



Department
of Health



REPLACING VICIOUS CYCLES WITH VIRTUOUS CYCLES

JAMES MCDONALD, MD, MPH
COMMISSIONER

JUNE 17, 2026 | FORWARD LEADING INDEPENDENT PROVIDER ASSOCIATION | SYRACUSE, NEW YORK

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The New York State Department of Health. We're built by science, driven by people. We're also a historic and venerable institution that has been serving New Yorkers since 1901. We're looking good for 125 years young.

Vaccines: It was 1902, in the New York State Department of Health manufactured and distributed diphtheria antitoxin. Now the disease that has almost disappeared due to the successful vaccine.

\$277.0 BILLION

New York State FY2027 Enacted Budget

\$126.4 BILLION

Department of Health FY2027 Enacted Budget

\$106.1 BILLION

Department of Health Medicaid FY2027 Enacted Budget

\$11.3 BILLION

Essential Plan FY2027 Enacted Budget



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“Our future depends on the ability of every family to afford the essentials of life, and our ability to protect the safety and security of our residents.”

GOVERNOR KATHY HOCHUL
2026 STATE OF THE STATE

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FY27 BUDGET PRIORITIES

MAKING PRE-K UNIVERSAL

- Expanding access to child care vouchers
- Launching 2-Care and realizing universal 3K in New York City
- Creating pilots for universal child care outside New York City

PROTECTING KIDS

Enacting nation-leading social media legislation blocking direct messages from would-be predators, disabling Artificial Intelligence chatbots that target minors and strengthening youth mental health care.

SAFER STREETS AND COMMUNITIES

Doubling down on proven crime-fighting strategies, continuing to get illegal guns off our streets and taking on emerging threats like untraceable 3D-printed firearms.

DEFENDING FUNDAMENTAL RIGHTS

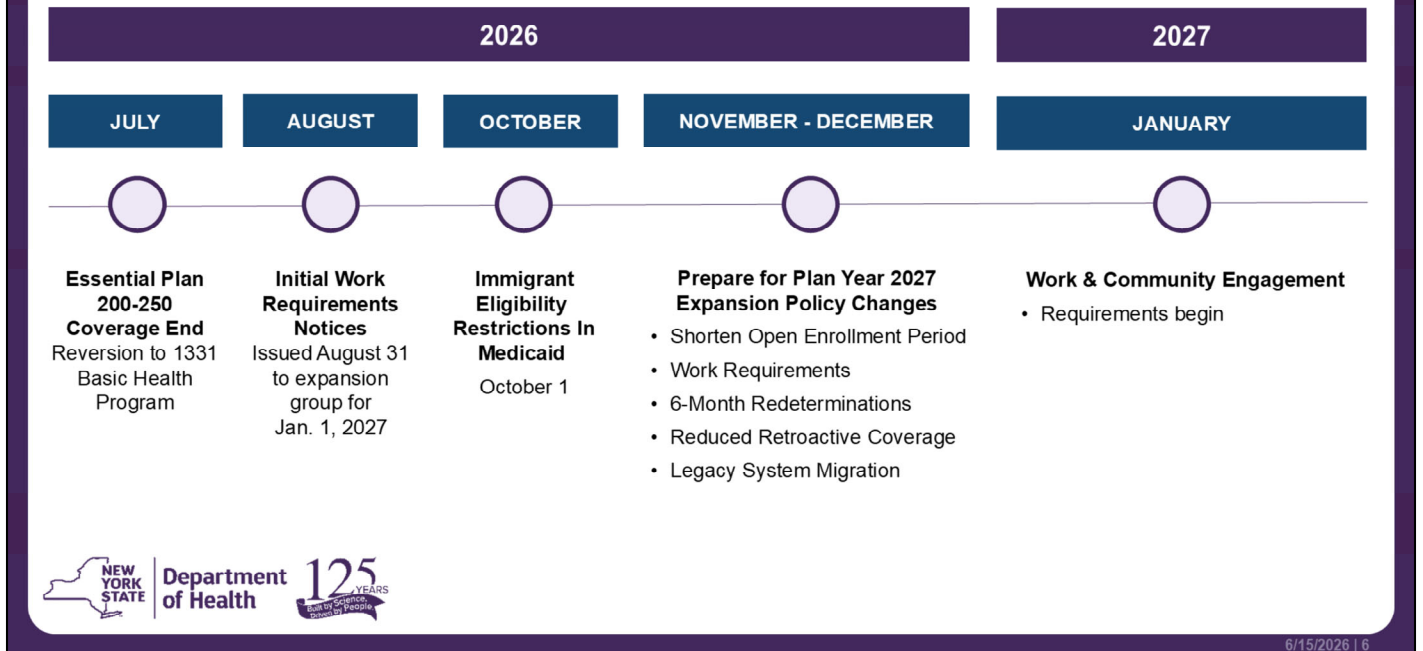
- Holds federal law enforcement accountable for constitutional violations
- Protects every student's right to free public education
- Keeps immigration authorities out of sensitive locations



