

TO: CHCANYS
FROM: Brown & Weinraub, PLLC
DATE: April 4, 2014
RE: **Final State Fiscal Year 2014-15 New York State Budget**

On Monday, the Legislature passed and the Governor signed into law legislation enacting the Final Budget for New York's 2014-2015 State Fiscal Year. The following summarizes key pieces of the Budget relevant to community health centers.

Medicaid

- Reinvestment of Medicaid Savings – **accepted with modifications**. Subject to federal financial participation, DOH (in consultation with DOB) may distribute amounts saved in the Medicaid program subject to “an allocation plan that utilizes a methodology that distributes such funds proportionately among [Medicaid] providers and plans.” Stakeholder input will be required in development of the allocation plan. At least 50% of the funds are to be distributed to providers, with the remainder to critically financially distress providers (as defined by DOH).
- Two reinvestment pools for behavioral health services/providers – **accepted with modifications**.
 - Pool 1: Dollars saved via closing Inpatient or outpatient BH services must be reinvested into Article 31, 32 and 28 programs.
 - Pool 2: Community Based Behavioral Health Services Reinvestment Program: Requires that dollars saved by transitioning populations to managed care and by reducing inpatient services would be reinvested to create access to community based behavioral health services. Funds would be available to Article 31, 32 and 28 programs.
- Collaborative Care Clinical Delivery Model – **accepted with modifications**. Authorize DOH (in consultation w/ OMH and OASAS) to establish evidence-based collaborative care delivery model in Art. 28 clinics to improve detection of depression, mental or SUD disorders, and integrated treatment. Criteria will be developed, but screening, care management must be provided. Rates and billing are to be determined. Allows for waiver of regulations to implement provided that such action does not implicate patient safety.
- Allow DOH, OMH, OASAS, OPWDD to issue emergency regs to implement co-located services - **ACCEPTED**.
- Global Cap: Extended 1 year.
- Health Home: **\$10M** (v. \$15M) appropriated for infrastructure, but the Governor's proposal of \$5M for a new criminal justice HH program was **REJECTED**.

Non-Waiver Investments

Health Information Technology

- **All-Payer Database** funding (\$10M) – **ACCEPTED**
- **SHIN-NY**: Funding to link RHIOs to establish interoperable State Health Information Network – **accepted with modifications**. Funding for 1 year. Adds work group to evaluate and make recommendations on State HIT infrastructure (FQHC representation to be included on work group).

Regional Health Planning: \$7M to establish 11 Regional Health Improvement Collaboratives (RHICs) across the State. To grow to \$16M in SFY15-16 – **accepted with modification**. Full funding in appropriations, with wording discrepancy (Public Health Improvement Programs/RHICs).

Basic Health Plan: ACCEPTED

The legislation allows – contingent on federal financial participation -- for the establishment of a basic health plan to cover noncitizens lawfully admitted for permanent residence or those permanently residing in US under color of law. Eligible persons would be

Under age 65

Not eligible for employer-sponsored coverage

MAGI eligible (income below 200% FPL and over 133% FPL – but legal aliens under 133% FPL would be eligible) AND

Would be ineligible for Medicaid due to immigration status

The Commissioner would establish premiums and cost-sharing. The legislation would also establish a basic health benefits trust.

DSRIP

New language was added to require DOH to report to the Legislature on Waiver process and fund distribution.

New language was added to ensure that DSRIP, to the maximum extent possible, is to be implemented throughout “then entire state.”

The Final Budget establishes a DSRIP Advisory Panel, which will be responsible for

- reviewing recommendations for DSRIP funding made by State’s contracted DSRIP assessor;
- reporting those recommendations to DOH
- reviewing applications for the Capital Restructuring pool (see below)
- complying with the Waiver’s final terms and conditions and other federal rules.

DOH is to select the members of the Panel, but the Assembly and Senate each get one pick. Members must have “significant health care system experience,” cannot have conflicts, and cannot be elected officials.

Capital

The \$1.2 Billion Capital Restructuring Finance Program proposal was **accepted with modifications**. The program will be jointly administered by DASNY and DOH. Funds will be made available over seven years (through 3/31/21). The purpose of the pool is to transform system to be more patient-centered and improving population health.

Capital grants available to hospitals, D&TCs, home care providers, primary care providers, assisted living providers, residential health care facilities, clinics licensed by DOH, OMH or OASAS

Capital works eligible for grants include: closures, mergers, restructuring, improvements to infrastructure, development of primary care service capacity, development of telehealth services, promotion of integrated delivery systems to strengthen or protect access to essential health care services, and other transformational services.

Criteria for evaluation of applications to be developed re eligibility, geographic distribution, minimum and maximum amounts of awards, community need requirements, access to alternative financing. Agency Commissioners must be consulted before funds are distributed.

The application process will be 2-tiered– one for those “receiving DSRIP payments” and one for those providers not involved in DSRIP.

The proposal to expand the Health Facility Restructuring Program to allow not-for-profit D&TCs and other NFPs with Art. 28 licenses to access the program was **ACCEPTED**.

The Governor’s proposal for Private Equity Investment Demonstration programs was **REJECTED**.

CON Reform

All of the Governor’s CON proposals were **REJECTED**, including
Limited Service Clinics (Retail Clinics)
Primary Care Services/Facilities: Would exempt hospitals and D&TCs from certain CON requirements
Character & Competence changes
Repealing authorizing language for upgraded D&TCs
Changes relating to office-based surgeries.

Workforce

- Doctors Across NY -- new funding amounting to about 70 new slots (35 LR and 35 PS).
- Primary Care Service Corps- Includes language changes eliminating the competitive procurement process
- Nurse Practitioners Modernization Act
eliminates the requirement that an ‘experienced NP’ obtain a written practice agreement with a physician as a condition of practice;

does not expand the scope of authorized care services nor alter any function an NP may provide.

Other Items and Appropriations – ACCEPTED

- Indigent Care Funding for D&TCs: \$54.4M
- Flat funding (i.e., same as last year) for migrant farm workers, rural health and workforce development
- Out of Network proposal – CHCANYS language changes **included**
- Prenatal Health for Uninsured women pending health insurance enrollment
- Safe Patient Handling

Other Items and Appropriations – REJECTED

- School based health center carve out from managed care (Legislative proposals)
- Adirondack Medical Home extension through 4/1/17
- CHP Rate setting move from DFS to DOH