
February 2, 2026
HCP Memo 2026-3

MEMO IN STRONG SUPPORT

A9607 (Paulin)

AN ACT to amend the public health law, in relation to minimum wage increases for home care aides and the establishment of an independent dispute resolution process for billing and contract disputes.

POSITION

The New York State Association of Health Care Providers, Inc. (HCP) **STRONGLY SUPPORTS** this legislation.

SUMMARY OF PROVISIONS

Section 1 of the bill would add new subdivisions (5) through (11) to Section 3614-f of the Public Health Law.

Subdivision Five would require the timely review and approval of contracts between Licensed Home Care Services Agencies (LHCSAs) and Managed Care Organizations (MCOs) or Managed Long Term Care plans (MLTCs) no later than three months prior to:

- Any modification to billing, rates, or services;
- The expiration, amendment, or modification of a contract; or
- The implementation of any increase in minimum wage requirements or other wage or benefit provisions mandated by state law.

Subdivisions Six through Ten would establish an independent dispute resolution process for billing or contract disputes between LHCSAs and MCOs or MLTCs.

- **Subdivision Seven** establishes criteria for determining a reasonable contract, including but not limited to:
 - Direct care-related payments;
 - Base hourly wages and overtime costs;
 - Employee benefits;
 - FICA contributions;
 - Unemployment insurance;
 - Workers' compensation;

The New York State Association of Health Care Providers, Inc. (HCP) is a statewide trade association representing the full spectrum of home and community-based care providers through information, advocacy, and education. HCP represents licensed home care services agencies, certified home health agencies, fiscal intermediaries, hospices, and related health organizations. Through a strong network of regional chapters and an active State office in Albany, HCP is a primary authority of the home health care industry.

- Operational expenses;
 - Administrative and general operating costs; and
 - Other appropriate factors.
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- **Subdivision Eight** outlines the process by which a LHCSA may submit a dispute, establishes timelines for review by the dispute resolution entity, and provides that determinations shall be binding on the LHCSA, MCO, or MLTC.
 - **Subdivision Nine** addresses payment for dispute resolution entities.
 - **Subdivision Ten** prohibits retaliation by MCOs or MLTCs against a LHCSA for submitting a dispute to an independent dispute resolution entity.
 - **Subdivision Eleven** authorizes directed payments for state-mandated minimum wage increases or other labor law requirements, when approved by the federal Centers for Medicare and Medicaid Services, to ensure MCOs or MLTCs appropriately reimburse LHCSAs.

JUSTIFICATION

Home care enables older adults, people with disabilities, and individuals with complex medical needs to remain safely in their homes and communities. This care depends on a stable, well-supported workforce and financially viable Licensed Home Care Services Agencies. Unfortunately, current contracting practices with MCOs and MLTCs too often undermine both.

LHCSAs are frequently subjected to unilateral contract amendments, inadequate reimbursement rates, and inconsistent pass-through of Medicaid funding intended to support wage mandates and rising operational costs. When agencies are forced to absorb these costs without adequate reimbursement, the consequences are felt directly by patients—through workforce shortages, reduced services, and disruptions in care.

Assembly Bill A.9607 addresses these challenges in a balanced and patient-centered manner. The bill establishes a timely contract review process, creates an independent and binding dispute resolution mechanism for billing and contract disputes, and includes strong non-retaliation protections for providers. These safeguards ensure agencies can advocate for fair rates without fear of contract termination or service reductions.

Critically, A.9607 also allows for directed payments to support state-mandated minimum wage increases when approved by the Centers for Medicare and Medicaid Services. Fully funding wage mandates is essential to retaining caregivers, reducing turnover, and preserving continuity of care for patients who rely on consistent, trusted home care workers.

CONCLUSION

By leveling the playing field between providers and insurers, this legislation protects patient access, strengthens the home care workforce, and supports the long-term sustainability of New York's home care system.

HCP urges the Legislature to pass A.9607 (Paulin) without delay.