

New York State Academy of Family Physicians

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Testimony before the Joint Legislative Budget Hearing on Health/Medicaid

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9:30AM

**Legislative Office Building
Albany NY**

Honorable Chairs and Members of the Senate and Assembly Health Committees, Senate Finance Committee and Assembly Ways & Means Committee, thank you for the opportunity to submit testimony related to our priorities for the SFY 2025-26 State Budget.

The New York State Academy of Family Physicians represents nearly 6,000 physicians, residents and students in family medicine, specializing in primary and preventative care for New Yorkers. Our mission is *“Guided by principles of inclusivity and community, the NYSAFP empowers family physicians, residents, and students to lead through advocacy, education, and mentorship to improve the lives of our members and our patients.”*

Outlined below are our SFY 2025-26 State budget priorities related to funding and policy proposals. We appreciate your consideration and ask for your support.

SUPPORT Primary Care & Workforce Investments

- **Physician Medicaid Fee Increase**

We are very pleased to see the SFY 2026 Executive Budget includes \$50 million to increase Medicaid reimbursement rates for physicians from the proceeds of the MCO tax. **However, we recommend that this designated funding be restricted to physicians who see a significant percentage of Medicaid beneficiaries in their practice - we suggest 30 percent. Medicaid has historically been the lowest payer for physicians. Rewarding physicians who have nonetheless accepted the responsibility of serving the Medicaid population is appropriate and will help sustain the primary care workforce in Medicaid.**

Increasing Medicaid reimbursement rates is an important mechanism for supporting primary care and safety net providers who care for individuals enrolled in Medicaid. Promoting patient access to primary care and preventative services has been proven to increase patient health and outcomes, while reducing costs. We commend this investment and your consideration of our recommendations. The benefits of investing in primary care are well documented. Enacting this proposal will improve clinical outcomes, avoid preventable tests, hospitalizations and referrals, and stabilize primary care medical practices which have served the Medicaid population for too long without payment adequate to cover their costs.

Building on this, we strongly support pending legislation ([S.1634/A.1915A](#)) to require health care plans and payors to spend a minimum of 12.5 percent of their overall healthcare spending on primary care services. We respectfully urge the enactment of this bill this session. We also support more rigorous regulation of health plan premiums to assure that plans serve public health goals including enhancing patient access to care and helping providers adopt new technology, incorporate new treatments and expand.

- **Doctors Across New York Funding (DANY)**

NYSAFP strongly supports the Executive Budget proposal to provide funding for the Doctors Across New York (DANY) program at a level of \$15,865,000. With this funding, the state would be able to continue to support approximately 150 physicians going into primary care specialties

to relieve educational debt and to assist them with joining or establishing practices in underserved areas and working there at least three years.

This program helps to address the serious primary care physician shortages by recruiting and retaining primary care physicians to expand preventative healthcare access where it is needed the most. Please support the inclusion of this funding in the Final State Budget.

We also support legislation ([A.2561](#)), to expand support under the DANY program for private practicing physicians. This legislation would help further address serious primary care physician shortages as well as assist private practices with sustainability and growth. We urge the passage of this bill this session.

- **Area Health Education Center (AHEC) Funding**

NYSAFP is very pleased to see that the Executive Budget includes continued state funding for the Area Health Education Center (AHEC) system. AHECs provide essential programming all across New York focused on addressing healthcare workforce shortages through pipeline and other initiatives and addressing health disparities and equity challenges in urban and rural areas. For over twenty years, AHEC had received state funding, which is critical to the minimum 1 to 1 match of federal HRSA funds that AHECs receives to do this much-needed work.

We greatly appreciate the Legislature's past leadership and support including a \$500,000 legislative add from the Senate in SFY 2025, which we hope can also be provided in SFY 2026. Our communities greatly need the healthcare workforce programs and services that AHECs provide.