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H.R. 1 OVERVIEW: IMPORTANT DATES



- Help people who need Medicaid get Medicaid and stay on Medicaid if appropriate
- Focus on the population singled out by H.R. 1, so we do not lose people who could be insured
 - While Medicaid covers about 6.5 million New Yorkers, the new eligibility requirements pertain **to about 2.1 million people**. This is the Affordable Care Act expansion population -- generally, adults who do not have children age 21-64
 - This population was singled out because there is a higher federal match **(90%, as opposed to about 50% for others)**
 - **Bottom Line:** 75% of the effected population are all set. **Our focus is on the remaining 25% (about 500,000 people) that we need to manage**

COVERAGE EXPANSION / ESSENTIAL PLAN

- In 2015, New York opted into the Essential Plan, providing over **1.7 million New Yorkers** with commercial-quality coverage at no premium
- Federal actions, H.R.1, could jeopardize this coverage for working families
- Reverting to the Basic Health Program will preserve Essential Plan coverage for **1.3 million people**
- However, **450,000** will become ineligible for the Essential Plan
- Essential Plan enrollment in State Fiscal Year 2027 is projected to be **1.4 million** people



1.4M
ESSENTIAL
PLAN
ENROLLEES

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EXPANDING THE SAFETY NET TRANSFORMATION PROGRAM

- Since its passage, Governor Hochul has awarded more than **\$4.4 billion** to support **14 partnerships** statewide
- This year, Governor Hochul secured **\$1.3 billion** in additional funding
- The Enacted Budget also adds **\$500 million** for the Vital Access Provider Assistance Program



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- 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 its passage, Governor Hochul has awarded more than \$4.4 billion to support 14 partnerships across the state.
- This year, Governor Hochul secured \$1.3 billion in additional capital and operating funding to continue supporting new and existing projects under the program. In addition, the Governor secured special focus areas 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.
- The Enacted Budget also provides \$500 million in additional funding for the Vital Access Provider Assistance Program (VAPAP), to support distressed facilities that are experiencing financial emergencies, and they restructure their operations to achieve financial sustainability.

INVESTING IN HOSPITALS AND NURSING HOMES

- **\$1.5 billion** for these critical institutions, in addition to **\$1 billion** in investments from last year's Budget
- **Nearly \$1.4 billion** in new and recurring investments for hospital infrastructure reimbursement increases and improving quality of care
- **\$950 million** in new and recurring investments to support nursing homes and assisted living programs that provide care to some of our neediest populations

Healthcare Stability Fund investments

- Hospitals – up to **\$706,000,000**
- Nursing Homes – up to **\$480,000,000**
- Assisted Living Programs – up to **\$20,000,000**



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PROTECTING IMMUNIZATION ACCESS

- To **keep New Yorkers safe** and **costs down**, Governor Hochul is putting science, not politics, in charge of immunization standards
- Authorizes the Commissioner of Health, in consultation with recognized medical organizations, to establish immunization requirements that guide school eligibility, clinical practice and insurance coverage
- Will **provide clarity** for providers and insurers, protect access to vaccines and **strengthen public health** statewide



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WORKFORCE



Protecting frontline staff:

- The Department leads statewide rollout of new emergency department security law

Sustainable staffing:

- The Department gains authority to cap excessive temporary health care staffing agency charges to hospitals

Nursing:

