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SFY 2018-19 State Budget
Health/Mental Hygiene Executive Budget
January 19, 2018

SECTOR	INITIATIVE	DESCRIPTION
Multiple-Sectors		
	Medicaid Spending	Increases the State share of Medicaid by $593 million, for a total increase in State share from $18.3 billion to $18.9 billion. Total federal, State and local Medicaid spending is estimated at $70 billion in 2018-19 a $1.6 billion increase from SFY 2017-18.
	Medicaid Global Cap	Proposes to extend the Medicaid Global Spending Cap until SFY 2019-20 at a rate of 3.2%. The total cap for SFY 2018-19 is $18.9 billion, an increase of $593 million.
	Health Exchange	Proposes to provide $694 million in total funding for the operation of the New York State of Health.

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	Health Care Shortfall Fund	Proposes to establish a new $1 billion fund to protect against any deficits created by the loss of federal health care funds by capturing the proceeds from any not-for-profit health insurer conversions.
	Potential Across the Board Cuts	Includes language in the Aid to Localities Appropriation bill authorizing an up to 3% across the board cut to programs should tax receipts be reduced by $500 million or more than expected in SFY 2018-19. Includes some exceptions like Medicaid, school aid, funding for certain public assistance programs and others.
	Health Care Facility Transformation III	Creates the third Health Care Facility Transformation Program with funding in the amount of $425 million for eligible systems. $60 million must be made available for community-based health care providers including mental health clinics, alcohol and SA treatment clinics, primary care, D&TCs, home care and assisted living providers ($20 million). An additional $45 million of the total is earmarked for residential health care facilities.
	Essential Community Provider/VAP Funding	Includes $132 million for Essential Community Providers and Vital Access Provider (VAP) services.

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	Cost of Living Adjustments (COLA)	Defers the human services COLA until after March 31, 2019. Proposes to eliminate NYSDOH's authority to provide COLAs for human service providers. Generates $19 million.
	Health Homes	Proposes the following related to Health Homes: • Includes $85 million for health homes and projects to save $33.3 million (State share) for quality and performance improvements. • Establishes enrollment targets for special needs managed care plans and compels plans to work collaboratively with health home providers to achieve targets. Penalties may be assessed on plans. • Requires criminal background checks for employees of health homes and direct observation is required by health homes for those serving individuals with disabilities or who are under 21 while criminal history information checks/determinations are pending. • Includes reimbursement, subject to available funds for expanded criminal history record checks for health homes. • Provides health homes and other entities serving those with developmental disabilities or under age 21 with access to

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		the Statewide central register of child abuse. Also requires such entities to report child abuse or maltreatment. • Adds Medicaid Managed Care plan enrollees who are members of Health Homes to those eligible to receive incentive payments for wellness activities and avoiding certain hospitalizations or emergency department visits.
	Community Paramedicine Program	A community paramedicine program is established to allow emergency medical personnel to provide care in residential settings. A community paramedicine collaborative must include, at a minimum: • a general hospital, nursing home, or diagnostic and treatment center; • a physician; • an emergency medicine provider; and • where the services are provided in a private residence, a home care services program. Under the direction of a physician, community paramedicine programs would support objectives identified by the collaboratives, and could include the following models: • Post-discharge care following hospital admissions; • Evaluating, stabilizing, or treating nursing home residents to avoid preventable emergency transport to a hospital

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		emergency department; and • Assisting individuals in self-managing their health or behavioral health conditions and minimizing environmental hazards in the home. The bill would permit Medicaid reimbursement for the program subject to federal financial participation.
	Changing Exemption from Licensure in Human Services	Clarifies the tasks and assignments performed by persons employed by a program or service operated or approved by OMH, OPWDD, OASAS, DOH, SOFA, OCFS, DOCCS, OTDA and/or local government which require licensure in psychology, social work or as mental health practitioners. It permits those who have been employed or obtain employment on or before July 1, 2020 to continue to fall within the current exemption in the law.
	SHIN-NY	$30 million is allocated for the SHIN-NY. The total allocation of up to $65 million was extended last year until 12/31/20.
	All Payer Database	Proposes $10 million for the operation of the All Payer Database (APD).

