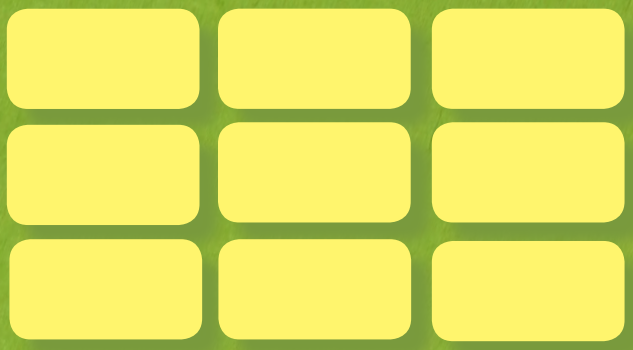


LeadingAge™ New York

2015-16 New York State BUDGET

What it means for you

Overview

Final Budget for State Fiscal Year (SFY) 2015-16

The final budget for SFY 2015-16, which is effective for the period April 1, 2015 through March 31, 2016, was enacted into law on April 1, 2015. The $141.6 billion plan reflects the fifth consecutive year of 2 percent or less growth in overall spending.

LeadingAge New York worked on several issues during the budget and was able to advance key objectives, secure revisions to some budget proposals and successfully oppose other proposals that would have adversely affected members, the people they serve and the services they provide.

The balance of this overview section summarizes areas of the budget that affect multiple long term care, post-acute care and senior service lines.

Medicaid Global Spending

The final budget extends through March 31, 2017 authorization for both the Medicaid global spending cap and the "super-powers" granted to the Commissioner of Health to reduce spending if expenditures exceed projections. The global cap limits growth in Department of Health (DOH) State Funds Medicaid spending to the 10-year rolling average of the medical component of the Consumer Price Index. As a result, the global spending cap is increased from $17.1 billion in SFY 2014-15 to $17.9 billion in SFY 2015-16 and $18.7 billion in SFY 2016-17.

Under the global cap, DOH and the Division of the Budget (DOB) continue to monitor monthly State Medicaid spending. If spending is projected to exceed the global cap, DOH is authorized to take unilateral action to reduce spending to remain within the cap. This authority is now extended through SFY 2016-17.

Under the global cap shared savings program enacted in 2014, DOH and DOB will review Medicaid spending prior to the start of each calendar year to determine whether actual spending is below the global cap projection. If there are savings available for distribution, 50 percent or more is to be distributed proportionally in the first quarter of the calendar year based on the claims and encounters submitted to Medicaid by each provider and plan during the previous three-year period. The remaining savings, up to 50 percent, is to be used to assist financially distressed and critically needed providers as determined by DOH. There were no savings available for distribution during SFY 2014-15.

The global cap projection for SFY 2015-16 reflects the third year of the 3-year phase-out of growth in local share Medicaid expenditures enacted in SFY 2013-14. Annual growth in the local share of Medicaid will be capped at zero percent in SFY 2015-16. The final 2015-16 budget also modifies the calculation of the global cap to account for additional State costs or savings that result from implementation of the Basic Health Plan (see "Basic Health Program" below).

Medicaid Trend Factors

Authorization for previous year's trend (i.e., inflation) factor reductions, specifically reductions and eliminations during 1996-97, was extended for two years through March 31, 2017.

Continuing the pattern of the last several years, trend factor adjustments to Medicaid reimbursements for 2015-17 have been eliminated through March 31, 2017. This trend factor freeze affects hospitals, nursing homes (except for pediatric facilities), Adult Day Health Care (ADHC) programs, Certified Home Health Agencies (CHHAs), Long Term Home Health Care Programs (LTHHCPs), personal care providers, Assisted Living Programs (ALPs), hospices and clinics.

Two Percent Across-the-Board Cut

Last year's enacted budget eliminated, effective April 1, 2014, the 2 percent across-the-board cut to all Medicaid service sectors that was in effect since April 1, 2011. However, various provider sectors including nursing homes, ADHC programs, LTHHCPs and ALPs agreed in prior years to alternative savings mechanisms (i.e., increased provider taxes for nursing homes/ADHC/LTHHCPs and reductions in State-only quality funding for ALPs) to the 2 percent Medicaid cut. Existing statute authorizes these alternative mechanisms to be continued on or after April 1, 2014. In the case of nursing home services, collections from the resulting 0.8 percent cash receipts assessment are slated to partially fund the Universal Settlement of Nursing Home Rate Appeals and Litigation. More information is expected in the near future.

Medicare-Medicaid "Crossover" Payments

The final budget, accepts in part, the Executive's proposal to limit Medicaid payments for dual eligibles' Medicare Part B coinsurance amounts so that the total Medicare/Medicaid payment to the provider does not exceed the amount that the provider would have received for a Medicaid-only patient. The final budget accepts this cut with respect to dual eligibles in fee-for-service Medicare, but rejects it for dual eligible beneficiaries who are enrolled in Medicare Advantage plans. This cut will take effect on July 15, 2015.

Vital Access Provider (VAP) Program

The final budget includes an appropriation totaling $567 million (inclusive of federal funds) for the VAP program. Within the amount appropriated, $245 million is allocated for financially distressed safety net hospitals; the VAP funding set-aside for Critical Access Hospitals is increased from $5 million to $7.5 million; and $10 million is set aside for providers serving rural areas and isolated geographic regions. For this purpose, "rural" is defined as a county with fewer than 200,000 people or a town with fewer than 200 people per square mile. Providers eligible for the rural enhanced payment include hospitals, nursing homes, diagnostic and treatment centers, ambulatory surgery centers and clinics. These payments could take the form of temporary rate adjustments, lump sum payments or supplemental rate methodologies.

The final budget adds the following eligibility criteria for applicants for the VAP program: (1) financial condition as evidenced by operating margins, negative fund balance or negative equity position; (2) meeting or planning to meet an unmet health care need for acute inpatient, outpatient or primary or residential health care services in a community; (3) producing savings to the Medicaid program; (4) the quality of the application, as evidenced by long term solutions to achieve sustainable health care services; (5) geographic isolation in relation to other providers; and (6) providing services to an underserved area in relation to other providers.

The budget language also requires DOH to provide detailed prior notice and ongoing reporting on all VAP awards to the Legislature, including information on previously made VAP awards.

Value-Based Payment (VBP) Arrangements

The final budget legislation ***rejects*** the proposed new authority for the Commissioner of Health to authorize VBP arrangements. Under the State's Delivery System Reform Incentive Payment (DSRIP) program, by the end of year five, 80-90 percent of payments to providers by Medicaid managed care plans must be made through a value-based methodology other than fee-for-service. Similarly, the State's Fully-Integrated Duals Advantage (FIDA) Program requires the implementation of non-fee-for-service provider reimbursement methodologies. DOH intends to submit its VBP "Roadmap" for approval to the Centers for Medicare and Medicaid Services (CMS) by April 15, 2015.

Although the Executive Budget language was not enacted, existing statutory and regulatory provisions appear to allow DOH and the Department of Financial Services to proceed with most elements of the VBP Roadmap.

Capital Funding

The final budget creates a "dedicated infrastructure investment fund" using the proceeds of settlements of various lawsuits against banks. Up to $850 million of these funds is slated for a repayment to the federal government of Medicaid disallowances and overpayments made in connection with developmental disability services provided in State-run facilities. The fund also supports an appropriation of $1.5 billion for Upstate Revitalization initiatives and an appropriation of $3.05 billion to support "special infrastructure projects," including $500 million for the New NY Broadband Initiative and additional capital for health care infrastructure.

A total of $1.4 billion in new capital investments will be made available for infrastructure improvements and additional tools to stabilize health care providers to advance health care transformation goals. The budget also re-appropriates the $1.2 billion in Capital Restructuring Financing Program (CRFP) funding that was authorized in last year's budget.