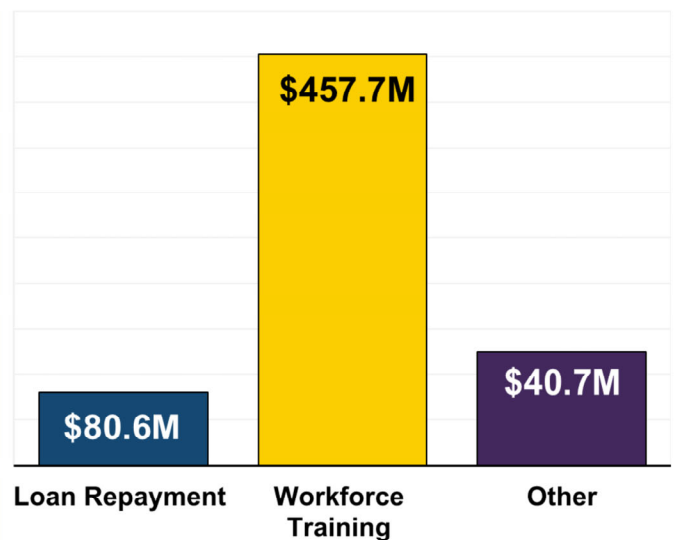
- In 2025, the Department hosted hundreds of nursing leaders at a nursing summit to better understand issues related to nursing

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- This September, a new law takes effect that helps us protect the people who care for New Yorkers in their most urgent moments. Public Health Law 2832-a brings trained security and law enforcement presence into hospital emergency departments across the state. The Department of Health is proud to lead this work and we're taking a collaborative, supportive approach, partnering especially with our rural and critical access hospitals to make sure every emergency department is a safe place to give and receive care.
- Part J gives the Department an important new tool to make health care more affordable and sustainable. Hospitals have faced steep charges from temporary staffing agencies, costs that strain budgets without always reaching the workers themselves. This law lets us set a reasonable limit on what agencies can charge, so more of every health care dollar goes to patient care and frontline staff. And to be clear this is a cap on agency profit, not on worker wages. We're protecting the people doing the work while bringing fairness and predictability to the system.

A GENERATIONAL INVESTMENT IN NEW YORK STATE'S HEALTH WORKFORCE

- **\$574 million total investment**
- Loan repayment programs
- Workforce training and development
- Building the workforce pipeline



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For DOH, including both annual (recurring) and one-time investments, **the total amount is about \$564 M.**

Specific to young people....

- Area Health Education Centers: \$2.7
- Scholars in Medicine and Science \$4.894
- Empire Critical Research Investigator Program \$3.445
- Health Care Education and Life Skills Program \$19.5

HEALTH CARE WORKFORCE 25 PROGRAMS

- Loan Repayment
- Workforce Training
- Workforce Training, Long Term Care and Aging

* Total program funding.
 ** Total program funding. Funding varies by year.
 *** One-time/partial one-time funding in SFY 2027.

Program	Annual Funding
Doctors Across New York - Physician Loan Repayment and Practice Support	\$15,865,000
State Loan Repayment Program (State and federal)	\$1,000,000
Nurses Across New York	\$3,000,000
Nurses Across New York: Expansion to State Agencies	\$12,500,000
Health Care Access Loan Repayment - New York Health Equity Reform Workforce Initiative*	\$48,300,000
Career Pathways Training Program - New York Health Equity Reform Workforce Initiative**	\$310,480,000
Area Health Education Center ***	\$2,700,000
Associated Medical Schools of New York: Scholars in Medicine and Science ***	\$4,894,000
Health Care Education and Life Skills Program	\$19,500,000
Empire Clinical Research Investigator Program	\$3,445,000
Increasing Training Capacity	\$32,500,000
Direct Care Flexibility	\$19,000,000
Nursing Home Staffing Campaign***	\$3,000,000



HEALTH CARE WORKFORCE 25 PROGRAMS

- Pathway Programs and Awareness
- Research

**** One-time funding. \$13M-\$14M annually over 5 years.



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Program	Annual Funding
Mentorship in Medicine and other Health Professions	\$30,000
Primary Care Cooperative Agreement : (Center for Health Workforce Studies)	\$487,000
Peer Certification	\$500,000
Clinical Education Initiative	\$1,455,000
STD Center for Excellence	\$480,000
HIV Education & Training (State and federal)	\$2,134,000
Individual Predoctoral Postdoctoral Fellowships in Spinal Cord Injury Research	\$1,007,399
Emergency Medical Services - Training and Certification for Emergency Responders	\$10,570,000
NYS Workforce Innovation Center - Health Workforce Connects	\$5,000,000
Family Caregiver Relief	\$7,200,000
Workforce Innovation Center	\$5,000,000
Rural Health Transformation Program****	\$69,000,000

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PHYSICIAN SURPLUS BY 2030?

- While supply of physicians in the United States has increased substantially over the past decade, demand is expected to grow at a much faster pace. As a result, the United States could face a **shortage of approximately 139,160 physicians by 2030**.
- In contrast, it is projected that New York State will experience a surplus, the third-highest nationally.
- A key contributor to this projected surplus is the approximately **\$4.4 billion** invested annually in General Medical Education which allows New York State to train more physicians than any other state.