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	Medical Marijuana Program	Proposes $9.8 million for the State's Medical Marihuana Program.
	Telehealth Expansion	Expands the definition of "originating site" for purposes of Medicaid reimbursement for telehealth services to include a patient's residence as well as any other location where the patient may be temporarily located. It would also add credentialed alcoholism and substance abuse counselors, authorized early intervention providers, and any other providers (as determined in regulation by OMH, OASAS, and OPWDD in consultation with NYS DOH) to the list of medical professionals eligible to provide telehealth services.
	Mental Health/Primary Care Integration	Clarifies that Art. 28 or Art. 31/32 providers may provide integrated primary care, mental health and/or substance use disorder services when authorized to do so by OMH or OASAS per regulation without needing a second or third license/certification.
	Office of the Medicaid Inspector General (OMIG) Authority	Clarifies OMIG's authority to recover overpayments with Medicaid Managed Care and Managed Long Term Care programs. During the course of an audit if OMIG identifies improper Medicaid payments made the state has the right to recover such payments from subcontractor(s) or provider(s). If OMIG is unable to do so, it can require Managed Care plans to

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		make such recoveries and remit payment back to the State within six months. A collection fee can be imposed on the provider(s) of not more than 5%. Also requires Managed Care plans to promptly refer to OMIG all cases of potential fraud, waste and abuse.
	False Claims Act	Amends the State's False Claims Act penalties to align with Federal False Claims Act penalties.
	Key Provisions of Women's Health Agenda Budget Bill	Comprehensive Contraceptive Coverage Act • Would codify coverage of all FDA approved contraceptive drugs, including emergency contraception and over the counter drugs. Where the FDA has approved one or more equivalent versions of contraceptives, coverage is only required for one version, so long as there is no cost sharing. Required coverage includes: emergency contraception without cost sharing when provided through a prescription or non-patient specific order; twelve months of contraception; voluntary sterilization procedures for both men and women; patient counseling about contraception; any follow-up care related to

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		the covered contraception. Codify Roe v. Wade into State Law • Would codify the Supreme Court's Roe v. Wade decision by repealing certain sections of penal law. Establish the Maternal Mortality Review Board • Would establish the Maternal Mortality and Review Board, consisting of fifteen multidisciplinary experts appointed by the Commissioner of Health, responsible for review and assessment of cause of death and factors leading to maternal death, Severe Maternal Morbidity and racial disparities in maternal outcomes. The Board will collect and review confidential information and develop recommendations for the Commissioner to improve care and management. Require the State Board of Medicine to include experts in women's health and health disparities • This bill would require at least two physician appointees to the State Board of Medicine be experts in addressing women's health and reducing health disparities among demographic subgroups.

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		Extend the Storage of Timeline for Forensic Rape Kits at Hospitals • Extends the minimum amount of time in which hospitals are required to store evidence collection kits from 30 days to five year or when the victim turns 19, whichever circumstance provides the longest length of time. This bill would also require notifications to the victim no less than 30 days before the evidence is destroyed.
Hospitals/Healthcare Facilities		
	Indigent Care Pool	Provides $139.4 million for public hospitals and $994.9 million for voluntary hospitals.
	Critical Access and Enhance Safety New Hospitals	Provides $40 million in total for these hospitals
	Medicaid Redesign Team Proposal: Temporary Workgroup	A temporary workgroup comprised of representatives of nursing homes, hospitals, and NYS DOH is established to make recommendations on streamlining the Medicaid capital rate methodology for hospitals and nursing homes to achieve a 1% reduction to Medicaid capital expenditures. Pending the workgroup's recommendations, the Commissioner of Health is authorized to reduce the overall amount of capital