The additional $1.4 billion is to be allocated as follows:

- **Kings County Health Care Transformation:** $700 million in capital funding is included to stabilize the health care delivery system in central and east Brooklyn. Providers eligible for funding for capital projects include hospitals, nursing homes, clinics, primary care and home care providers. Eligible applicants must serve communities where residents are experiencing significant health care disparities; have lost money from operations in the three preceding years; and must align the projects with DSRIP goals and objectives.
- **Oneida County Health Care Transformation:** $300 million is provided to hospitals to consolidate multiple licensed health care facilities into an integrated health care delivery system in Oneida County.
- **Essential Health Care Provider Support Program:** $355 million is provided for debt retirement, capital and non-capital projects that facilitate health care transformation (mergers, consolidation and restructuring) for essential health care providers located in rural geographic regions. An eligible provider is, "…a hospital or hospital system that offers health care services within a defined geographic region where such services would otherwise be unavailable." The Public Health Law definition of a "hospital" also includes nursing homes. Eligible applicants must either "…fulfill an unmet health care need for acute inpatient, outpatient, or primary or residential health care services" in a community or have experienced an operating loss in the three preceding years.
- **Remaining Allocations:** The remainder of the funding was allocated as follows: (1) $19.5 million to the Community Health Care Revolving Capital Fund to expand primary care, mental health and alcohol and substance abuse treatment clinics; (2) $10 million for behavioral health infrastructure needs (see "Health Information Technology Infrastructure" section below); and (3) $15.5 million for Roswell Park Cancer Institute.

LeadingAge NY and other groups advocated for the legislation to specifically identify long term and post-acute care providers as eligible entities for these funds. We will continue to advocate for capital funds for these providers for needed health information technology, building projects and other strategic investments.

The statutory language governing the Capital Restructuring Financing Program was amended in the final budget to require that CRFP funds, to the extent practicable, be awarded regionally in proportion to the applications received from the Request for Applications (RFA). In addition, the amendments exclude projects receiving funding under the Kings and Oneida County transformation programs from receiving funds under the CRFP. This statutory change could result in the CRFP RFA being re-opened. CRFP-eligible providers include hospitals, nursing homes, clinics, assisted living programs, primary care providers and home care agencies.

The New NY Broadband Initiative is intended to support the development of infrastructure to bring high-speed Internet access to unserved and underserved regions throughout the State and to support the development of other telecommunications infrastructure. The State is hoping to attract private financing in addition to the $500 million allocated for this initiative.

Other Capital Programs

Other capital programs of possible interest to members include the following:

- **Non-Profit Infrastructure Capital Investment Program:** Under this program, up to $50 million in grants will be provided to eligible non-profit human services organizations for capital projects that will improve service quality, efficiency and accessibility. Eligible projects include renovations or expansions of space used for services; technology to support electronic records, data analysis and/or confidentiality; modifications to provide for sustainable, energy-efficient spaces; and renovations to promote accessibility. The program is to be funded through DASNY and Urban Development Corporation bond issuances. Grants will be awarded through a competitive process to eligible non-profits that provide direct services to New Yorkers through State contracts, State authorized payments and/or State payment rates.
- **NYS Medical Care Facilities Financing Act:** The final budget extends the authority through 2019 for the NYS Medical Care Facilities Finance Agency (MCFFA). Now operated by the Dormitory Authority, the MCFFA program provided bond financing for health care capital improvement projects. Absent the extension, certain elements of MCFFA's authority would have expired June 30, 2015, though this would have had no impact on any existing bond obligations issued prior to its repeal.

Health Information Technology Infrastructure

The final budget accepts and modifies the Executive Budget's health Information Technology (IT) proposals, appropriating a total of $65 million in capital funding as follows:

- **State Health Information Network of New York (SHIN-NY):** $45 million to support the SHIN-NY – an electronic health information super-highway to permit the sharing of health information among health care providers across the State;
- **Claims Database:** $10 million for the All Payer Claims Database (APD), which will serve as a repository for health care utilization and spending data that can be used to evaluate the performance of the health care delivery system;
- **State IT:** $10 million for DOH IT needs; and
- **Behavioral Health:** $10 million for IT and technical assistance for behavioral health providers in relation to the transition of behavioral health services to Medicaid managed care.

In addition, the final budget includes new language to promote the transparency and accountability of investments in the SHIN-NY. It requires DOH to post on its website information on the uses of funds to support the SHIN-NY and how those investments support DSRIP projects, compliance with federal meaningful use requirements and increase participation in regional health information organizations.

Private Equity Demonstration

The final budget ***rejects*** the Executive Budget proposal to authorize a "pilot program" under which up to five business corporations with private equity ownership would be established as health care facility operators. The corporations' powers could have included the operation of a hospital (defined as a general hospital, nursing home or clinic), as well as a home care agency or hospice. LeadingAge NY opposed this proposal.

Certificate of Need (CON) and Character and Competence Review Streamlining

The budget agreement ***rejects*** the Executive's proposed changes to CON requirements. Specifically, the final budget does not include the elimination of public need review for certain hospital and primary care construction projects, the reduction of the character and competence look-back period or broader discretion for the Public Health and Health Planning Council to approve proposed health care facility operators that have experienced repeated deficiencies. In addition, the budget excludes the proposal to align the transfer of ownership processes for limited liability companies and business corporations under Article 28 and a technical clarification of the home care transfer of ownership requirements.

State Health Innovation Plan (SHIP)

The final budget includes a provision to promote transparency in the implementation of the State Health Innovation Plan – a project funded under a $100 million federal grant. The SHIP provides for primary care practice transformation, primary care workforce expansions and value-based insurance design. Under the final budget, the Commissioner of Health is required to submit a report to the legislative leaders, by Jan. 1, 2016, on SHIP implementation, the recommendations of the SHIP work groups and the spending of the federal grant.

Medicaid Eligibility

The final budget addresses provisions related to Medicaid eligibility and coverage:

- **Spousal Refusal:** The Governor's proposal to eliminate "spousal refusal" was rejected. Spousal refusal refers to the ability to qualify for Medicaid based on the refusal of a spouse to support the applicant for Medicaid.
- **Expedited Coverage of Personal Care:** The final budget ***accepts*** the Executive's proposal to clarify that local social services districts are not required to provide Medicaid coverage as emergency assistance except via presumptive or retroactive eligibility determinations. However, the final budget also requires:
  - Medicaid managed care plans and Managed Long Term Care (MLTC) plans to adopt expedited procedures for approving personal care services and Consumer-Directed Personal Assistance Program (CDPAP) services; and
  - The Commissioner of Health to implement procedures that require a determination of Medicaid eligibility within seven days for any applicant with an immediate need for personal care or CDPAP.

Basic Health Program (BHP)

The Basic Health Program makes available more affordable health coverage to certain low-income adults, while enabling the State to draw down additional federal funds. Lawfully-present immigrants who are not qualified for federally-funded Medicaid due to their immigration status and/or period of residency in the United States are now covered through the BHP, instead of Medicaid. The final budget ***accepts and modifies*** the Executive's proposals regarding the BHP as follows:

- Requires the Commissioner of Health to determine BHP rates in consultation with an independent actuary retained by the Department;
- Requires the Commissioner to submit a contingency plan to the legislative leaders in the event that federal eligibility rules are changed or federal financial participation in the cost of the BHP is reduced;
- Requires the Commissioner to submit a report on the impact of the BHP to the legislative leaders; and
- Expands eligibility for the BHP to include non-citizens in a valid nonimmigrant status.

Pharmacy

The Executive Budget pharmacy initiatives most relevant to LeadingAge NY members were largely rejected or circumscribed in the final budget:

- **Prior Authorization and Prescriber Prevails:** The final budget ***rejects*** Executive Budget proposals to: (1) eliminate prescribing professionals' ability to override the preferred drug program and obtain Medicaid coverage of a prescription drug not on the preferred drug list; or (2) expand prior authorization under the Clinical Drug Review Program by allowing DOH to require prior authorization of any drug prior to receiving a recommendation by the Drug Utilization Review Board.
- **Brand Name Ingredient Cost/Dispensing Fees:** The final budget ***rejects*** the Executive Budget proposal to reduce reimbursement of the ingredient cost of multiple source and brand name prescription drugs, while

increasing the dispensing fees paid to pharmacies.

- **Pharmacy – Supplemental Rebates:** The final budget ***modifies*** the Executive Budget proposal that would have allowed DOH to negotiate directly with pharmaceutical manufacturers for the provision of supplemental rebates for outpatient drugs, including utilization-based rebates for managed care enrollees. The budget provision is limited to HIV anti-retroviral and Hepatitis C drugs and mandates that DOH develop clinical criteria for the administration of these drugs.
- **Pharmacy – 340B Drug Pricing:** The final budget ***rejects*** the Executive Budget proposal limiting payment for drug claims submitted to a managed care organization by a provider covered under the federal 340B Drug Discount Program.