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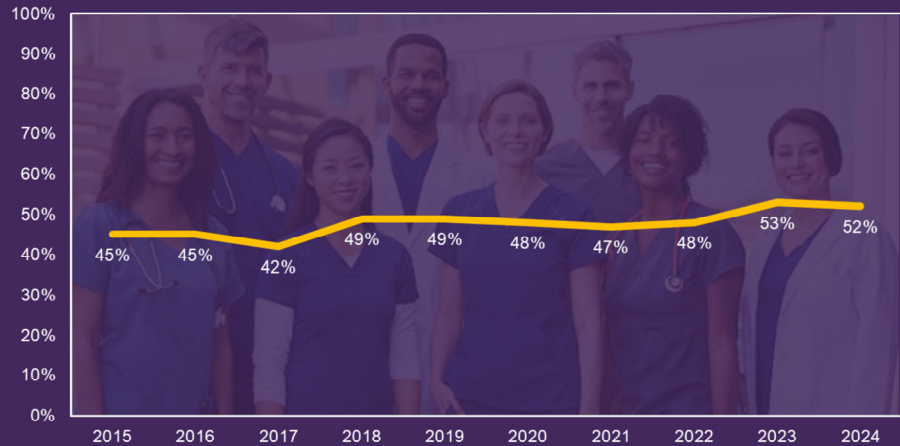
Source: Zhang X, Lin D, Pforsich H, Lin VW. Physician workforce in the United States of America: Forecasting nationwide shortages. Hum Resour Health. 2020;18:8. doi:10.1186/s12960-020-0448-3. Referenced by Center for Health Workforce Studies. "2024 New York Residency Training Outcomes: Exploring the Results of the 2024 New York Resident Exit Survey," p. 5. chwsny.org/our-work/reports-briefs/2024-new-york-residency-training-outcomes-exploring-the-results-of-the-new-york-resident-exit-survey/ny-exit-survey-report-2024-final.

IN-STATE RETENTION OF PHYSICIANS COMPLETING TRAINING IN NEW YORK STATE

- Physicians from a variety of states and countries come to New York State for training
- The in-state retention has gradually increased
- Yet, nearly half still choose to leave the state



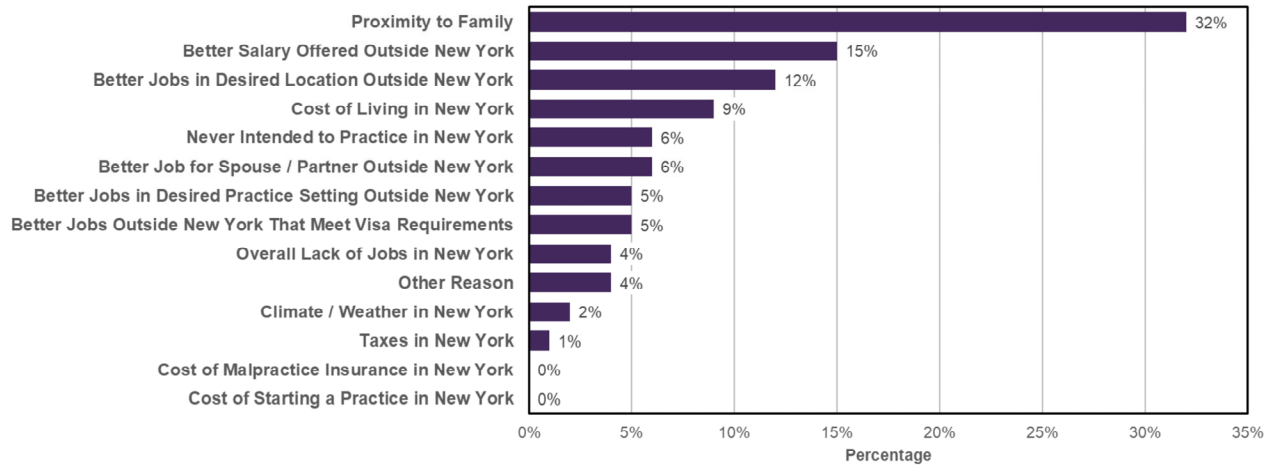
2015-2024 Respondents With Confirmed Practice Plans



Center for Health Workforce Studies. "2024 New York Residency Training Outcomes: Exploring the Results of the 2024 New York Resident Exit Survey," p. 16. chwsny.org/our-work/reports-briefs/2024-new-york-residency-training-outcomes-exploring-the-results-of-the-new-york-resident-exit-survey/ny-exit-survey-report-2024-final.