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		reimbursement as necessary to achieve a 1% reduction in capital revenues beginning in SFY 2018-19.
	Medicaid Redesign Team Proposal: Hospital Quality Pool	Authorizes NYS DOH to create a performance target to reduce "potentially preventable emergency department visits" and reduce or eliminate rates of payment to hospitals based on quality and safety scores. The hospital quality pool must allocate $10 million annually to expand preventive services including but not limited to mental health counseling provided by a licensed clinical social worker or a licensed master social worker, physical therapy, diabetes prevention, or treatment by an applied behavior analyst.
	Empire Clinical Research Investigator Program (ECRIP)	Eliminate the ECRIP program which previously received $6.9 million in funding from HCRA to fund hospital training of medical residents in biomedical research.
	Audits Resident Work Hours	Eliminates the requirement for hospital resident hour work limitation audits to be performed annually. Instead, NYS DOH will require an attestation by hospitals to certify that they are in compliance with applicable working hour and condition requirements.
Long Term Care/Home Care/ Nursing Homes		

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	Limit MLTC Eligibility	Raise the UAS score from 5 to 9 for MLTC Eligibility.
	Limit LHCSA Contracts for MLTC Plans	Establishes a cap on the total number of LHCSAs an MLTC may contract with to a maximum of 10.
	Restrict MLTC member from Transitioning	Restricts member from leaving their enrolled plan for 12 months.
	Spousal Refusal	Conform NY to Federal Spousal Impoverishment Provisions.
	TBI Rate	Adjusts the freestanding clinic rate for Medicare Part B beneficiaries participating in the traumatic brain injury waiver program to be at or above the approved medical assistance payment level less the amount payable under Medicare Part B.
	Minimum Wage for Health Care Providers	Increases the amount of minimum wage monies to $703 million in Medicaid spending above Cap.
	Study of Home and Community Based Services in Rural Areas	NYSDOH is authorized to conduct a study of Home and Community Based Services in Rural Areas and recommend changes including potential targeted Medicaid rate enhancements for fee for service and waivered programs.
	Prohibit Community Based Long Term Care Provider Marketing	This would curtail provider sponsored marketing of LTSS and would seek to prevent referring

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		providers from becoming a provider of service for the member.
	NH Poor Performance Penalty	Imposes a 2% penalty on nursing homes with a one star health facility quality rating.
	ALP Slots	Increases Assisted Living slots by allowing ALP providers to add nine additional slots by redistributing unused slots and adjust county limits.
	Eliminate Duplication of Case Management	Eliminate duplication of case management services provided by MLTC members residing in nursing homes for longer than six months by providing their care through fee for service.
	Authorization vs. Utilization Adjustment for MLTC	Provides for either the de-enrollment or shift to MLTC Integrated products all MLTC members who have qualified for MLTC but have not utilized PCA or HHA services within a period of 30 days from enrollment.
	Social Adult Day Health Benefit Efficiency Savings	Allows for the elimination of contracts with poor performing providers, and administrative changes.
	Nursing Home 1% ATB (4 year payback)	Seeks to stretch out the repayment schedule of the Nursing Home 1% ATB retroactive payment.

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Physicians/ Healthcare Providers		
	Excess Medical Malpractice Program	Extends the Excess program for one year through June 30, 2019 and includes level funding of $127.4 million.
	Doctors Across NY (DANY) Funding	Includes $9,065,000 in funding for physician loan forgiveness and practice support under DANY.
	Expanded Scope of Practice for Certified Registered Nurse Anesthetists (CRNAs)	Creates the profession of "certified registered nurse anesthetist" as a profession under NYS Education Law. Nurse anesthetists would be permitted to administer anesthesia without adhering to the existing requirement that a physician-anesthesiologist be physically present and immediately available to supervise the nurse anesthetist. A nurse anesthetist would be required to enter into a "collaboration" with "a licensed physician qualified to determine the need for anesthesia services." This physician need not be a physician-anesthesiologist. This proposal would also grant nurse anesthetists prescriptive authority and allow them to practice in general hospitals, hospital outpatient surgical departments, diagnostic and treatment centers, office based surgery centers and dental offices.
	Opioid Monitoring Requirements	Requires a treatment plan and attestation of prescriber monitoring including a patient-prescriber agreement when opioids are being

