ensures clear disclosures and alerts of any permissible bank processing charges.
- **Streamline LLC, LLP, and LP Formation**

- The Governor proposes eliminating the affidavit requirement within the Department of State and replace it with a simple affirmation process.
- **Eliminate Technical Filing Requirements for Municipalities**
 - The Governor proposes eliminating the requirement for municipalities to consecutively number local laws filed with the Department of State.
- **Rewrite the Alcohol and Beverage Control Law on a Policy-Neutral Basis**
 - Governor Hochul will advance a policy-neutral rewrite of the existing ABC Law, in order to improve legibility and understanding of the existing law, and to foster a clearer conversation in the future about any proposed reforms.
- **Cigarette Tax Increase and Ban on Flavored Tobacco**
 - Proposed legislation will prohibit the sale of all flavored tobacco products.
 - Proposed legislation will increase the cigarette tax from \$4.35 to \$5.35 per pack.

Local Issues

- **\$250 million Investment in Infrastructure**
 - Governor Hochul will create a \$250 million fund to aid critical infrastructure projects triggered by plans for increased housing, such as sewer and water infrastructure, structured parking facilities that allow existing lots to be repurposed, potential school infrastructure needs, and improvements to the public realm to accommodate neighborhood growth and livability.
 - The proposed fund would supplement existing sources of State infrastructure support for localities, including Water Infrastructure Improvement Act funding, Environmental Bond Act funding, the Clean Water State Revolving Fund, the Consolidated Local Street and Highway Improvement Program, and other programs.
- **New Home Construction Target for Localities**
 - Governor Hochul is proposing to set targets for new home construction that will apply to all municipalities. The target for the Metropolitan Commuter Transportation District will be 3 percent over 3 years. For upstate municipalities the target will be 1 percent over 3 years.
 - Governor Hochul is also proposing a fast-track approval process for mixed income, multifamily projects in Localities that do not meet New Home Construction Goals
 - The Governor is proposing a new \$20 million fund to support local governments in meeting housing needs