PRINCIPAL REASON FOR PRACTICING OUTSIDE NEW YORK STATE

(For 2024 Respondents With Confirmed Practice Plans)



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Center for Health Workforce Studies. "2024 New York Residency Training Outcomes: Exploring the Results of the 2024 New York Resident Exit Survey," p. 18. chwsny.org/our-work/reports-briefs/2024-new-york-residency-training-outcomes-exploring-the-results-of-the-new-york-resident-exit-survey/ny-exit-survey-report-2024-final.

EDUCATIONAL DEBT IN NEW YORK STATE

- In New York State, between 2022 and 2024, **the mean educational debt** for new physicians from racial and ethnic groups underrepresented in medicine was **\$30,394 higher** than it was for physicians from a race or ethnic group well represented in medicine*
- Evidence also indicates that debt burdens are disproportionately higher for physicians from racial and ethnic groups underrepresented in medicine. For example, one study found that Blacks and Hispanics were more likely to report medical educational debt than Whites

	Underrepresented in medicine	Well represented in medicine	Difference	All
All Specialties	\$206,214	\$175,819	\$30,394	\$180,335



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*United States Citizens only.

Center for Health Workforce Studies. "2024 New York Residency Training Outcomes: Exploring the Results of the 2024 New York Resident Exit Survey," p. 11-12. chwsny.org/our-work/reports-briefs/2024-new-york-residency-training-outcomes-exploring-the-results-of-the-new-york-resident-exit-survey/ny-exit-survey-report-2024-final.

THE ROLE OF FEDERALLY QUALIFIED HEALTH CENTERS AND COMMUNITY BASED ORGANIZATIONS

- ✓ The first line of defense for the most vulnerable populations
 - ✓ Have a mission to provide health services, regardless of ability to pay
 - ✓ Offer extensive coverage including dental, vision, mental health and substance use
- In 2023, New York State's community healthcare centers cared for **2.4 million patients**, 1 in 8 New Yorkers, of whom 29% were children and 12% were seniors
 - Nearly **1.5 million**, 62%, were Medicaid patients



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Medicaid reimbursement is essential for to sustain comprehensive primary and preventive care in the communities served

VALUE BASED PAYMENT ROADMAP

An Updated Vision of Alternative Payment Models:

- The Value Based Payment Roadmap is a document that outlines the parameters and requirements for Medicaid Managed Care Organizations and providers to enter risk arrangements (Value Based Payments)
- This is managed within Office of Health Insurance Programs
- The first iteration of the Roadmap was released in July of 2015 as a compliment to the Delivery System Reform Incentive Payment program. Since 2015, the State has released several updates and **successfully achieved** the original goal of **80% of managed care payments to providers** using value-based payment methodologies



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New York is establishing new goals to further the Medicaid to a community-based system providing equitable care. This progression focuses on the needs of specific populations including historically underserved populations, improves data transparency and enhances collaboration

Goals:

- Support payer-provider collaboration and transparency and assist providers in quality improvement efforts
- Align efforts with broader delivery system improvement opportunities such as the 1115 waiver demonstration
- Improve data collection processes for assessing impacts on the needs of underserved populations and addressing health disparities

To achieve New York's updated vision of making Value Based Payment's impact on quality outcomes and population health more comprehensive and sustainable across all NYS Medicaid populations, DOH is establishing three distinct guiding principles:

1. Value Based Payment arrangements between plans and Value Based Payment contractors (providers) should foster integrated, whole person care (including behavioral health care and social care) by incentivizing wellness and preventive care in communities
2. Access to useful and current data that allows the State, payers, and providers to continuously improve their Value Based Payment arrangements, strengthen quality performance, and target the underlying drivers of poor health in underserved communities.
3. Value Based Payment reform efforts must build on existing tools, programs, and data to reduce administrative burden and help Value Based Payment contracts target specific issues or incentives that are appropriate for the population served.