Transportation

- **State Transportation Management Contract:** The final budget extends for two years DOH's authority to contract with vendors to manage Medicaid transportation services. The Executive Budget had sought to make this authority permanent.
- **MLTC Transportation Carve-Out:** See the "Managed Long Term Care/Managed Care" section of this report for further information.
- **Assessment of Mobility and Transportation Needs:** See the "Home Care" section of this report for further information.

Workforce

The final budget does not include Executive Budget proposals that would have affected employee compensation and insurance costs:

- **Minimum Wage:** The final budget ***rejects*** the Executive's proposal to raise the minimum wage to $11.50 per hour in New York City and to $10.50 per hour in the remainder of the State. As of Dec. 31, 2014, the minimum wage rose to $8.75 per hour and, under existing law, will increase to $9.00 on Dec. 31, 2015.
- **Insurance Surcharge:** The final budget ***rejects*** the Executive's proposal to levy a surcharge on all fully insured health insurance policies to expand funding for the State's health exchange, New York State of Health.
- **Ebola Health Care Professional Rights:** The final budget includes the Executive's proposal to grant health care professionals the right to seek an unpaid leave of absence to fight Ebola overseas without adverse employment consequences. The request must be made at least 21 days prior to the start of the requested leave. The employer must grant this request, unless the leave of absence would pose an undue hardship on the employer. Upon the professional's return, he or she must be restored to the same or a comparable position, and would be protected from retaliation and discrimination on the basis of disability. The leave of absence would include travel time, a period of service volunteering to fight Ebola, a reasonable period of rest and recovery, and additional time for any quarantine. An employee may petition DOH for a review of the denial of a leave request. The provisions on employees' right to request unpaid leaves expire on Dec. 1, 2016, and the remaining provisions expire Dec. 1, 2018.

Organization of this Report

The remainder of this LeadingAge NY report on the final SFY 2015-16 State budget includes an analysis of the budget outcomes for each major service line, followed by a summary table comparing the Executive Budget to the final budget by major functional area.

Provider-Specific Summaries of Budget Provisions

Click on the links below for a complete analysis of these areas of the budget.

ACF/AL | Adult Day Health Care | Community-Based Services

Home Care | Managed Long Term Care/ Managed Care | Nursing Homes

Senior Housing | Summary | Contact LeadingAge New York

ACF/AL

SFY 2015-16 Final State Budget

Adult Care Facilities (ACF) and Assisted Living

LeadingAge NY ACF and assisted living members fared relatively well in the final budget; we were successful in fighting off cuts in the Executive Budget proposal. However, for Assisted Living Program (ALP) providers, the budget continues the Medicaid trend factor freeze through March 31, 2017.

ACF Quality Funding

The Executive Budget proposed to eliminate the Enhancing the Quality of Adult Living (EQUAL) quality program, however LeadingAge NY was successful in getting it restored to last year's funding level of $6.5 million. EQUAL funding is available to adult homes and enriched housing programs that serve recipients of Supplemental Security Income (SSI) or Safety Net Assistance benefits, including ALPs and Assisted Living Residences (ALRs). It has been distributed based on a formula developed by DOH, based on the number of people in receipt of the aforementioned benefits, as well as the size of the facility.

Importantly, the final budget puts some parameters around how the funding plan is developed, and what the funds can be used for. This language is fairly consistent with parameters DOH has put into the EQUAL application process. Specifically, the facility's resident council will identify priorities for the funding, and the applicant must provide an attestation that the spending plan is reflective of those priorities. DOH will investigate reports of abuse and retaliation related to program application and expenditures. Funds cannot be used for a facility's daily operating expenses, including salaries or benefits, or for expenses incurred retrospectively. Lastly, funds can only be used for a corrective action if the plan is consistent with the priorities identified by the residents.

Prior Period ACF Quality Funds

LeadingAge NY has been working over the past few years to ensure that past year's funding owed to ACFs is distributed. While we have had success, there remain some pockets of funding yet to be distributed. Unfortunately, only a portion of the owed money was re-appropriated:

- EQUAL funding from past years was re-appropriated at $986,000 and $864,000.
- Enhancing Abilities and Life Experience Program (EnAbLE) funding was re-appropriated at $1.7 million from 2009 and $2.4 million from 2008; some of which could be used to purchase generators. This does not include all of the past EnAbLE re-appropriations that were owed.
- The final budget does not include any of the past Quality Incentive Payment program funding or enriched housing subsidy funding from years past; however it was unclear if there were any remaining funds in these programs.

SSI Enriched Housing Subsidy

The Executive Budget included the enriched housing subsidy in an aggregate budget of many programs, which was slated for significant cuts. However, LeadingAge NY was successful in having the program reinstituted with its own budget line item at last year's level of $475,000. The program pays $115 per month per SSI recipient to certified operators of not-for-profit certified enriched housing programs.

SSI Increases

Despite our significant advocacy efforts to obtain an increase in the State portion of the SSI Congregate Care Level 3 rate, this provision was ***not included*** in the final budget. The Senate included language in their budget bill to provide a five dollar per day increase in the rate; however this language did not survive the negotiation process.

However, the final budget includes provisions that increase the monthly Personal Needs Allowance (PNA) and the SSI rate to reflect a pass-through of the federal Cost of Living Adjustment (COLA). The PNA increases to $193 and the monthly rate to $1,421 in 2015 for SSI recipients receiving enhanced residential care. Beginning in 2016, the monthly rate will automatically increase by any additional federal COLA adjustment made in the first half of 2016.

Criminal History Record Checks (CHRC)

The budget language re-appropriates $1.3 million for expenses related to the CHRC program for ACFs, which became effective on Jan. 1, 2015. When the funding was appropriated last year, it was expected that the requirement would be implemented on April 1, 2014; however we were successful in getting it delayed to Jan. 1, 2015. Thus, it appears that the funds were not spent, and the re-appropriation simply continues to make that funding available. This is important as providers are reimbursed for conducting CHRCs, subject to the availability of funds.

Limited Licensed Home Care Services Agency (LHCSA) Program

The final budget accepts the Executive's proposal to extend the statutory authorization of the limited LHCSA program in adult homes and enriched housing programs for another two years. The authorization will expire in March 2017.

Advanced Home Health Aide (AHHA)

LeadingAge NY supported this Executive Budget proposal, and also advocated authorizing AHHAs to work in Enhanced ALRs. Unfortunately, the AHHA proposal was ***rejected*** in the final budget. See "Home Care" section of this report for further information.

Transitional Adult Homes and Related Issues

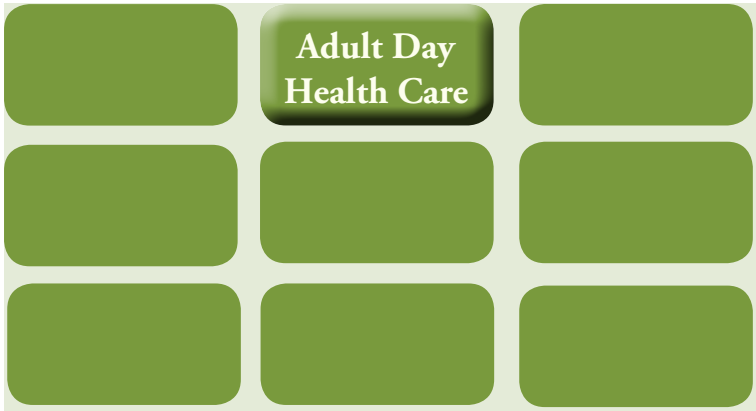
The final budget continues to invest in supported housing to facilitate transitioning people with serious mental illness out of ACFs and nursing homes. The specific appropriations are too numerous to list, but provide indication of the direction the State is moving in, relating to a settlement that New York State reached with the federal government.

- **Transitional Adult Homes:** The final budget includes $38 million to support the transition of people with serious mental illness out of adult homes and into the community. The funds will be used for activities such as education, assessments, training, in-reach, care coordination and supported housing. This is an increase of $8 million from last year.
- **Mental Health Transitions:** The final budget includes the Executive proposal to provide up to $7 million to the Research Foundation for Mental Hygiene, in contract with the Office of Mental Health, for two demonstration programs: (1) a behavioral health care management program for people with serious mental illness; and (2) a mental health and health care coordination demonstration program for persons with mental illness who are discharged from impacted (transitional) adult homes in NYC. In addition, up to $15 million will be made available for grants to counties and NYC to provide medication and other services necessary to prescribe and administer medication. These funding levels are the same as last year.

