

New York State 2012-2013 Enacted Budget: Health-Related Highlights

The Legislature passed the \$132.6 billion State Budget on March 30th, two days in advance of the April 1st deadline. The Governor and legislative leaders announced the Budget agreement early last week, and the Budget bills were on the members' desks for the required three days, much to the delight of those promoting transparency. A number of Health initiatives were enacted, which are highlighted below. CHCANYS worked diligently to ensure that Federally Qualified Health Centers were protected in the final decision-making. As you will see from the outcomes, we were largely successful.

2012-2013 Enacted Budget - Health Related Highlights

- The Diagnostic and Treatment Center (DTC) Indigent Care Pool was funded at \$54.4 million, the same funding level as in 2011.
- The Senate FQHC CON proposal, which streamlines the Certificate of Need (CON) process for administrative, limited and full reviews of capital CONs funded with federal 330 dollars, the federal Capital Development-Building Capacity (CD-BC) Grant Program and/or the Immediate Facility Improvements (CD-IFI) Grant Program, was accepted. The streamlining will only impact FQHCs receiving 330 grants. CHCANYS is working with the Department of Health to determine how this language will be implemented and will share more details as they become available.
- Funding for health care services to migrant farm workers was maintained at the existing level of \$430,000.
- Funds for school based health centers were maintained at last year's level.
- The childhood lead poisoning primary prevention program was level funded at \$5.1 million.
- Family planning was fully funded at \$25.1 million, with an additional \$750,000.
- Grants for rural health networks were level funded.
- The Center for Health Workforce Studies was level funded at \$196,000.
- Annual funding of Doctors Across New York State (DANY) was continued at \$1.7 million for loan repayment and \$4.3 million in physician practice support. Additional language was also included to streamline the awards by making it a non-procurement process and establishing a work group to develop longer term fixes to the program.
- The Behavioral Health Services Advisory Council was created. This proposal begins the functional integration of the Office of Mental Health (OMH) and the Office of Alcoholism and Substance Abuse Services (OASAS).
- The final budget included the proposal to authorize OASAS, DOH, OMH and/or Office for People With Developmental Disabilities (OPWDD) to "establish operating, reporting and construction requirements, as well as joint survey requirements and procedures for entities that demonstrate experience in the multiple areas and can integrate, and allow agencies to waive regulatory requirement or deem it is met to avoid duplication and permit efficient and effective integrated delivery."
- The Governor's proposal to provide relief to counties for Medicaid costs was included in the final budget, albeit in a slightly modified version.
- A mechanism for telemedicine credentialing was included. It allows for physician credentialing of remotely accessed clinicians, including those licensed by NYS but at out-of-state hospitals. It also establishes a rural telehealth delivery demonstration study to be conducted by a home health organization and patients w/ specified chronic diseases.

Medicaid Redesign Team

The final budget included several recommendations of the Medicaid Redesign Team, including a number of recommendations made by the Health Disparities and Workforce Committees.

- The Primary Care Service Corps (PCSC) was funded at \$1 million. The PCSC will be a service-obligated scholarship program to increase the supply of midwives, nurse practitioners, physician assistants and others who practice in underserved communities. Eligible clinicians would receive loan repayment funding in return for a commitment to practice in an underserved area. Awards would be the same as those awarded by the National Health Service Corps (NHSC) - based upon the amount of each individual's qualifying educational debt, but not to exceed the maximum amounts.
- Data collection to measure health disparities was funded at \$2 million.
- Contingent on Federal Financial Participation, the following benefits were included but with reduction in spending amounts:
 - Podiatry services for diabetics. Under this proposal, Medicaid will permit adult recipients who have a diagnosis of Diabetes Mellitus to obtain care from a private practicing podiatrist.
 - Medicaid reimbursement for International Board Certified Lactation Consultant (IBCLC) services for eligible pregnant women.
 - Medicaid reimbursement for harm reduction counseling and services at community-based and clinical provider sites to reduce or minimize the adverse health consequences associated with drug use.
 - Hepatitis C wrap services to promote care coordination and integration through the provision of services which may include client outreach, identification and recruitment, hepatitis C education and counseling, coordination of care and adherence to treatment, assistance in obtaining appropriate entitlement services, peer support, and other supportive services as needed and authorized.
- The proposal requiring non-English translation and interpretation of prescriptions at all chain pharmacies, reformatting of medication labels to provide better readability for all patients and the inclusion on a doctor's prescription of a patient's preferred language / ability to speak English was passed.
- The Governor's proposal for the Supportive Housing Fund was backed with \$60M of State funds.
- The new prenatal program service coordination allows DOH to authorize "coordination of service delivery by community-based organizations among health care providers and health plans using health information technology and uniform screening for perinatal risk."
- The global Medicaid spending cap was extended for the upcoming fiscal year.
- The addition of facilitated enrollment for aged, blind and disabled persons also passed.

Areas Not Included in the Final Budget:

- The language from the Executive Budget allowing DOH to distribute funds under HEAL NY to D&TCs without competitive bids to hospitals and nursing homes "for the purpose of facilitating closures, mergers and restructuring of such facilities in order to strengthen and protect continued access to essential health care resources" was not included.
- The Senate did not accept legislative establishment of a Health Benefit Exchange, and the Governor's proposal did not make it into the final budget. The Governor, however, has indicated that he will issue an Executive Order to establish the Exchange, a concept to which the Senate voiced no objection.
- The Senate's proposed legislative language to establish objective standards and rules around compensation for executives of not-for-profits was not accepted by the Assembly or the Executive, and no statutory language was included the final Budget. The Governor's Executive Order, which mirrored his proposed language, still stands. However, we expect the Governor's office to issue proposed regulatory guidelines to executive branch agencies in the coming weeks.
- Linked to the Governor's executive compensation proposal was also a proposal to shift all rate adjustment processes that are not already administrative in nature to an administrative process. There is no such language in the final budget.

- The Legislature was successful in removing language from the budget that would have provided blanket authority to the Administration to shift appropriations among agencies; however, language was included for certain appropriations, including the Medicaid appropriations.
- Neither of the Governor's proposals to allow DOH to remove board members of certain facilities or install temporary operators in certain facilities was included in the final budget.
- The Senate had partial success in restoring cuts to the EPIC program, although not the full restoration it sought. Beginning in January 2013, EPIC beneficiaries will experience relief in co-pay assistance.
- While the Governor proposed major policy changes to the Early Intervention (EI) program that would have incorporated more fully the role of health insurers in the process, concerns by both the health insurance industry and EI advocates resulted in more modest changes to the program.
-

If you have any questions, or would like further details about the final budget, please contact Beverly Grossman at bgrossman@chcanys.org.