RURAL HEALTH TRANSFORMATION PROGRAM

Goals and Strategies

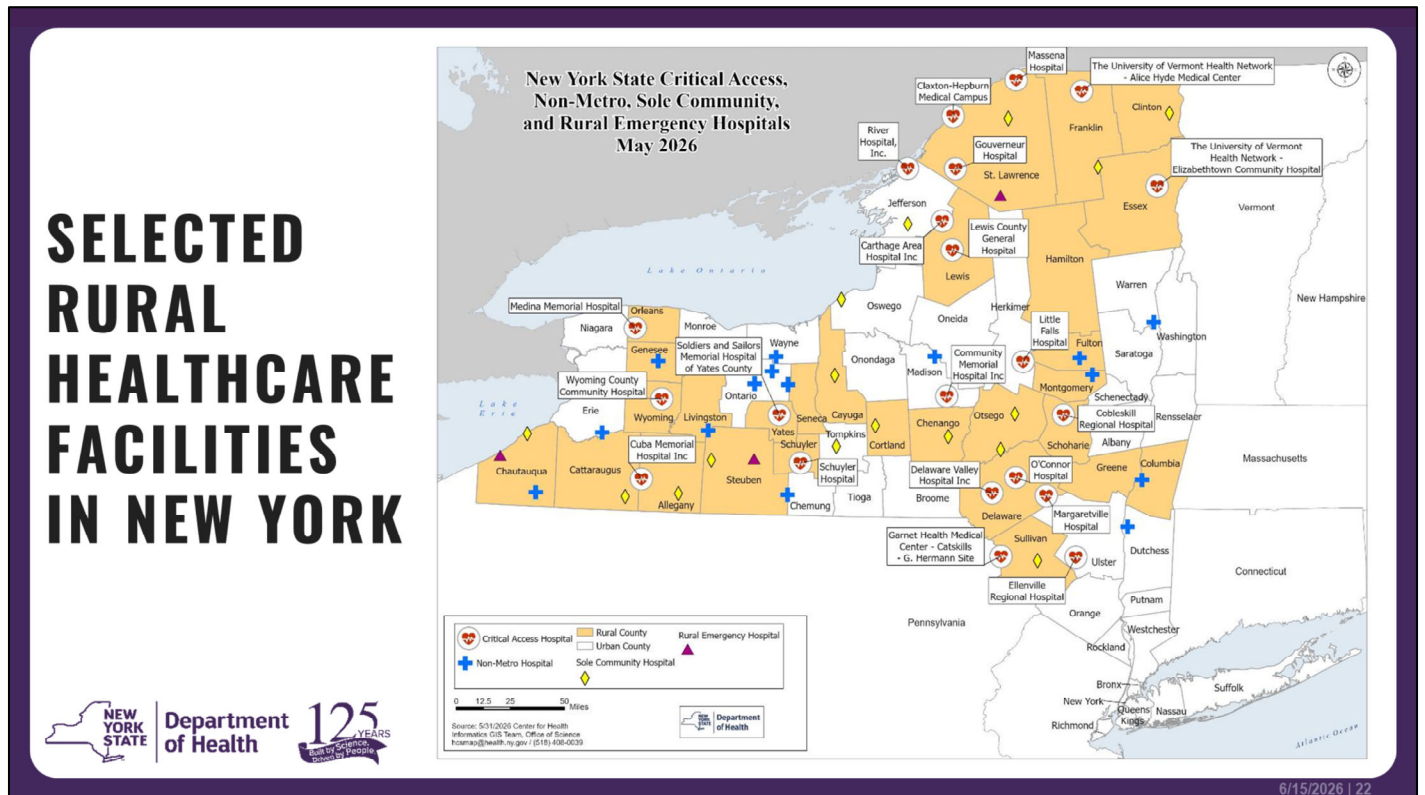
- Establish rural community-healthcare partnerships
- Expand the number of Patient Centered Medical Home-recognized providers and accelerate the adoption of enabling technology
- Recruit and train a sustainable rural workforce
- Invest in technology innovation and cybersecurity enhancements

- **\$212 million** from Centers for Medicare and Medicaid Services in first-year funding
- Four key initiatives developed with input from nearly **170 stakeholder** organizations and community providers in **Year 1**
 1. Establish coordinated rural health partnerships - **\$77 million**
 2. Strengthen rural communities with technology-enhanced primary care - **\$30 million**
 3. Build a sustainable rural health care workforce - **\$13 million**
 4. Invest in technology innovation and cybersecurity - **\$79 million**



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Of 47 counties:

28 are fully Federal Office of Rural Health Policy rural

19 are partially Federal Office of Rural Health Policy rural

2.1 million people living in those communities

- We are committed to making health care more accessible to people living in rural communities.
- Looking at the broader picture, everything we do at the Department of Health, aims to improve the health and wellbeing of all New Yorkers—regardless of their zipcode.