Other ACF Programs

- **Adult Home Advocacy Program:** This funding is allocated to the Justice Center at $170,000, as it has historically been funded. Through contracted agencies, the program provides legal and non-legal advocacy services and training in residents' rights and self-advocacy to mentally disabled individuals residing in adult homes in NYC and Long Island.
- **Adult Home Resident Council Support:** The adult home resident council support project, historically funded at $60,000, receives several re-appropriations but does not appear to have a new appropriation this budget year. The program has been operated by the Family Services League on Long Island.

For more information, contact Diane Darbyshire at ddarbyshire@leadingageny.org or 518-867-8828.



Adult Day Health Care

SFY 2015-16 Final State Budget

Adult Day Health Care

The final budget includes various provisions of interest to Adult Day Health Care (ADHC) providers. With the exception of continuing the Medicaid trend factor freeze through March 31, 2017, there are no additional cuts to ADHC payments.

Cash Receipts Assessments

The final budget rejects the Executive's proposal to make permanent the reimbursable 6 percent cash receipts assessment on nursing home and ADHC revenues, but extends the authority for two years through March 31, 2017.

The additional non-reimbursable 0.8 percent assessment also remains in effect, pending final DOH determination on its continuation. Although the Senate budget bill included LeadingAge NY language that would have reinvested the proceeds of the 0.8 percent assessment in nursing home and ADHC services, it was not included in the final budget.

Social Adult Day Care (SADC)

SADC services were provided funding in the final budget in the following areas:

- **State Grants:** Level-funding of $1,072,000 is allocated to provide grants to support these programs through the New York State Office for the Aging (NYSOFA).
- **Technical/Training Assistance:** A grant of $122,500 is provided to the New York State Adult Day Services Association, Inc. to provide training and technical assistance to social adult day services programs in New York State.

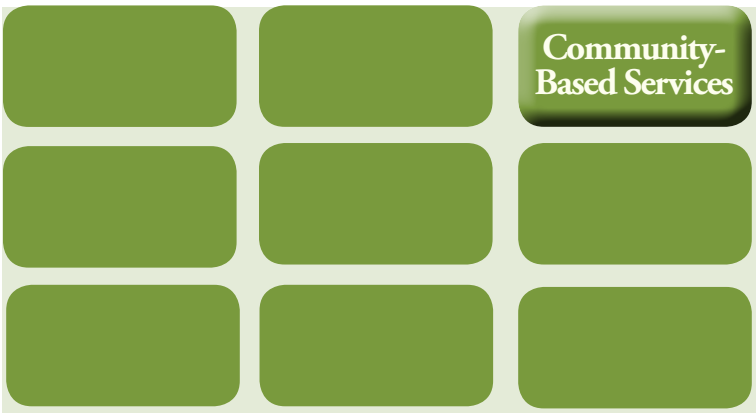
Enriched *Social Adult Day Demonstration*

The Assembly proposed language to expand the enriched social adult day care demonstration and make it a permanent program in its one-house budget bill in March. This proposal did NOT make it into the final enacted SFY 2015-16 budget, however, the demonstration was extended for another two years.

Unbundled *Services/Payment Option (USPO)*

Amendments to regulations at Title 10 NYCRR Part 425 were approved by the Public Health and Health Planning Council and published as a final rule in the State Register in Sept. 2014. The final step in implementing the USPO is dependent upon DOH establishing new MLTC rate codes. Implementation of the USPO remains a top priority for the Adult Day Health Care Council.

For more information, contact Anne Hill at ahill@leadingageny.org or 518-867-8836.



Community-Based Services

SFY 2015-16 Final State Budget

Community-based Services

LeadingAge NY is pleased to report that the final budget maintains most of the community-based services funding at the same level or a slight increase from last year. Notably, our advocacy for additional funds and flexibility for the Community Services for the Elderly (CSE) program succeeded in achieving a $2.5 million funding increase, as well as language in the final budget exempting the new CSE funding from State aid limit and county matching requirements.

Office of Community Living

The final budget includes language to seek public input on whether to create an Office of Community Living, aimed at improving service delivery and program outcomes for older adults and disabled individuals of all ages by expanding community living integration services. The NYS Office for the Aging (NYSOFA), in collaboration with other State agencies, will be consulting with stakeholders to gather information through a series of public meetings held across the State. NYSOFA is required to submit a report and recommendations to the Legislature and Governor by Dec. 15, 2015. The report will include the results and findings from the public forums to determine whether establishing the office would be beneficial to the populations served and the State as a whole, identify alternatives to consider, determine the impact on existing programs and services and assess related fiscal impacts on localities, the State and non-governmental entities serving these populations.

EPIC Program

The final budget funds EPIC at the same amount as last year, $126.4 million. This funding will allow for a continuation of EPIC coverage for co-payments on drugs on a participant's Part D formulary during the initial coverage and catastrophic phases of Medicare Part D.

NORCS and Neighborhood NORCs

The final budget level funds the Naturally Occurring Retirement Community (NORC) and Neighborhood NORC programs at $2,027,500 each.

Cost of Living Adjustment (COLA) for Human Services

The final budget deferred COLAs for health and human services providers, and they will not be included in establishing rates of payments, contracts or any other form of reimbursement for health and aging human service providers through March 31, 2016.

Other Aging Services Programs

- **Community Services for the Elderly:** The budget increases funding for this program by $2.5 million, for a total of $27.7 million. Statutory State aid limits and county share requirements under NYS Elder Law, section 214(4)(b)(1) do not apply to the new $2.5 million appropriation.
- **Wellness in Nutrition (WIN):** Formerly known as Supplemental Nutrition Assistance Program, the final budget allocates the same amount as last year, $27.3 million to the program. Up to $200,000 of this appropriation may be made available to the Council of Senior Centers & Services of NYC, Inc. to provide outreach within the older adult WIN initiative. WIN funding is used to provide home-delivered meals, some congregate meal funding and other nutrition-related services to eligible frail elderly, including residents of senior housing facilities.
- **Expanded In-home Services for the Elderly Program (EISEP):** EISEP is a community-based long term care program that provides case management, non-medical in-home, non-institutional respite and ancillary services needed by New Yorkers aged 60 and over. Last year's final budget funded EISEP program services at $50 million; this year's final budget allocated the same amount.
- **Social Day Programs:** Social day programs are level-funded at $1,072,000 through NYSOFA, with preference given to existing contracts.
- **Congregate Services Initiative:** The final budget level-funds the program at $403,000. This program provides information and assistance, referral, transportation, nutrition, socialization, education, counseling and caregiver support to persons in senior centers and other congregate settings.
- **Livable NY Initiative:** With the same level of funding as last year at $122,500, this program is aimed at creating neighborhoods that consider the evolving needs and preferences of all their residents.
- **Technical Assistance/Training for Area Agencies on Aging:** The final budget includes $250,000 for the Association on Aging in New York State to provide training, education and technical assistance to area agencies on aging and aging network contractors to help them adapt to changes in the health and long term care policy environment.
- **Investment in Caregiver Support:** The final budget allocates $50 million for caregiver respite services for persons with Alzheimer's and other related dementias, including additional respite and expansion of the DOH caregiver support services programs. We understand that this is a two-year appropriation, $25 million in each of SFY 2015-16 and SFY 2016-17.

For more information, contact Cheryl Udell at cudell@leadingageny.org or 518-867-8871.

Home Care

SFY 2015-16 Final State Budget

Home Care

The final budget reflects continuation of the implementation of Medicaid Redesign Team (MRT) recommendations begun in SFY 2011-12. These reforms, most notably MRT #90, which mandates MLTC enrollment of dually eligible Medicaid recipients who need more that 120 days of community-based long term care services, continue to change how home care is provided and reimbursed in the State.

Long Term Home Health Care Programs (LTHHCPs), Certified Home Health Agencies (CHHAs), Licensed Home Care Services Agencies (LHCSAs) and hospices continue to experience the impact of the MRT recommendations, most notably the transition to managed care.

LeadingAge NY members will see several new policies and programs in the final budget that could provide more flexibility and improve cash flow issues.

Trend Factors and Two Percent Across-the-Board Cut

See "Overview" section of this report for further information.

