

## **January 13, 2026 – Governor Hochul’s State of the State**

### **Chapter 8: Keeping New Yorkers Healthy**

Since taking office, Governor Hochul has made historic investments in New York’s healthcare system. Where the federal government has prioritized draconian cuts that threaten the most vulnerable New Yorkers, Governor Hochul has invested billions to strengthen and stabilize health systems, expand coverage, lower the consumer cost of care, bolster the health workforce, and drive long-term transformational change within the health sector. The Governor’s unwavering commitment to prioritizing the health of all New Yorkers is reflected in transformational investments reaching every community across the state. Since taking office, Governor Hochul has:

- Banned insulin co-pays for State-regulated insurance plans.
- Signed legislation to prevent medical debt from negatively impacting New Yorkers’ access to credit and enacted new consumer protections to support lower-income patients.
- Established the nation’s first-ever prenatal leave policy, allowing workers the ability to take paid leave for any pregnancy-related medical appointments.
- Invested \$10 billion to build the healthcare workforce, including more than \$2 billion in bonuses paid to more than 800,000 health and mental hygiene workers.
- Provided \$9 billion in Medicaid rate increases to support providers and expand access for members.
- Provided more than \$4 billion in capital to support key healthcare infrastructure projects.
- Provided \$13.6 billion in additional operating funding to safety-net hospitals.

Central to these investments has been the Healthcare Safety Net Transformation Program, which the Governor launched in 2024 to drive partnerships that improve the resilience and sustainability of safety-net hospitals and expand access to high-quality care. Governor Hochul has also worked to deliver critical new funding and services, including securing the nation’s largest investment in health-related social needs through the Medicaid Section 1115 123 Demonstration Waiver, which includes a three-year \$7.5 billion investment, nearly \$6 billion of which is federal funding. In addition, the Governor has made key investments in pregnancy care for New Yorkers through expanded coverage, new Medicaid benefits for pregnant people, and incentives to improve overall maternal health quality and outcomes. Coverage, however, means little without access and the Governor has invested

heavily to ensure that care is both available and affordable. She has made major investments in expanding the workforce, with nearly \$700 million in 1115 waiver workforce programs. Despite the federal government's rejection of widely accepted science, Governor Hochul has remained focused on smart, evidence-based policymaking. She established the Future of Health Care Commission to identify strategies to ensure the long-term resilience of New York's healthcare system and develop forward-thinking proposals that ensure New York's health system continues to evolve to meet the rapidly changing landscape and support the health of all New Yorkers.

### **Strengthening the Healthcare Delivery System**

#### **Expanding the Safety Net Transformation Program**

Safety-net hospitals care for the most vulnerable New Yorkers but face serious challenges in maintaining financial resilience and stability. To address this, Governor Hochul established the Safety Net Transformation Program, providing financial support and regulatory flexibility to encourage strategic partnerships that strengthen these hospitals. Since the program's passage, Governor Hochul has awarded more than \$4.6 billion to support fourteen partnerships across the state. This year, Governor Hochul will provide additional funding to continue supporting new projects under the program, which will allow it to reach more of the state's struggling safety-net hospitals. Furthermore, additional funding will allow support for innovative projects, such as including partnerships that focus on regional planning to improve coordination of care and reduce duplication of healthcare services, and partnerships that utilize AI to improve efficiency and quality of care.

### **Expanding the Use of Artificial Intelligence Technology in Healthcare Safely and Equitably**

The use of AI in healthcare is rapidly advancing with promises to improve operational efficiency and patient care if carefully adopted. It is essential to coordinate AI advancement within the healthcare delivery system in a way that promotes greater access, quality, and equity in care delivery at a lower cost for all patients. Governor Hochul will direct the Department of Health (DOH) to establish a consortium of healthcare and AI experts to share data and best practices and strengthen cross-sector collaboration around building, testing, and deploying safe and effective AI tools. To ensure equitable access, Governor Hochul will incentivize partnerships between safety-net hospitals and other healthcare partners to implement AI solutions that improve quality of care and strengthen operations. In addition, the State will develop systems to evaluate and launch best-in-class

AI tools within DOH, the Medicaid program, and New York's Office of the Medicaid Inspector General (OMIG) to strengthen program integrity.