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		prescribed for pain lasting more than three months. Plan would have to be updated twice in the first year and annually thereafter. Patients with cancer that are not in remission or in hospice are exempt from these requirements.
	Mental Health/Primary Care Integration	Clarifies that Art. 28 or Art. 31/32 providers may provide integrated primary care, mental health and/or substance use disorder services when authorized to do so by OMH or OASAS per regulation without needing a second or third license/certification.
Pharmacy/ Pharmaceuticals		
	Pharmacy Dispensing Fees	Proposes to increase pharmacy dispensing fees for covered outpatient drugs and covered OTCs from $10 to $10.08 per prescription.
	Co-Payments	Proposes to increase Medicaid co-pays on OTCs from 50 cents to $1.
	Prescriber Prevails	Eliminates prescriber prevails provisions in Medicaid and instead the program will consider additional information and justification presented for use of drug that is not on the PDL.

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	Comprehensive Medication Management (CMM)	Proposes CMM for physicians and NPs to refer patients with chronic diseases to qualified pharmacists for additional medication adherence services, pursuant to a written protocol.
	Medication Adherence Programs	Requires Medicaid Managed Care plans to develop a medication adherence program which could include medication synchronization to consolidate all prescription refills to a single pharmacy pick up per month with pharmacists able to bill for applicable reduced quantities and dispensing fees.
	High Cost Drug Cap	Extends high cost drug cap enacted in 2018 budget, through 2020.
	Retail Practices	Authorizes certain health care services in retail settings (pharmacies, grocery stores, shopping malls) by "retail practices." Must be staffed at all times by a physician, PA or NP. They are subject to a number of operational requirements including reporting of data to NYS DOH and maintaining a collaborative relationship with primary care providers. Permitted services include treatment for minor acute episodic illnesses or conditions, periodic wellness treatments, administration of opioid antagonists and limited behavioral health screening and referral. Also may include certain lab tests.

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		Services may not include procedures using sedation or anesthesia for patients under 24 months old, vaccines for those under 18 except flu shots, educational courses or services provided on a time-limited basis like a flu clinic or health fair. Such practices must accept Medicaid and walk-ins, post a list of services/prices and must have at least one collaborative relationship with a hospital, physician, ACO or PPS. During visits patients must be asked primary care providers and be referred if patients do not have one. Practices must participate in EHRs and SHIN-NY and attain and maintain accreditation. Retail practice sponsors can be business entities, professional corps. business corps. and other entities licensed under Art. 28 like hospitals, D&TCs and FQHCs.
	SMAC Rebates	Extends NYSDOH's ability to require drug manufacturers to provide rebates for any drug that has increased more than 300% of its SMAC through April 1, 2023.
	Opioid Surcharge	Proposes a 2 cent per milligram surcharge on opioid manufacturers to raise $170 million with goal of using funding to fight epidemic.