CHHA Episodic Payments

The final budget extends the authority for CHHA episodic rates of payment for sixty-day episodes of care, except for services provided to children under eighteen years of age and other discrete groups until March 31, 2019. The budget also reflects the Executive Budget administrative reduction of $30 million from rebasing the rates.

CHHA and LTHHCP Administrative and General (A&G) Caps

The final budget extends the limitation on reimbursable base year A&G costs of CHHAs and LTHHCPs to not exceed the statewide average of total reimbursable base year A&G costs for two years, to March 31, 2017. The Executive Budget proposed a permanent extension.

CHHA Bad Debt and Charity Care

The final budget extends authorizations for bad debt and charity care allowances for CHHAs until June 30, 2017.

VAP for Rural Home Care Providers

Although LeadingAge NY advocated for specific inclusion of home care agencies and hospice programs as eligible providers under the rural and essential providers Vital Access Provider (VAP) program, the final budget did not include our proposal. Further information on VAP is included in the "Overview" section of this report.

Personal Care Worker Recruitment and Retention (R&R)

The final budget includes level-funding at $272 million for New York City and $22.4 million for other areas of the State for Medicaid adjustments supporting R&R of workers with direct patient care responsibility.

Health Care Worker Recruitment, Training and Retention (RTR)

The final budget includes $100 million to support Medicaid rate increases for CHHAs, LTHHCPs, AIDS home care programs, hospice programs and MLTC plans for RTR of health care workers. An Executive Budget proposal to eliminate the discrete RTR payments made to MLTC plans and instead include them in plan base rates was ***rejected***.

Waiver Program Funding

The final budget continues baseline funding for the Nursing Home Transition and Diversion (NHTD) and Traumatic Brain Injury (TBI) waiver programs:

- **NHTD Housing Subsidy:** Level-funding of $2.3 million is provided for housing subsidies for certain participants in the NHTD waiver program.
- **TBI Program:** Services and expenses related to TBI are level-funded at $12.4 million.
- **Rate Increases for TBI and NHTD Waiver Services:** Despite advocacy from LeadingAge NY and other groups, the final budget does not include the rate increases proposed in the Executive Budget for these programs.

Criminal History Record Checks

The final budget includes $3 million for criminal background checks for non-licensed long term care employees of CHHAs, LTHHCP, LHCSAs, AIDS home care providers and nursing homes.

Capital Funding

See "Overview" section of this report for further information.

Advanced Home Health Aide (AHHA)

For the second consecutive year, the final budget ***rejects*** an Executive Budget proposal to provide an exemption from the Nurse Practice Act to permit the certification of advanced home health aides. Under the proposal, AHHAs would be able to perform certain nursing tasks with appropriate training and supervision. LeadingAge NY participated extensively in a work group to develop parameters for the proposal, including permitted tasks, training components and nurse supervision requirements.

Universal Standards for Managed Care Billing and Electronic Payment

The final budget requires the use of standard billing codes for claims submitted to Medicaid managed care plans and MLTC plans for home and community-based long term care services, fiscal intermediaries under the Consumer-directed Personal Assistance Program (CDPAP) and nursing homes. The billing codes will be approved by DOH or a nationally accredited organization as approved by DOH, and must be consistent with any codes developed for the UAS-NY. In addition, the budget includes a requirement that payments for these services be made by electronic funds transfer. These provisions were recommended by the DOH Home and Community-Based Care work group, which included several LeadingAge NY members.

Presumptive Eligibility and Emergency Assistance for Personal Care

The final budget ***accepts*** the Executive's proposal to clarify that local social services districts are not required to provide Medicaid coverage as emergency assistance except via presumptive or retroactive eligibility determinations. However, the budget also requires: (1) Medicaid managed care plans and MLTC plans to adopt expedited procedures for approving personal care services and CDPAP services; and (2) DOH to ensure a Medicaid eligibility determination within 7 days for any applicant with an immediate need for personal care or CDPAP services.

Spousal Refusal

See "Overview" section of this report for further information.

Hospital/Home Care/Physician Collaborations

The final budget includes a program to facilitate innovation in hospital, home care agency and physician collaborations in meeting the community's health care needs. DOH is authorized to provide financing and to seek waivers of regulations under Title 10 NYCRR to support this voluntary program. For this purpose, "home care agencies" are defined as CHHAs, LTHHCPs and LHCSAs. Initiatives under this program could include:

- Transitions in care to transition patients to post-acute care at home, coordinate follow-up care, and avoid readmissions;
- Clinical pathways for specific conditions;
- Application of telehealth/telemedicine for monitoring and managing patient conditions;
- Facilitating physician house calls;
- Health home development;
- Development and demonstration of new models of integrated or collaborative care;
- Bundled payments demonstrations for hospital to post-acute care for specific conditions or categories of conditions; and
- Recruitment, training and retention of hospital/home care direct care staff.

Home and Community-Based Care Work Group

LeadingAge NY had advocated for the continuation of the 11-member work group through SFY 2015-16. However, there was no provision to continue the group in the budget language.

Community First Choice

The final budget accepts the Executive Budget proposal to invest additional funds secured through the federal Community First Choice Medicaid State Plan option in implementing the State's Olmstead plan for serving individuals with disabilities in the most integrated setting.

Assessment of Mobility and Transportation Needs

The final budget modifies the Executive Budget proposal to contract with one or more entities to assess the mobility and transportation needs of persons with disabilities and other special populations. The budget provides that the Office for People With Developmental Disabilities, rather than DOH, will lead this process. The assessment will include identifying local transportation providers and systems to participate in a possible pilot program; the availability of public transportation; public safety concerns; duplication of services; reporting requirements; recommendations for shared software to track services and manage costs and routes; recommendations for rate adjustments; and identification of any legal, statutory, regulatory, or funding barriers to a possible demonstration program. The contractor is also directed to develop recommendations regarding the demonstration program that would coordinate medical and non-medical transportation services, maximize funding sources, enhance community integration and any other related tasks.

For more information, contact Cheryl Udell at cudell@leadingageny.org or 518-867-8871.

Managed Long Term Care/ Managed Care

SFY 2015-16 Final State Budget

Managed Long Term Care (MLTC)/Managed Care

The "mainstream" Medicaid Managed Care (MMC) and MLTC budget initiatives continue to build on last year's budget with a focus on supporting the expansion of mandatory managed care to vulnerable populations and specialized services, including behavioral health and children in foster care.

LeadingAge NY's advocacy was successful in eliminating the Executive's proposal to carve transportation out of the MLTC benefit package and preserving the MLTC plans' ability to ensure seamless coverage and coordination of transportation to services and medical appointments. In addition, the final budget includes provisions to increase transparency in the rate setting process, as a result of advocacy by LeadingAge NY and other associations.

Several of the budget provisions relevant to managed care plans were discussed in detail in previous sections of this report including the Medicaid global spending cap; value-based payments; minimum wage; Medicaid eligibility and spousal refusal; the advanced home health aide; Community First Choice; and expedited eligibility for personal care services.

Managed Care Authorizations

The final budget extends the current authorizations for the MMC and MLTC programs for four years through 2019.

MLTC Transportation Carve-Out

The final budget incorporates language developed by LeadingAge NY that prohibits carving MLTC transportation out of the MLTC benefit package. Specifically, the language authorizing the centralized transportation services for MMC plans is amended to include the following language: "…other than transportation services provided or arranged for enrollees of managed long term care plans issued certificates of authority under section forty-four hundred three-f of the public health law."

LeadingAge NY advanced this legislation in response to plan member concerns that the centralized transportation system now in place for MMC enrollees is not suitable for a generally more frail and vulnerable MLTC population. The authorization for DOH to continue to manage the transportation services for mainstream clients was extended for two years.

Cost Sharing for Medicaid Managed Care Enrollees

The final budget eliminates the exemption from co-payments for Medicaid managed care and MLTC enrollees. However, it authorizes DOH to seek a waiver of the federal requirement that co-payments be imposed on enrollees and included in the development of managed care plan rates. Co-payments for enrollees would take effect only if the State is unable to obtain a waiver and would apply only to enrollees with income in excess of the federal poverty level. Other exemptions would also apply. If a waiver is not obtained, the cost sharing requirement would become effective Oct. 1, 2015.

Medicare-Medicaid Crossover Payments

See "Overview" section of this report for further information. Notably, this provision will not apply to enrollees in Medicare Advantage plans.