### **Strengthening Oversight of Healthcare Transactions**

Since 2023, the New York Material Transactions Law requires healthcare entities to report transactions that increase revenues by \$25 million or more. This reporting is the first step to understanding the expected and initial impact of these private transactions on cost, quality, access, equity and competition in the New York healthcare delivery system. To strengthen oversight of these entities, Governor Hochul will expand this law to require ongoing reporting on the actual impact of closed material transactions, along with external reviews for high cost, high impact transactions. These changes will ensure that New Yorkers can continue to access affordable, high-quality, and equitable care for the long term.

### **Enabling Transformation of the Healthcare Delivery System**

Healthcare providers are required to follow regulatory requirements, including Certificate of Need 125 (CON), to receive approval for certain healthcare projects. While it is a critical process, it can be time-intensive for both providers and DOH. Governor Hochul has already made progress by streamlining the application and review process for certain projects and significantly raising the thresholds that qualify a CON application for a more detailed review. Additional improvements can further improve the system and reduce burden. Governor Hochul will direct DOH to make the CON process more efficient and targeted, to improve the experience of providers and expedite important healthcare projects across the state.

### **Empowering the Healthcare Workforce**

#### **Removing Unnecessary Restrictions on Healthcare Workers**

Healthcare workforce shortages limit and delay patient access to care, from registered nurses and physicians to nursing assistants. This issue is compounded by New York State law, which often unnecessarily restricts which services healthcare workers may perform within their licensed scope of practice. This means more advanced clinicians spend their time performing tasks that could be done by lower-level staff, and patients have fewer options for basic services. Governor Hochul will propose legislation to expand scope of practice for several critical workers to expand access for patients, including allowing certified nursing assistants to administer medication in nursing homes, physician

assistants with sufficient training to practice independently, and medical assistants to administer vaccinations. Finally, Governor Hochul will change state law to allow DOH to oversee and make additional decisions about licensed healthcare professionals' scope of practice.

### **Reducing Reliance on Temporary Staff to Stabilize the Healthcare Workforce**

During the Covid-19 pandemic, reliance on temporary staff and traveling nurses skyrocketed. Years after the height of the pandemic, this reliance continues—in 2024, healthcare facilities paid temporary staffing agencies more than \$2.6 billion, and the agencies kept \$1 billion of that in profits. These are not workers coming on temporary assignment from other states; New York residents make up 72 percent of the temporary workforce, and the majority of these New York residents permanently live within 25 miles of their “temporary” work location. Governor Hochul will introduce legislation to ensure healthcare dollars are supporting the delivery of care. In addition, the Governor will direct DOH to develop guidance and share best practices to ensure healthcare organizations have the information they need to secure temporary staff.

### **Expanding Healthcare Access through Workforce Investments**

While New York State has made significant strides in expanding healthcare coverage, statewide workforce shortages in the health sector mean that even those with coverage may struggle to get the care they need. To address this, New York launched two initiatives through its federal 1115 waiver aimed at bolstering the healthcare workforce in underserved areas. In late 2024, the State launched the Career Pathways Training (CPT) Program, with \$646 million in federal funding for tuition, textbooks, and education and career supports for health, behavioral health, and social care workers who make a three-year commitment to serving Medicaid members. Last year, New York also launched the Health Care Access Loan Repayment Program (HEALR), which will provide loan payments for high-need titles serving Medicaid members. To date, the CPT program has already recruited nearly 12,000 participants. This year, the program will graduate thousands of new nurses, physician assistants, social workers, community health workers, and other critically needed health titles into the workforce. This spring, the HEALR program will award nearly \$50 million in loan repayment for psychiatrists, primary care physicians, dentists, nurse practitioners, and pediatric clinical nurse specialists who make a four-year commitment to serving Medicaid members. Taken together, these two initiatives represent a nearly \$700 million investment in strengthening New York’s health workforce and ensuring that New Yorkers have timely access to the care they need.