OPPOSE: Problematic Budget Proposals

- **Remove Physician Supervision Requirement for Physician Assistants (PA)**

The SFY 2026 Executive Budget would authorize a physician assistant to practice without the supervision of a physician independently in primary care or hospital settings. This would apply to:

- PAs who have practiced for more than eight thousand hours; and
- The PA is practicing in primary care (any non-surgical setting in the fields of general pediatrics, general adult medicine, general internal medicine, obstetrics and gynecology, family medicine, or other related areas as determined by the DOH Commissioner – or – is employed by an Article 28 health system or hospital and they determine the PA meets qualifications of the medical staff bylaws and the health system or hospital gives the PA privileges.

While physician assistants are an integral part of the healthcare team, the current care and training model for PAs is with physician supervision. We believe this proposal would fragment patient care and compromise quality, safety and outcomes, creating further disparities in the care that our most underserved communities receive.

Currently, PAs are not trained to practice independently and have significantly less training in the form of didactic and clinical education than physicians when obtaining their degrees. In a recent Medical Society survey, 75% of the physician respondents indicated that advanced care

practitioners working independently during the pandemic under the Governor's Executive Orders (waiving physician supervision requirements) had committed an error while treating a patient; 90% indicated that the error could have been prevented had there been physician oversight. The experience of PAs is not equal to that of physicians and quality for our patients would be sacrificed if PAs practiced without physician supervision.

We are also concerned that this legislation could result in increased health care costs because PAs overprescribe and over utilize diagnostic imaging and other services. For example, a study in the Journal of the American College of Radiology, which analyzed skeletal x-ray utilization for Medicare beneficiaries from 2003 to 2015, found ordering increased substantially – more than 400% by non-physicians, primarily nurse practitioners and physician assistants during this time frame.

The January 2022 edition of the [Journal of the Mississippi State Medical Organization](#), included an article by Batson et al. entitled "Mississippi Frontline – Targeting Value-based Care with Physician-led Care Teams". This was a retrospective study looking at almost 10 years of data from that Hattiesburg Clinic looking at over 300 physicians and 150 advanced practice nurse and physician assistant providers. *The study found that allowing advance practice providers to function with independent panels failed to meet goals in the primary care setting of providing patients with an equivalent value-based experience for quality of care, keeping costs stable and meeting patients' expectations and satisfaction with healthcare delivery.*

The Executive Budget proposes to make a very significant change to the care model in New York without proof that independent practice would not undermine quality or increase costs. An objective study is necessary to compare performance of PAs practicing without supervision with performance of PAs working under the supervision of physicians to ensure that patient quality of care is not compromised. Finally, an assertion has been made that this policy change will lead to more PAs practicing in rural and underserved areas. However, we have not seen any objective evidence to suggest this in other states and this has not been the experience with Nurse Practitioners who currently practice without a collaborative agreement with physicians in New York.

For these reasons, the New York State Academy of Family Physicians strongly urges your opposition to this proposal and that it be rejected in the State Budget.

- **Restructure of the Excess Medical Malpractice Program**

While the SFY 2026 Executive Budget extends the Excess Medical Malpractice program through June 30, 2026, it proposes to restructure the program from one annual payment to two installment payments over two fiscal years. The Budget includes a reduced appropriation of \$39.3 million in SFY 2026 and \$19.6 million in SFY 2027.

NYSAFP is very concerned about the Executive Budget proposal to require the 15,000 physicians currently enrolled in the Excess Medical Malpractice Insurance program to bear 50% of the cost of these policies.

This proposal would thrust over \$40 million of new costs on the backs of practicing physicians. This new cost imposition would hit these practices at a time when many are already facing high

taxes and liability costs, staffing challenges and a serious shortage of physicians, especially in primary care in our State.

This program was created in the mid-1980's due to a medical liability crisis. Absent comprehensive liability reforms like other states have enacted, access to excess coverage is critical to protect a physician's personal assets when liability exposure exceeds the limits of available coverage.