Managed Care Rate Adequacy and Transparency

As noted above, lawmakers have been responsive to concerns raised by associations and plans over the current managed care rate setting process regarding both the adequacy of managed care plan rates and the process for developing those rates. To that end, the final budget includes specific language mandating that the rate setting process consider the actual costs borne by the plans "to ensure actuarially sound and adequate rates to ensure quality of care."

Similarly, the budget requires DOH's managed care rate setting actuary to provide an actuarial memorandum that spells out all assumptions, data, materials and methodologies used in developing rates to managed care plans 30 days prior to submission of the rates to CMS. The goal is to increase transparency in the rate setting process and ensure that plans and associations have an opportunity to raise concerns about rate adjustments before they become final. The budget language also requires DOH to submit all managed care plan operating reports to the Legislature on an annual basis.

Universal Coding Standards

The final budget requires the implementation of uniform coding standards for home and community-based services and nursing home claims submitted under managed care. The billing codes will be approved by either DOH or a nationally-accredited organization. Also included in this provision is a requirement for payment via electronic funds transfer of claims submitted by these providers. These requirements become effective as of Jan. 1, 2016, in order to allow time for plans and providers to implement any necessary systems changes.

Expedited Personal Care Services

See "Overview" section of this report for further information.

Mainstream Managed Care Profit Cap

The final budget includes the Executive Budget proposal to impose a 5 percent cap on the profits of certain mainstream MMC plans. Apparently, this would impact only a limited number of plans and does not require legislative language. The projected $90 million in savings generated would be re-invested in quality initiatives through the MMC Quality Incentive Pool.

Pharmacy: Supplemental Rebates and Payment Adjustments

DOH is granted limited authority to negotiate pharmaceutical rebates in lieu of rebates negotiated by the managed care plans relating to anti-retroviral HIV and Hepatitis C drugs utilized by managed care enrollees. DOH is required to account for both supplemental rebates and the actual cost of providing anti-retroviral HIV and Hepatitis C drugs per established clinical criteria in order to ensure actuarially sound rates of reimbursement to managed care plans. See "Overview" section of this report for further information.

Basic Health Program

See "Overview" section of this report for further information.

Managed Care Plan Payments for Behavioral Health Services

The final budget accepts the Executive's proposal to extend Ambulatory Patient Group (APG) reimbursement to behavioral health services under Child Health Plus (CHP). The budget also extends the sunset dates for the APG implementation as follows:

- Adult enrollees in New York City – June 30, 2017
- Adult, children and CHP program enrollees in the rest of the State – Dec. 31, 2017.

Health Homes Criminal Justice Initiative

The final budget allocates $5 million to coordinate the State's Health Homes (HH) initiative with the criminal justice system and develop the criminal justice HH learning collaborative. The goal of this measure is to more effectively link individuals in the criminal justice system to the health care system and ensure that Medicaid payments for HH services are sufficient to the needs and caseload.

Supplemental Medicaid Managed Care Payments

The final budget expands the supplemental payments for professional services rendered by health care professionals affiliated with SUNY hospitals, public benefit corporations and public general hospitals. Supplemental payments are to be passed through managed care plans and distributed to providers as determined by the managed care model contract. The goal is to ensure payment equivalent to the average commercial or Medicare rate that would otherwise be paid for the services of such physicians, nurse practitioners and physician assistants.

Managed Care Transition for Foster Care Children

The budget includes $15 million to facilitate the managed care transition of children placed with voluntary foster care agencies; this is expanded from the current authorization of $5 million. The money is intended to support training and consulting services and investment in data collection and health information technology for voluntary foster care agencies.

Elimination of 2010 Child Health Plus Rate Reduction

The final budget incorporates a Senate proposal to eliminate an existing 28 percent negative rate adjustment to CHP plans with rates that exceed the current statewide average subsidy payment. This provision was originally intended as a one-time rate adjustment for a limited number of insurers with outlier premiums in 2010. However, the original measure inadvertently failed to include a sunset provision and has stayed on the books ever since, over time impacting a growing number of plans.

Presumptive Eligibility for Family Planning Services

The final budget amends the provision allowing for coverage of family planning services for individuals whose income does not exceed the Modified Adjusted Gross Income (MAGI) equivalent of 200 percent of the Federal Poverty Limit, with such services to include treatment of sexually transmitted diseases and a provision for presumptive eligibility.

For more information, contact Patrick Cucinelli at pcucinelli@leadingageny.org or 518-867-8827.

SFY 2015-16 Final State Budget

Nursing Homes

Other than extending current cost containment measures, the final budget contains no new nursing home spending cuts. Value-Based Payment and other budget provisions such as the Medicaid global cap, Vital Access Provider funding, the private equity demonstration and access to capital that affect multiple provider types are covered in the "Overview" section of this report. Provisions impacting nursing homes are detailed below.

Trend Factor

The final budget rejects the Executive Budget proposal to permanently eliminate trend factors for Medicaid providers, but specifies that the annual trend factor through March 31, 2017 will be no greater than zero.

Cash Receipts Assessment and Previous Medicaid Cuts

The final budget ***rejects*** the Executive Budget proposal to make permanent a number of previously enacted Medicaid cost containment measures that require periodic reauthorization, and instead extends them for two years through March 31, 2017. These include the reimbursable six percent cash receipts assessment, past trend factor reductions and Medicare maximization requirements. Note that the additional non-reimbursable 0.8 percent assessment also remains in effect, pending final DOH determination on its continuation. Although the Senate budget proposal included LeadingAge NY language that would have ensured that the entire proceeds of the 0.8 percent assessment are reinvested in nursing home services, it was not included in the final budget.

Nursing Home Rate Appeals Cap

The final budget extends for four years, through March 31, 2019, current law that limits the amount of nursing home rate appeals that DOH may process to $80 million per State fiscal year. If the Universal Settlement of Nursing Home Rate Appeals and Litigation goes forward, $50 million of each year's appeals cap will be used to fund the settlement, with the remaining $30 million available for the processing of appeals excluded from the settlement.

Universal Settlement

While not expressly mentioned in budget language, the final budget includes appropriations to allow the Universal Settlement of Nursing Home Rate Appeals and Litigation to proceed.

Medicaid Managed Care Universal Billing Codes

The enacted budget requires that Medicaid payment claims for long term care services, including nursing home services, to Medicaid Managed Care plans, including MLTC plans, use universal billing codes approved by DOH or a nationally accredited organization by Jan. 1, 2016. This addresses the administrative challenge that providers contracting with multiple plans, each with unique billing codes, face. An accompanying provision requires that Medicaid Managed Care Plans, including MLTC plans, pay Medicaid claims via electronic funds transfer by Jan. 1, 2016.

Energy Efficiency/Disaster Preparedness Program

The final budget authorizes DOH to conduct energy efficiency audits and/or emergency preparedness reviews of nursing homes and to develop cost/benefit analyses of potential modifications for each facility. The audits and reviews would serve as the basis of an energy efficiency and/or disaster preparedness program that DOH would develop through regulation. Only homes that participate in the audits or reviews would be eligible to participate in the resulting program and to receive any funding that may be provided as part of the program. Program implementation is contingent on a determination by DOH that the program would be in the best financial interest of the State.

Mortgage Refinancing Shared Savings

The final budget authorizes DOH to modify nursing home capital reimbursement rates after April 1, 2015 to share a minimum fifty percent of savings accruing from a mortgage refinancing transaction with the refinancing facility. This provision was discussed by the Nursing Home Capital Work Group and provides a financial incentive for homes to go through the refinancing process while still ensuring that the State benefits from the resulting savings. LeadingAge NY strongly advocated for this initiative which incorporates our proposed language. Further details on the program are expected in the near future.

Young Adult Special Populations Demonstration

The final budget requires DOH to establish up to three demonstration programs to provide more appropriate settings and services, prevent out-of-state placements and allow repatriation to their home communities for young adults who have severe and chronic health problems or multiple disabling conditions which may include developmental disabilities. Of the demonstrations: (1) at least one must target individuals 21 to 35 years of age who are aging out of pediatric acute care hospitals or pediatric nursing homes; and (2) at least one must target individuals 21 to 35 years of age with developmental disabilities that are aging out of pediatric acute care hospitals, pediatric nursing homes or homes serving developmentally disabled children. The program may provide start-up funds, capital investment funding and enhanced rates. Eligible provider applicants must have demonstrated expertise in caring for the targeted population and a record of providing quality care.