## **Improving Healthcare Coverage, Access, and Affordability Protecting and Expanding Access to Quality, Affordable Health Coverage**

Despite New York having achieved one of the lowest uninsured rates in the nation, recent federal actions threaten the continued affordability and accessibility of health coverage in the state. Federal cuts to New York's Essential Plan total \$7.5 billion, more than half of the program's annual funding, endangering the program's continued viability. The expiration of federal enhanced premium tax credits means that 140,000 New Yorkers are paying 40 percent more for premiums in 2026. Taken together, these federal policies are poised to roll back more than a decade of progress in bringing affordable health coverage to New Yorkers. To safeguard hard-won gains, Governor Hochul will direct the Department of Health to take steps to protect and strengthen existing coverage and explore new coverage options. To mitigate coverage losses, Governor Hochul directed DOH to submit an application to the Centers for Medicare and Medicaid Services to return the Essential Plan to a Basic Health Program, a move that will preserve coverage for 1.3 million New Yorkers for whom the premium-free program is a critical lifeline. For the roughly 450,000 New Yorkers who will lose their current Essential Plan coverage in this transition, Governor Hochul will direct DOH to negotiate with the federal government to develop affordable coverage options to ensure continued access to affordable healthcare for those impacted by federal cuts.

## **Leveraging New York's Purchasing Power to Drive Down Drug Costs**

Since the 2023 transition of New York's Medicaid pharmacy benefit to the streamlined NYRx program, which garnered the state more than \$600 million in new drug rebates, New York has become a nation-leader in pharmacy benefit management and reform. However, given the state's size and market share, New York's supplemental rebates—the State-negotiated discounts Medicaid receives on top of federally-mandated rebates—are only average by national standards, while overall drug prices nationwide continue to soar. To address stubbornly rising pharmaceutical prices and leverage New York's purchasing power, Governor Hochul will direct DOH to identify and target specific classes of high-cost drugs for direct negotiations with manufacturers to achieve better discounts for the State. The move will drive significant savings for the Medicaid program at a time of significant cost pressures arising from federal cuts, while also laying the groundwork for future initiatives to lower pharmaceutical prices statewide.

## **Reforming Prior Authorizations to Improve Patient Care**

New Yorkers seeking timely medical care too often face delays, denials, or disruptions due to opaque insurance review processes—most notably, prior authorizations. These

processes require healthcare providers to obtain approval from insurers before delivering certain treatments, tests, or prescribing medications. While well-intended to control costs and ensure appropriate care, prior authorization has increasingly become a barrier to treatment. Governor Hochul will expand healthcare coverage protections for New Yorkers by reforming and creating more transparency in the prior authorization review process.

Specifically, she will:

- Require formularies—the lists of medications covered by health insurance plans—to be posted not just publicly but clearly via a standard, accessible format.
- Ensure prior authorizations for designated chronic conditions remain valid longer, so time isn't wasted on unnecessary reviews for ongoing, stable treatments.
- Expand “continuity of care”—the period insurers must cover out-of-network treatment for new patients—from 60 days for life-threatening conditions or late-stage pregnancy to 90 days for all health conditions and the full postpartum period.
- Expand the data health insurers must report on their claims processes, including how often claims are subject to prior authorization and how often those requests are denied.
- Launch a public education campaign highlighting resources that help both consumers and providers navigate insurance challenges. These reforms will improve access to care by removing unnecessary administrative burdens on providers and making sure critical care is neither delayed nor denied.

#### Increasing Access to Medical Care for Injured Workers

New York is one of only a handful of states that requires special authorization for healthcare providers treating workers' compensation claimants. Only about 10 percent of eligible providers have gone through this authorization process, forcing injured workers to wait for appointments or travel long distances to receive care. New Yorkers who get hurt at work should be able to see the doctors they trust, get healthy, and get back to work. While ensuring that qualified doctors are serving patients, Governor Hochul will eliminate this cumbersome and outdated authorization process, allowing any eligible licensed medical provider in good standing to treat workers' compensation claimants if they choose. Cutting this red tape will open the door to thousands more primary care providers and specialists who can help people heal and get back to work faster.