Working Across Government to Improve Health

- Office of Mental Health: Regulations for screening and discharge
- Office of Alcohol and Substance Abuse Services: Overdose prevention and harm reduction initiatives
- The Aids Institute: Supportive housing, substance use treatment programs, perinatal HIV and Hepatitis C prevention
- The Attorney General's Office: Legal protections for health equity policies

TIMELINE

- All funds need to be obligated by October 30, 2026
- Projects will need to be completed by June 30, 2027
- The procurement guidance for the Rural Community Health Initiative is expected in June
- The planned next initiative will focus on cybersecurity, then on workforce and then primary care
- Execution of contracts will be processed throughout the summer to meet the October 30 deadline



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- Rural Community Health Integration: establish rural health partnerships that facilitate comprehensive care coordination, build or grow integrated health networks to enhance healthcare delivery and outcomes in rural areas by effectively addressing health and social needs
- Strengthening Rural Communities with Technology-Enhanced Primary Care: expand the number of Patient Centered Medical Home-recognized providers and accelerate their adoption of enabling technology. improve access, care coordination, and outcomes
- Rural Roots: Building a Sustainable Rural Healthcare Workforce: comprehensive strategy to recruit and train more practitioners for rural communities by combining planning, targeted education, and innovative support, addresses both immediate staffing needs and long-term capacity-building
- Investments in Technology Innovation & Cybersecurity Enhancements: Strengthen cybersecurity of rural facilities, expand access to care through telehealth, strategic efforts to partner health care facilities and practices with the State Health Information-NY health information exchange

IN THE NEWS...

- New York State Department of Health announces study confirming naloxone as a cost-effective tool to prevent overdose deaths
- For every **\$1 spent**, return on investment totals **\$3,219**
- The two-year results concluded that naloxone saved more than **6,500 lives**, representing more than **204,000 years of life**



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journals.lww.com/jphmp/abstract/9900/economic_evaluation_of_a_naloxone_distribution_and.589.aspx

Public Health Management & Practice

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PRACTICE BRIEF REPORT

Economic Evaluation of a Naloxone Distribution and Training via a State-Level Opioid Overdose Prevention Program, New York State, April 2023 to March 2025

Holtgrave, David R. PhD; McDonald, James V. MD, MPH; Zamboni, Lucia PhD; Schady, Elizabeth BA; Clear, Allan; Park, Ju Nyeong PhD

Author Information

Journal of Public Health Management & Practice (J);10.1097/PHH.0000000000002291, October 23, 2025. | DOI: 10.1097/PHH.0000000000002291

BUY PAP

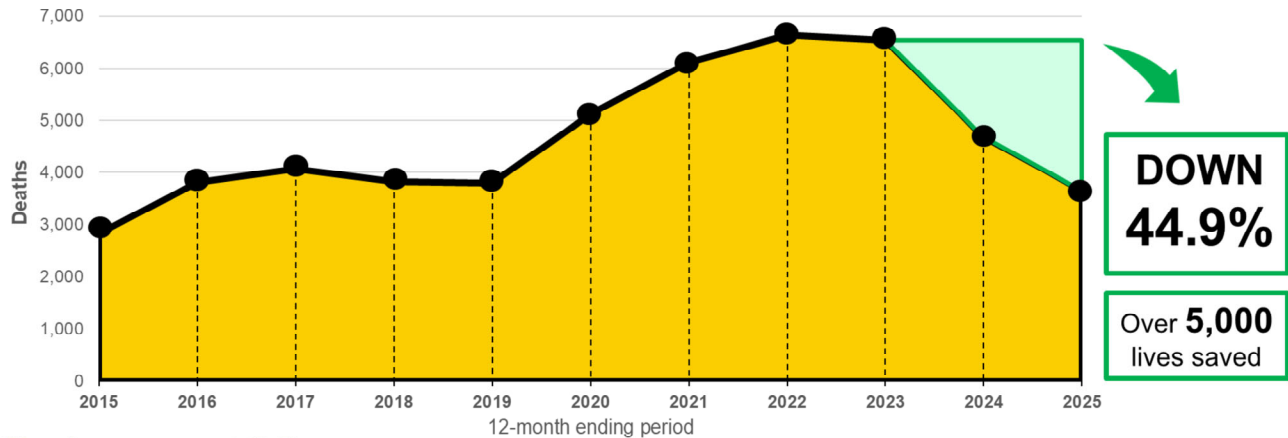
Abstract

Naloxone is efficacious at reversing opioid overdoses and appears efficient in mathematical models of its use. State-level, field-based data on naloxone administrations in the New York State Department of Health's Opioid Overdose Prevention Program (OOPP) network, as well as OOPP budgetary data, informed an economic evaluation of these statewide efforts. Results indicated high levels of lives saved, years of life saved, and economic benefits across the time-period April 2023 to March 2025. Given the substantial beneficial impact of naloxone provision through the New York OOPP network, continued investment is warranted. Addressing the opioid crisis through assessed and recent downward trajectories in...