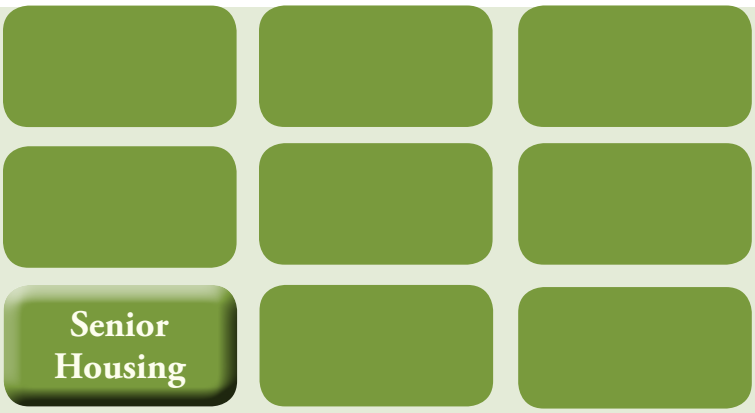
Rural and Essential Provider Rate Enhancement

The final budget dedicates no less than $10 million in VAP funding to essential community providers and providers serving rural areas, including nursing homes. See "Overview" section of this report for further information.

Private Equity Demonstration

The final budget ***rejects*** the proposal to authorize a demonstration to allow up to five business corporations to operate health care facilities that could have included nursing homes. See "Overview" section of this report for further information.

For more information, contact Darius Kirstein at dkirstein@leadingageny.org 518-867-8841.



SFY 2015-16 Final State Budget

Senior Housing

The final budget continues most existing housing funding programs, and includes additional investments from JP Morgan Settlement funds.

Expanding Affordable Housing

The final budget accepts the Executive proposal to allocate $42 million in continued support for the Mitchell Lama portfolio and $182 million for Homes and Community Renewal (HCR) and Office of Temporary and Disability Assistance (OTDA) capital programs.

In SFY 2013-14, $90 million in capital support for the House NY program was allocated to invest $1 billion of additional resources over five years to preserve and create 14,300 affordable housing units statewide. This five-year initiative includes the revitalization of 45 Mitchell Lama affordable housing projects that suffer from significant physical deterioration; the creation and preservation of affordable housing units through various housing and community development programs; and other initiatives. The capital funding will focus on the upgrade of 8,628 Mitchell-Lama units and the creation of 5,643 affordable housing units.

JP Morgan Settlement Funds

The final budget allocates $400 million, $40 million less than the Executive Budget proposal, to invest in 13 housing-related initiatives. The funds will be dispersed on a scheduled basis between April 1, 2015 and March 31, 2017. Appropriations that may be of particular interest to LeadingAge NY members include:

- $124.5 million for 5,000 new supportive housing units;
- $5 million for the housing opportunities program for the elderly (RESTORE); and
- $100 million for a public housing modernization or improvement program for housing developments owned or operated by the NYC Housing Authority.

MRT Supportive Housing

The final budget accepts the Executive Budget proposal of $254 million to fund Medicaid Redesign Team (MRT) Supportive Housing over a two-year period. The final budget, however, does not include the Senate proposal to require at least $10 million in supportive housing funding be awarded to counties outside of New York City.

New York State Low-Income Housing Trust Fund

The final budget allocates $47.7 million for this trust fund, which is a $3.5 million increase from the SFY 2014-15 level.

New York State Low-Income Housing Credit Program

The final budget includes $8 million for this program; the same as the SFY 2014-15 funding level.

Access to Home

The final budget includes a $1 million appropriation for this program, which provides building modifications for seniors and the disabled to remain independent. With the inclusion of JP Morgan monies, the total funding is $20.6 million, which includes a set aside for disabled veterans.

Naturally Occurring Retirement Communities (NORCs) and Neighborhood NORCs

The final budget provides $2,027,500 in funding to NORCs and another $2,027,500 in funding to Neighborhood NORCs.

Preservation and Rural Assistance

The final budget funds the following programs: Neighborhood Preservation Program at $8,479,000; the Rural Rental Assistance Program at $21,642,000 and the Rural Preservation Program at $3,539,000.

Funding for Other Housing Programs

The following programs were funded at the same level as in SFY 2014-15:

- Low-Income Weatherization Program: funded at $32.5 million.
- Public Housing Modernization Program: funded at $6.4 million.

For more information, contact Alyssa Lovelace at alovelace@leadingageny.org or 518-867-8844.

Summary

Summary of NYS Budget by Functional Area

EXECUTIVE BUDGET	FINAL BUDGET
PROGRAM FUNDING	
Medicaid Global Spending Cap Permanently extend authority for cap (including DOH "super-powers" to reduce spending if needed), with total State share DOH spending limited to $17.9B in SFY 2015-16 and $18.7B in SFY 2016-17.	Extends cap authority through March 31, 2017 at the proposed amounts, and adjusts calculation of the cap to reflect implementation of the Basic Health Plan.
Housing Programs • Maintain 5-year plan to allocate $42M for the Mitchell Lama portfolio and $182M for HCR and OTDA capital programs. • Allocate $440M in JP Morgan Settlement funds to support a number of initiatives, including initiatives pertinent to LeadingAge NY members. • Increase MRT Supportive Housing funds to $254M – a 2-year appropriation. • Access to Home at $20.6M inclusive of $19.6M of JP Morgan Settlement Funds. • NORCs/Neighborhood NORCs at $2,027,500 each. • Low-Income Housing Trust Fund program at $47.7M. • Low-Income Housing Credit Program at $8M. • Low-Income Weatherization Program at $32.5M. • Public Housing Modernization Program at $6.4M.	Includes Executive proposals.
Adult Care Facilities and Assisted Living • Eliminate EQUAL program authority and funding. • Include enriched housing subsidy in an aggregate budget of many programs, slated for significant cuts. • Re-appropriate $1.7M of prior EnAbLE funding. • Despite our advocacy, no provision for an increase in the state portion of SSI Congregate Care Level 3. • $1.3M for expenses related to inclusion of ACFs into criminal history record check (CHRC) program. • Extend limited licensed home care services agency (limited LHCSA) program through March 2017.	• Funds EQUAL at last year's level of $6.5M, with parameters around how funding can be spent. • Reinstates enriched housing subsidy with its own line item at last year's level of $475,000. • Re-appropriates past years' funding owed for EQUAL ($1.8M) and EnAbLE ($4.1M) • Senate bill included a $5/day increase in the state SSI rate, but final budget does not. • Includes $1.3M of CHRC program funding. • Accepts Governor's proposal to extend limited LHCSA program for another two years.
Community Services Programs • Level-fund the following programs: ◊ Social adult day programs at $1,072,000. ◊ Livable NY initiative at $122,500. ◊ Congregate Services Initiative at $403,000. ◊ EISEP at $50M. ◊ SNAP at $27.3M. ◊ Community Services for the Elderly at $25.2M.	Includes Executive proposals. Adds $2.5M for additional services and expenses related to Community Services for the Elderly and reduced the county share.