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Behavioral Health		
	Funding for Minimum Wage	Includes approx. $6.6 million for increase under OMH and approx. $7 million under OASAS.
	Funding for Increased Wages for Direct Care Workers	Includes approx. $31.5 million for increases under OMH and approx. $10.3 million under OASAS.
	Behavioral Health VAP Funding	Includes $50 million for Vital Access Provider (VAP) services for Essential Behavioral Health services.
	Mental Health Facilities Capital Improvement Fund	Includes $50 million to fund the acquisition of property, construction and rehabilitation of new facilities for residential crisis programs.
	OASAS Treatment Funding	Includes approx. $35 million for OASAS Community Treatment services including operational and capital funding related to the opioid epidemic.
	Mental Health/Primary Care Integration	Clarifies that Art. 28 or Art. 31/32 providers may provide integrated primary care, mental health and/or substance use disorder services when authorized to do so by OMH or OASAS per regulation without needing a second or third license/certification.
	APG Rates for Psychotherapy	Proposed to authorize APG rates for individual psychotherapy services provided by licensed social

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		workers in general hospital outpatient and free-standing diagnostic and treatment centers. Currently, reimbursement is available only for persons under the age of 21 and those who are pregnant.
	Demonstration Program for Specialized Inpatient Psychiatry Units	Extends certain time-limited demo programs for evaluating new methods of services for individuals with intellectual and/or developmental disabilities through March 31, 2021.
	Community Reinvestment	Extends for three years community reinvestment for State psych center closings at a rate of $110,000 per bed.
	Voluntary Restoration to Competency Programs	Authorizes OMH to permit restoration to competency within local and State operated jail-based residential settings.
	OMH/OPWDD as Representatives	Extends three years the authority of OMH and OPWDD facility directors to act as representative payees to use funds.
Developmental Disabilities/ Early Intervention		
	Funding for Minimum Wage	Includes $29.9 million to fund minimum wage costs for this sector.
	Funding for Increased Wages for Direct Care Workers	Includes $90 million to fund wages for direct care workers for this sector.

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	Other OPWDD Funding	Includes $37 million in additional funds for residential services and day program services for this sector.
	OMH/OPWDD as Representatives	Extends three years the authority of OMH and OPWDD facility directors to act as representative payees to use funds.
	OPWDD Managed Care Authority	Extends OPWDD's managed care authority, currently due to expire in 2019 through 2024. Allows managed care organizations to affiliate with an entity(ies) that are controlled by non-profit organizations to provide care coordination services. Also clarifies that health and long term care services to be provided by managed care organizations would include comprehensive health services as determined by OPWDD and NYSDOH. Clarifies that readiness and capability of managed care plans would include the ability to organize, market, manage, promote and operate health and long term care services plans.
	Early Intervention	Includes a series of changes to the Early Intervention program to: • Replace the current multidisciplinary evaluation process with new screening, evaluation, and review procedures.

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		• Revise the evaluation process by eliminating, in some cases, a child's entitlement to a full, multidisciplinary evaluation, and providing less time for service coordinators and evaluators to determine a child's eligibility under the program. • Require service coordinators to inform parents of the new screening, evaluation, and review procedures. • Require screenings for children referred to EI to determine if they are suspected of having a disability. If based on the screening, a child is suspected of having a disability, then an evaluation would be conducted. • For children with a diagnosed physical or mental condition, eligibility would be established using the child's medical records. • If a child is found eligible, they are entitled to an assessment to meet his or her needs, a voluntary family-directed assessment, and an assessment of any transportation needs. • Require that, following a request by parent, a full evaluation must be conducted for a child who has a diagnosed physical or mental health condition who was found ineligible following a records review. • EI providers are required to seek payment from insurers prior to billing the State or a

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		municipality. In addition, EI providers cannot bill for services until they have filed and completed appeals under the State's Utilization Review and External Appeals process pursuant to Article 49 of the Public Health Law and Article 49 of the State Insurance Law. • Require health insurance plans to consider a written order or referral from the child's EI providers as well as the Individualized Family Services Plan (IFSP) in assessing medical necessity, or preauthorization requirements under the policy. • Increase the maximum fine for improper or false claims. • Provide for a two percent rate increase to EI providers upon enactment of the requirement that providers appeal insurer payment denials.
	Traumatic Brain Injury (TBI) Article 28 Clinics	Proposes to establish payments rates for free-standing Article 28 clinics for services provided to individuals who participate in the TBI waiver program and who are Medicare Part B beneficiaries.
Special Education		
	School District Waivers	Authorizes the Commissioner of SED to grant a waiver for any requirement imposed on a local