## **Investing in Older Adults**

### **Assisting Older Adults to Age in Place**

New York ranks as the fourth oldest state in the nation, with 4.6 million individuals aged 60 or older. By 2030, this population is expected to reach 5.4 million, with many older adults facing challenges related to mobility, daily living activities, and chronic health conditions. New York State offers a variety of preventive services to help older adults age safely and healthily in their homes, delaying the need for more costly supports and services. Non-medical in-home services such as home-delivered meals, personal care, or transportation services delay the need for institutional care, reduce economic pressures on older adults, improve health outcomes, and reduce social isolation.

To allow more older New Yorkers to age in their homes, the Governor will increase investments in proven models of care for preventive home and community-based services. First, the Governor will increase investments in Naturally Occurring Retirement Communities (NORCS), which are housing developments or neighborhoods with large populations of older adults where community providers offer supportive services for residents, such as healthcare navigation and case management. The Governor will also renew a fiscal year 2026 \$35 million investment to reduce waitlists for nonmedical in-home services such as personal care, case management, home delivered and congregate meals, and transportation. Finally, Governor Hochul is pleased to announce the launch of the CAPABLE program, or Community Aging in Place – Advancing Better Living for Elders. Through this program, 2,600 older adults will receive in-home visits providing nursing, occupational therapy, and handy worker services.

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### **Improving Access to End-of-Life Care**

New York State is ranked 50th among all states in the proportion of Medicare enrollees that received hospice services prior to death. The low hospice utilization rate persists despite having a relatively older population, higher numbers of physicians, more skilled nursing facility beds, and fewer for-profit hospitals compared to other states.

To encourage appropriate use of hospice and palliative care, the Governor will direct the Department of Health to launch an educational awareness initiative to inform clinical providers and staff on options for community-based palliative care, hospice care, and the importance of advance care planning.

### **Protecting Older Adults from Abuse, Scams, and Fraud**

Elder abuse (physical, social, financial, or sexual abuse or neglect) impacts many adults aged 60 and older in New York State. It is estimated that 300,000 older New Yorkers are victimized annually. Meanwhile, adults over the age of 60 are especially targeted for financial scams and fraud. In 2024, seniors over 60 years of age lost \$4.8 billion to scams, while those aged 50-59 lost \$2.5 billion, according to a recent report released by the FBI. To expand efforts to protect older adults from abuse, scams, and fraud, Governor Hochul will direct the New York State Office for the Aging (NYSOFA) to create comprehensive virtual elder abuse prevention and response training modules that are free of charge and accessible to the public.

### **Creating a One-Stop Shop for Benefits for Older New Yorkers**

New York State has a strong existing network of services and benefits to support its rapidly aging population. Even so, older New Yorkers face significant challenges with understanding eligibility for benefits and accessing the care and services they need to thrive. To address this, the Governor will launch a short term, multi-agency council to identify all benefits across agencies that older adults may be eligible for, such as Veteran's benefits, local and state tax reduction benefits, and benefits related to nutrition, prescriptions, energy bills, medical care, and more. The council will develop a comprehensive list of what's available, and present recommendations to the Governor on options for a "one-stop shop" to allow New Yorkers to prescreen themselves and identify what they may be eligible to apply for. In addition, the council will explore the option of a universal benefits application.

## **Improving Equity in Public Health**

### **Protecting Immunization Access**

New York's immunization policies rely on federal vaccine schedules that, under the current administration, are becoming less and less anchored in science. This creates uncertainty for schools, healthcare providers, and New Yorkers in general; it also puts the health of our communities at risk and, in some cases, increases patient costs.

To keep New Yorkers safe and keep money in their pockets, Governor Hochul will advance legislation to ensure New York can set its own immunization standards based on accepted medical science and public health needs. The proposal will authorize the Commissioner of Health, in consultation with recognized medical organizations, to establish immunization requirements that guide school eligibility, clinical practice, and insurance coverage. This will provide clarity for providers and insurers, protect access to vaccines, and strengthen public health statewide.