Summary of NYS Budget by Functional Area

EXECUTIVE BUDGET	FINAL BUDGET
PROGRAM FUNDING	
Community First Choice Option Dedicate additional funds from the Community First Choice Option to the State's Olmstead plan.	Includes Executive proposal.
Home Care Waiver Programs • Omit separate appropriation for NHTD housing subsidy, and lump it in with public health programs. • Proposed rate increases for NHTD waiver services at $7.6M and TBI waiver services at $22.2M.	Modifies Executive proposal to: (1) separately fund NHTD waiver housing subsidy at $2.3M; (2) level-fund TBI waiver at $12.5M; and (3) omit proposed rate increases.
Health Care Capital Funds • $1.4B in new capital investments: (1) $700M for Kings County delivery system; (2) $300M for acute care in Oneida County; and (3) $400M for upstate community-based and geographically isolated hospitals/health care providers. • Re-appropriate $1.2B in Capital Restructuring Financing Program (CRFP) funding authorized in SFY 2014-15 budget.	Includes Executive proposal with modifications: • $355M for upstate community-based and geographically isolated hospitals/health care providers. • Allocate remaining $45M to Community Health Care Revolving Capital Fund; for behavioral health infrastructure; and to Roswell Park Cancer Institute. • Revise CRFP language to require regional diversity in awards, and exclude from CRFP projects funded under Kings and Oneida County programs.
Non-profit Infrastructure Capital Investment Up to $50 million in competitive grants for non-profit human services organizations for capital projects to improve service quality, efficiency and accessibility.	Includes Executive proposal.
Health Information Technology Infrastructure • $45M for SHIN-NY to permit sharing of health information among health care providers. • $10M for the All Payer Claims Database, a repository of health care utilization and spending data. • $10M for DOH information technology initiatives.	Includes Executive proposed appropriations, and new language to promote transparency and accountability of investments in SHIN-NY.
PROVIDER REIMBURSEMENT	
Medicaid Trend Factor Permanently eliminate inflation adjustments for nearly all Medicaid providers.	Modifies Executive proposal to eliminate trend factor adjustments for 2015, 2016 and 2017 through March 31, 2017.
Prior Years' Cost Containment Permanently extend Medicaid cost containments including 1996/97 trend factor cuts, nursing home and home care Medicare maximization requirements and home care administrative and general cost caps.	Modifies Executive proposal to extend these provisions through March 31, 2017.
Nursing Home Rate Appeals Cap Extend the $80M annual rate appeal cap through March 31, 2019, $50M for Universal Settlement and remaining $30M for excluded appeals.	Includes Executive proposal

Summary of NYS Budget by Functional Area

EXECUTIVE BUDGET	FINAL BUDGET
PROVIDER REIMBURSEMENT	
Cash Receipts Assessment Permanently extend the Medicaid-reimbursable 6 percent cash receipts assessment on nursing home and ADHC non-Medicare cash receipts.	Modifies Executive proposal to extend the assessment through March 31, 2017.
CHHA Episodic Payment System (EPS) Permanently extend CHHA EPS; re-base episodic payments and reduce payments by $30M.	Modifies Executive proposal to extend EPS until March 31, 2019 and accepted $30M rebasing reduction.
CHHA Bad Debt and Charity Care Permanently extend bad debt and charity care allowances for CHHAs.	Modifies Executive proposal to extend through June 30, 2017.
Home Care Recruitment, Training and Retention • Continue funding for personal care worker recruitment and retention at $272M for NYC and $22.4M for other areas of the State. • Continue recruitment, training and retention (RTR) funding at $100M for LTHHCPs, AIDS home care, and hospices.	Includes Executive proposals.
RTR Payments to MLTC Plans Eliminate discrete home care RTR payments to MLTC plans and associated attestation requirements, and pay amounts in base rates.	Does not include Executive proposal.
Medicare-Medicaid "Crossover" Payments Limit Medicaid payments for Medicare Part B coinsurance so that total Medicare/Medicaid payment does not exceed Medicaid's payment for the service. Apply in fee-for-service and Medicare managed care.	Modifies Executive proposal to exclude dual eligibles who are enrolled in Medicare managed care plans.
VAP Program Fund the program at $580M (including federal funds); increase funding set-aside for Critical Access Hospitals from $5M to $7.5M, and allocate $10M for providers serving rural areas and isolated geographic regions.	Includes Executive proposal at a slightly modified funding level of $567M. Also allocates $245M for financially distressed safety net hospitals; adds new eligibility criteria; and requires new prior notice and ongoing reporting to Legislature.
Mortgage Refinancing Shared Savings No provision.	Authorizes DOH to modify nursing home capital reimbursement effective April 1, 2015 to share refinancing savings with facility.
MLTC Transportation Carve-out Eliminate transportation from the MLTC benefit package and adjust plan premiums accordingly. Manage the transportation through the State's broker.	Does not include Executive proposal.
Mainstream Managed Care Profit Cap Impose a 5 percent cap on the profits of certain mainstream MMC plans, with savings re-invested in the MMC Quality Incentive Pool.	Includes Executive proposal.

Summary of NYS Budget by Functional Area

EXECUTIVE BUDGET	FINAL BUDGET
PROGRAMMATIC INITIATIVES	
Value-Based Payment (VBP) Give new authority to DOH to authorize managed care plans to enter into VBP payment contracts with providers, and authorize DSRIP Program Performing Provider Systems (PPSs), or any subset of a PPS, to accept value-based payments.	Does not include Executive proposal. However, existing laws and regulations appear to allow DOH and the Department of Financial Services to proceed with most elements of the VBP plan.
Private Equity Demonstration Authorize a demonstration to allow up to five business corporations to operate health care facilities that could include nursing homes.	Does not include Executive proposal.
Certificate of Need • Eliminate requirement for need review of certain primary care and hospital projects. • Reduce character and competence "look-back" from 10 years to 7 years. Expand PHHPC discretion to approve applicants with repeat violations. • Align business corporation and limited liability company processes under Article 28.	Does not include Executive proposal.
Managed Care Program Authorizations Permanently extend the authorizations for the Medicaid Managed Care and Managed Long Term Care programs.	Modifies the Executive proposal to extend these authorizations through 2019.
Prescription Drugs • Allow DOH to negotiate directly with drug manufacturers for supplemental rebates for outpatient drugs, including under managed care. • Allow DOH to require prior authorization of any drug prior to a recommendation by the Drug Utilization Review Board, and eliminate prescriber prevails for drugs not on the preferred list. • Reduce reimbursement of the ingredient cost of multiple source and brand name drugs, while increasing dispensing fees paid to pharmacies. • Limit payment for drug claims submitted to a managed care plan by a provider covered under the federal 340B Drug Discount Program.	• Modifies Executive proposal on supplemental rebates to limit it to HIV anti-retroviral and Hepatitis C drugs, and mandate that DOH develop clinical criteria for administration of these drugs. • Does not include Executive proposals on prior authorization, prescriber prevails, brand name ingredient cost/dispensing fees, or 340B drug pricing.
Advanced Home Care Aides Amend the Nurse Practice Act to allow certification of AHHAs in home care and hospice. LeadingAge NY had also advocated adding Enhanced Assisted Living Residences to the allowable settings.	Does not include Executive proposal.
Medicaid Managed Care Universal Billing Codes No provision.	Requires that claims submitted to Medicaid Managed Care Plans for LTC services use universal billing codes approved by DOH or a nationally accredited organization by January 1, 2016.
Medicaid Managed Care LTC Claims Payment No provision.	Requires Medicaid Managed Care Plans to pay Medicaid LTC claims via electronic funds transfer by January 1, 2016.

Summary of NYS Budget by Functional Area

EXECUTIVE BUDGET	FINAL BUDGET
REGULATORY/PROGRAMMATIC INITIATIVES	
Cost Sharing for Managed Care Enrollees Authorize DOH to impose co-payments on Medicaid managed care enrollees and adjust managed care plan rates to reflect these amounts.	Modifies Executive proposal to require that DOH seek a waiver in lieu of requiring cost sharing. If a waiver is not feasible, cost sharing would become effective Oct. 1, 2015. Certain exemptions will apply.
Energy Efficiency/Disaster Preparedness Authorize DOH to conduct energy efficiency audits and/ or emergency preparedness reviews of nursing homes and develop cost/benefit analyses which would serve as the basis of regulatory program.	Modifies Executive proposal to add some requirements for DOH to report program details to the Legislature prior to implementation.
Young Adult Special Populations Demonstration No provision.	Requires DOH to establish up to three demonstration programs for young adults who have severe and chronic health problems or multiple disabling conditions. Specifically targets those aging out of pediatric in-patient settings such as nursing homes.
RECIPIENT ELIGIBILITY	
Spousal Refusal Eliminate ability of Medicaid applicant to qualify if living with spouse who refuses to support.	Does not include Executive proposal.
Expedited Personal Care Services No provision.	Requires Medicaid managed care and MLTC plans to expedite approvals for personal care and Consumer-Directed Personal Assistance Program (CDPAP) services. DOH must ensure Medicaid eligibility determination within 7 days when there is an immediate need for personal care or CDPAP.
Basic Health Program Cover lawfully-present immigrants who are not qualified for Medicaid through the Basic Health Program (BHP).	Modifies the Executive proposal to require: (1) DOH to consult with an actuary on BHP rates; (2) DOH to submit a contingency plan if federal BHP funding/rules change; (3) DOH to report to the Legislature on the impact of the BHP; and (4) expanded eligibility to include non-citizens in valid non-immigrant status.

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