

Key Provisions in New York State 2010-11 Enacted Health Budget

Introduction and Overview

On August 3rd, one hundred twenty-five days after the constitutional budget deadline, and just over one week from the record for the latest State budget ever, the Legislature completed its work on the 2010-11 budget with the passage of the revenue portion of the budget. The passage of the revenue bill marked the end of a highly contentious budget process, in which the Governor was ultimately successful in forcing through far reaching cuts in spending, plus a few tax increases, to address a projected \$9.2 billion current year deficit. The Legislature also approved a FMAP “contingency plan” which would allow further cuts to the enacted budget if Congress did not extend enhanced FMAP funding – for which New York has budgeted \$1.1 billion. Fortunately, Congress has approved the enhanced FMAP extension, which should mean that any FMAP adjustments the state needs to make are on a much smaller scale.

Despite the worsening state and national economy, CHCANYS and its members were able to preserve some recent gains including:

- Continued funding for Doctors Across New York’s physician loan repayment and physician practice support,
- Preservation of Workforce Recruitment and Retention funds,
- Reappropriation of unspent EHR Transition funds, and
- Reinstatement of migrant health care funding.

Nevertheless, health centers did not escape the budget season unscathed. The Governor’s success in imposing a ban on “legislative additions” to his proposed Executive Budget blocked efforts to dedicate new funds to the EHR Transition fund, as well as efforts to continue the additional \$8 million dedicated for the first time to the DTC indigent care pool last year. Further, many health centers which in the past have relied on “member items” to support crucial services and programs will be hurt by the absence of any member item funding – for any purpose – in the current budget. While some predict there may yet be an opportunity to revisit these issues in the fall – and CHCANYS will continue to actively pursue this possibility – the likelihood of such a reprieve is unclear.

A full description of the health-related changes in the Enacted Budget is available in Manatt’s *Analysis of 2010-11 Enacted Budget*. The purpose of this memorandum is to provide an expedited description of key priorities in the Enacted Budget for CHCANYS’ members.

Doctors Across New York

- The Enacted budget continues the Doctors Across New York Program and maintains existing levels of funding for physician loan repayment and physician practice support, but reduces funding for ambulatory care training and physician workforce study.

- The budget also reduces disbursements on and after November 1, 2009 for physician loan repayment and physician practice support by 12.5%.

Indigent Care

- The budget allocates \$54.4 million for D&TC indigent care pool distributions. This represents the same amount that was proposed by the Executive last year, but does not continue the additional \$8 million that was added by the Legislature last year. The Budget maintains the same distribution method for these payments.

Workforce Recruitment & Retention

- The budget continues funding for D&TC workforce recruitment and retention, but reduces the allocation designated from HCRA funds. The \$13 million allocated for this program is currently funded out of the HCRA pool and a combination of local and federal Medicaid matching funds. The Budget appropriates \$900,000 from HCRA funds for FY 2010-2011, a reduction from the amounts funded from HCRA in previous years. However, there is no change to the statutory language mandating \$13 million for D&TC recruitment and retention. *This will not cause a decline in overall funding, but will require a larger proportion to be funded from the general fund or other sources.*

Transition Supplemental Payments for EHR Operations

- Consistent with prior years, the budget includes a reappropriation for unspent funds from prior years' appropriations for this item. This is notable in that the Governor had attempted to "sweep" (or reclaim) such unspent funds to offset the state budget shortfall, but ultimately was not successful in doing so for these funds. Unfortunately, however, the budget does not include new funds for FY 2010-2011, a casualty of the ban on legislative additions (transition funding has been added by the Assembly to the budget year every year since its inception,)

Ambulatory Patient Groups (APGs)

The Enacted Budget continues the new APG payment system and related enhancements on September 1, 2009. The budget retains the announced delay to the first phase of APG implementation, and makes technical change to the schedule for D&TC as follows.

APG Implementation Schedule for D&TCs

	Portion Facility's Average Medicaid Rate for CY 2007	Portion APG Payment Rate
Sept 1, 2009 – Nov 30, 2009 (Previously Mar 1, 2009-Dec 1, 2009)	75%	25%
Dec 1, 2009 – Dec 31, 2010 (Previously CY 2010)	50%	50%
Jan 1, 2011 – Dec 31, 2011	25%	75%
Jan 1, 2012	0%	100%

The Commissioner is further authorized, with the approval of the director of budget, to establish APG rates of payment for selected patient service categories for periods prior to 2012.

- Under current law, enhancements for smoking cessation counseling services are available under APG for pregnant women (up to six months post-partum) and children age 10-19 during a medical visit when provided by a general hospital outpatient department, free-standing clinic, or by a physician, PA, RN, or midwife in office-based settings, subject to federal approval and federal financial participation (“FFP”). The budget raises the age limit of children eligible for such enhancements from age 19 to 20.
- The budget enhances funding for wheelchair evaluation services, eyeglass dispensing services and immunization services under APGs, applicable to services rendered on and after June 10, 2009.

Migrant Health Center Grants

- The budget retains funding for community health centers and D&TCs serving migrant and seasonal farm workers and their families at the existing level of \$430,000.

In addition to these key priorities, the Enacted Budget includes a number of items of interest to CHCANYS and its members:

Maternity Care

- The budget allocates \$2.432 million for the Prenatal Care Program, which may be sub allocated to the medical assistance account and matched by federal funds
- The budget maintains \$1.956 million in funding for a “universal” Prenatal and Postnatal Home visitation program.

Family Planning and Reproductive Health

- The budget funds Family Planning services at \$28.6 million, the same level Family Planning has been funded for the last three years. In addition, the budget allocates \$2.3 million for hospital based Family Planning services pursuant to article 2 of the public health law.
- The budget adds \$5.26 million in funding for contracting for Sexuality Related Programs and HIV counseling.
- The Executive proposed funding continue at \$2 million. DCJS would also administer approximately \$6.8 million to fund the medical examiners program. A portion of the rape crisis funding was not included in the Enacted Budget. However, this funding has been restored by the Assembly, and is expected to be approved by the Senate.
- The budget funds HPV prevention for family planning agencies at \$11.259 million, the same level as in the enacted 2009-2010 budget. This funding stream includes funding for combined grants for both the Adolescent Prevention Services and Community Based Adolescent Pregnancy Prevention Programs.
- The budget allocates \$2.206 million to emergency contraception for family planning agencies. The budget also calls for a portion of the money to be transferred to State operations for the administration of program.

School-Based Health Centers

- School-based health services have traditionally been funded out of several revenue streams. The budget allocates \$8.4 million from the HCRA Program Account for school based health, a 12.5% reduction from the amount funded from this stream last year, while maintaining funding from other HCRA accounts at the existing level of \$5.981 million. The budget maintains \$5.3 million in funding from the Local Assistance Account, a slight reduction from the \$5.4 million appropriated last year.

Other

- The budget restores \$250,000 in funding for eating disorders programs.
- The budget allocates \$5 million for enhancements of the childhood lead poisoning primary prevention program.

More details about health provisions in the Enacted Budget are available in Manatt's *Analysis of 2010-11 Enacted Budget*.

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