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PROVISIONAL NUMBERS SHOW OVERDOSE DEATHS FELL FOR THIRD YEAR IN A ROW

Estimated Overdose Deaths Involving Any Drug
2015 – 2025*



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* Data Source: National Vital Statistics System, accessed May 2026.

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Remaining work to be done to achieve an “Overdose-free generation”

- American Indian, Alaska Native, and Black communities have higher rates of fatal overdoses per 100,000 population (per 2023 data)
- Fatal overdoses vary by county in New York
- Nonfatal overdoses and fatalities from overdoses are also in decline, but there are still roughly 6.9 nonfatal overdoses for each fatal overdose
- Though declines largely driven by reduced fentanyl-associated deaths, drug supply continues to evolve requiring monitoring and ever-changing action
- New York declines in fatal overdose reduction exceeded national percentage goals in 2024, but this is no time to let up on impactful, evidence-based policies delivered at needed scale

AN OVERDOSE-FREE GENERATION



New York State's public health initiative on drug use: *Saving Lives, Promoting Health, Fighting Bias*

Every New Yorker who has died of an overdose is someone's child, a family member, a friend, a loved one. The Department uses evidence-based strategies to prevent drug misuse, respond to overdoses and address the harms associated with drug use, with the goal of creating an overdose-free generation.



[health.ny.gov/
overdosefreegeneration](https://health.ny.gov/overdosefreegeneration)



PUTTING FOOD ON THE TABLE

- **\$72 million** in the Hunger Prevention and Nutrition Assistance Program, helping about 2,700 food banks, pantries and soup kitchens
- **\$55 million** for the Nourish New York program, which reroutes surplus agricultural products to those who need them most through the state's food banks



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The recent shutdown of the federal government reminded the nation of how precarious our nutrition safety net is and how many New Yorkers contend with food insecurity. In response to the shutdown, Governor Hochul rushed an additional \$65 million toward food assistance programs that delivered meals to tens of thousands of New Yorkers in their hour of need.

FOOD SECURITY IN NEW YORK STATE

New York invests over \$1B annually to fight hunger and improve nutrition

1. Hunger Prevention Nutrition Assistance Program (\$110M)
2. Nourish New York (\$46.8M)
3. Commodity Supplemental Food Program (\$12.9M)
4. Child & Adult Care Food Program (\$257M)
5. Special Supplemental Program for Women, Infants, and Children (\$614M)
6. Women, Infants, and Children Farmer's Market Nutrition Program (\$9M)
7. Medicaid coverage of infant formula and enteral feeding products (\$17.6M)
8. Ryan White Services Initiative (\$3M)
9. Medicaid Medically Tailored Meals (\$2.6M)
10. Value-Based Payment (\$1.6M)
11. Health-Related Social Needs, Social Care Networks in 1115 Waiver (\$3.4M)

Other State agencies:

New York State
Education
Department

New York State
Office of Temporary
and Disability
Assistance

New York State
Office for the Aging

New York State
Department of
Agriculture and
Markets



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Access to healthy food is an important social determinant of health

- In addition to the \$65M in emergency food assistance provided in Nov 2025, the budget includes:
 - \$51M for the Hunger Prevention and Nutrition Assistance Program (HPNAP)
 - \$55M for the Nourish NY Program, which maintains the previous year's funding levels
 - The Budget also provides an additional \$15 million investment to expand HPNAP funding to the State's regional network of food banks and food pantries.
- There are several investments in this budget designed to help optimize the nutrition of New Yorkers and build on the Governor's \$65 million investment in emergency food assistance to feed New Yorkers while there were federal Supplemental Nutrition Assistance Program (SNAP) disruptions
- The Hunger Prevention and Nutrition Program (HPNAP) has a base funding of \$34 million and there is a \$23 million executive add and along with an additional \$15 million, which brings our total investment in this program to \$72.8 million
- Nourish New York, a program administered with the Department of Agriculture and Markets, has a \$5 million investment boost, increasing our investment to \$55 million
- From BudgetTestimony FY2027_Written 2.2 8.38 p. 5-6

MISSION:

To protect and promote health and well-being for all, building on a foundation of health equity



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