### **Improving Vital Records Access**

New York State maintains millions of vital records dating back to the 1800s, including birth, death, marriage, and divorce certificates, all requiring indefinite preservation and access. However, the current system for retrieving these records is out-of-date and inefficient, creating unacceptable delays and frustration for thousands of New Yorkers seeking their own records. Outdated manual processes, and aging paper-based storage systems have created a mounting backlog that can leave individual customers waiting over five months for critical documents needed for passports, legal proceedings, benefits enrollment, and family research. Governor Hochul will make long overdue technological improvements to the vital records system, launching an effort to digitize archival records for genealogical requests. This digitization program will convert historical birth, death and marriage certificates into electronic, searchable formats. Digitized vital records are significantly easier to search, retrieve, issue to requestors and protect from physical deterioration or disaster loss. This will help address the current two-year backlog of over 12,000 genealogical records requests. In addition, DOH will tackle the living records request backlog, and improve operational efficiency for future requests. This will directly reduce customer complaints related to long wait times and enhance customer service with more timely communication and responses.

### **Strengthening Cardiac Emergency Readiness across New York State**

Sudden cardiac arrest remains a leading cause of death in New York, and survival often depends on whether help arrives in the first critical minutes. While progress has been made in schools and youth programs, many communities still lack widespread CPR training and easy access to automated external defibrillators (AEDs). Governor Hochul will protect New Yorkers by implementing a multi-faceted proposal that equips communities around the state with the tools they need to effectively respond to cardiac emergencies and save lives. The Governor's plan will significantly strengthen cardiac emergency readiness statewide by building on a successful model pioneered at the University at Buffalo to establish regional training hubs and ensure communities know how to use AEDs.

and support new, scalable approaches to hands-only CPR education, focused on simple chest-compression techniques for bystanders. The Governor will also update the law to dispense with outdated red tape restrictions on the installation of fully automated AEDs and create New York's first statewide AED registry. This registry will map the precise location of every AED across the state, enabling emergency dispatchers to direct bystanders to the nearest device during cardiac events. The registry can be accessible to the public through a mobile application, so every New Yorker can access their nearest AED if needed. The Governor will also make investments in self-directed CPR training kiosks and AED placements across the state.

### **Modernizing Pain Management Guidance and Care**

New York has made significant progress in reducing overdose deaths, with provisional data showing a roughly 28 percent decline in 2024 compared to 2023—the lowest level since before the pandemic. Despite this progress, New Yorkers continue to lose their lives to opioid addiction. The State's progress reflects expanded harm reduction efforts, including broader access to naloxone and drug testing strips, and increased investment in prevention, treatment, and recovery services. The healthcare system can play an important role by standardizing pain management approaches and updating clinical approaches. Governor Hochul will direct DOH to support providers as they balance effective pain relief with patient safety and ever-evolving standards of care. DOH will develop a comprehensive Pain Management and Drug Control Strategy focused on preventing opioid misuse and treatment, strengthening prescription oversight, and promoting best practices in pain management across the healthcare continuum.

### **Protecting Summer Campers from Extreme Weather Threats**

Summer camps should be places of joy and community, helping young New Yorkers create lifelong memories and friendship. But as extreme weather events become more frequent and severe, summer camps across the state and country face growing risks from flooding, extreme heat, and other climate-related hazards that threaten the safety of children and staff. In partnership with the Division of Homeland Security and Emergency Services (DHSES) and local health departments, Governor Hochul will direct DOH to strengthen oversight and preparedness requirements for camps at greatest risk, including those located in FEMA-designated floodplains. This effort will help camps to incorporate extreme weather readiness into their annual safety plans and ensure clear evacuation, sheltering, and communication protocols are in place. The State will also issue updated guidance and training to support local health departments in reviewing and enforcing these requirements. By improving preparedness before emergencies occur, New York will better protect children and ensure families can trust that summer camps are equipped to respond to extreme weather events.