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		school district, approved private school, or BOCES upon a finding that the waiver will result in implementation of an innovative special education program that is consistent with applicable federal requirements, and will enhance student achievement and/or opportunities for placement in regular classes and programs.
Public Health		
	Public Health Program Consolidations	As in prior years, the Executive Budget would consolidate thirty public health and workforce programs under NYSDOH into four categories or buckets to compete for funds. Also applies a 20% cut to generate approx. $9.2 million. The four categories are: • Disease Prevention and Control which includes the Obesity & Diabetes program, two Hypertension Prevention programs and others for a total of 8 programs; • Maternal and Child Health which includes 6 programs; • Public Health Workforce which includes Worker Retraining, Rural Health programs, GME DANY and GME AHEC and others for a total of 10 programs; and • Health Outcomes and Advocacy for a total of 6 programs.

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	School-Based Health Centers	Public Health funding for School-Based Health Centers is proposed at the same level as SFY 2017-18, a total of $17 million.
	Cancer Services Funding	Includes $19,825,000 in funding for evidence-based cancer services programs.
	Tobacco Control Program Funding	Includes $33,144,000 for the tobacco use prevention and control program and additional funding around administration of the program and tobacco control enforcement efforts.
	Cystic Fibrosis (CF) Program Funding	Includes $800,000 for the CF under 21 program.
	Spinal Cord Injury Research	Includes $8.5 million for spinal cord injury research.
	Reducing Lead Paint Exposure	Requires local code enforcement officers to conduct periodic inspections of residential property to assess for deteriorated lead paint, ensure compliance and provide guidance for remediation. Would also enable NYSDOH to work with the Department of Housing and Community Renewal to inspect residential and non-residential properties to ensure implementation of lead remediation measures. Inspection reports and remediation outcomes are to

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		be reported to the Department of Health. Also directs owners of structures built prior to January 1, 1978 adequately maintain those buildings to prevent deterioration of lead paint.
Transportation		
	EMS Providers	Eliminates supplemental payments to emergency medical transportation providers and provides for reinvesting the funding into ambulance reimbursement rates based on recommendations from the Medicaid Transportation Rate Adequacy Report.
	MLTC	Carves-out the transportation benefit from the Managed Long Term Care (excluding PACE) benefit package to be delivered on a fee-for-service basis through the State's Transportation Manager.
Insurance		
	Medicaid Managed Care Penalties	Includes the following provisions related to Medicaid Managed Care plans: • Includes penalties (0.85% reduction in a plan's monthly capitated reimbursement rate) for failure to submit a Performing Provider System (PPS) partnership plan for short and long term collaboration with each

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		PPS in its service area by July 1, 2018.
	Wellness Incentives for MMC Enrollees	Provides for Medicaid Managed Care enrollees to be eligible to receive incentive payments for participating in wellness activities and avoiding unnecessary hospitalizations and utilization of hospital emergency department services.
	Medicaid Managed Care Plan Rate Adjustments	Allows NYSDOH to make prospective Medicaid rate adjustments in the case of Medicaid managed care plans with reserves in excess of the minimum contingent reserve requirement.
	Medication Adherence Programs	Requires Medicaid Managed Care plans to develop a medication adherence program which could include medication synchronization to consolidate all prescription refills to a single pharmacy pick up per month with pharmacists able to bill for applicable reduced quantifies and dispensing fees.
	Child Health Plus (CHP)	Provides the Division of Budget (DOB) in consultation with the Commissioner of NYSDOH with the authority to make funding and programmatic changes to the CHP program in the event that Congress does not reauthorize or reduces Federal funding. Under the proposal, DOB and DOH shall notify the Senate and Assembly in writing if federal actions will reduce or eliminate expected funding and with amount.