We thank you for your past support for the Excess program including helping to reject this proposal in prior years when it was brought up in Budget negotiations. We urge you to reject this proposal again in the Final State Budget.

- **Transfer of Oversight to the Department of Health from the State Education Department**

The SFY 2026 Executive Budget includes a proposal to transfer the authority to define, license, and oversee physicians, physician assistants, and special assistants to the Department of Health (DOH) from the State Education Department (SED). NYSAFP does not recognize any public benefits of this change and believes there are many unknown implications that it could have including slower processing times of licenses, increased regulatory burden on physicians, a loss of the State Board of Medicine, a bifurcation on how health professions are regulated in New York and others.

We urge that this policy be rejected in the Final State Budget.

SUPPORT: Funding to Expand Access to Reproductive Care

We support the various investments made in the SFY 2026 Executive Budget to ensure access to abortion for those living in and outside our State including:

- \$25 million for abortion access, including the Reproductive Freedom and Equity Grant program;
- \$20 million for services and expenses for abortion providers including costs associated with medication abortion care;
- And \$15 million for competitive grants for capital projects at reproductive health facilities, including support for infrastructure improvements, modernization, and safety and security.

This funding is especially critical as reproductive rights are under attack across the country with nearly two dozen states having banned or limited access to abortion and recent federal actions advancing several anti-abortion policies.

We urge the state to use this funding to support the New York providers utilizing the 2023 abortion shield law that are now providing over 3,000 telemedicine abortions per month for individuals in abortion-restricted states. All patients from out-of-state lack insurance coverage for abortion pills and thus are paying \$150 out-of-pocket for abortion medications from New York medical providers or such clinicians are absorbing the costs which is unsustainable. **We respectfully ask that \$2 million of the \$20 million appropriation to support abortion provider costs be specifically allocated to clinicians providing uncompensated care through telemedicine abortions.**

- **REQUEST:** Please Support Our Request to Provide \$10 million in Funding to Create an Abortion Clinical Training Program, per S.1438 and A.2439.

With the increase over the last years of abortion-restrictive states and recent attacks on abortion and reproductive care nationwide, many out-of-state individuals have looked to New York State for abortion care and there is a growing need for trained clinicians to expand capacity and ensure access. Within New York State there are even shortages of practitioners who are trained to provide abortion services later in pregnancy. However, there is a severe shortage of opportunities for family medicine residents to be trained in abortion care because medical programs do not receive funding for it. Our members currently report that many residents need to seek care out of the country in places like Mexico for these training opportunities since there is an insufficient number of available opportunities in New York State.

NYSAFP strongly supports legislation ([S.1438](#), Krueger and [A.2439A](#), Epstein) that would require the NYS Department of Health to create an abortion clinical training program for health care practitioners. Residents, interns, and graduate medical education students would also be eligible. DOH would be required to facilitate this training at a minimum of four clinical training sites across the state and establish a curriculum and materials for such sites or other abortion providers that apply for funding. It is critical for New York, as a state with some of the strongest protections for abortion, to ensure access to clinical training for our own practitioners and students, as well as medical residents in states that have banned or restricted abortions. This will also help address the statewide shortage of trained reproductive health care service providers.

For these reasons, the New York State Academy of Family Physicians respectfully asks that \$10 million be included in the Final State Budget this year to create an Abortion Clinical Training Program.

OPPOSE: Elimination of Prescriber Prevails

The SFY 2026 includes a proposal to eliminate “prescriber prevails” in the State Medicaid program. This is a proposal we have seen in prior years which the Legislature has rejected, recognizing the need to ensure that patients are able to access the medications required to treat or manage their health conditions. Ultimately physician know their patients best and are in the position to determine when a medication is necessary and should be covered, not insurance plans.

We are opposed to this proposal and urge that it be rejected in the final State Budget.

Thank you for your consideration of our comments regarding the SFY 2025-26 State Budget on behalf of our family physician members and their patients across the State.