2017-18 New York State BUDGET
What it means for you
Final Budget for State Fiscal Year 2017-18

The final budget for State Fiscal Year (SFY) 2017-18, which is effective for the period April 1, 2017 through March 31, 2018, was enacted into law on April 9, 2017. The $153.1 billion plan reflects the seventh 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 continues the Medicaid Global Spending Cap (“Global Cap”), including the State's “superpower” authority to make spending reductions if the Global Cap is breached, for one additional year, through SFY 2018-19. The Global Cap represents an overall limitation on State Medicaid expenditures made through the Department of Health (DOH), and limits growth in these expenditures to the ten-year rolling average increase in the Medical Consumer Price Index (CPI). As a result, the global spending cap is increased from $18.8 billion in SFY 2016-17 to $19.7B in SFY 2017-18, and $20.8B in SFY 2018-19.

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 2018-19.

The final budget also authorizes DOB to unilaterally adjust the global cap to take into account any changes made by the federal government to the availability of federal financial participation in Medicaid or any reductions in the local share contribution.

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. Based on currently available information, there were no savings available for distribution during SFY 2016-17.

The final budget includes a separate cap on drugs within the overall Medicaid global cap. This cap is intended to provide a focused and sustained effort to balance growth of drug expenditures with overall Medicaid growth. The Medicaid drug cap will be based on the 10-year rolling average of the medical component of the consumer price index plus a growth factor and reduced by a specified savings amount.
**State-Local Medicaid Cost Sharing**

The Governor had proposed to reduce State Medicaid cost sharing to New York City by $50 million, which would not have been implemented if the City entered into a joint savings allocation plan with DOH to increase allowable federal claims for preschool and school supportive health by $100 million. The Legislature rejected this proposal, which is not included in the final budget.

The final budget thus continues the State's commitment to bear the full cost of any growth in non-federal Medicaid expenditures and exempt local social services districts from sharing in the cost of any increases in Medicaid spending.

**Medicaid Trend Factors and Prior Year Cuts**

The final SFY 2017-18 budget extends for two years the following prior period Medicaid cost containment provisions that require periodic renewal:

- **Trend Factor:** Trend factor (inflationary) adjustments are eliminated through March 31, 2019 for all Medicaid providers (except for pediatric nursing homes).
- **Other Cuts and Taxes:** Previous cost containment measures including cash receipts assessments on nursing homes and adult day health care (ADHC) programs; prior year trend factor reductions affecting Medicaid providers and home care administrative and general cost caps are through March 31, 2019.

**Vital Access Provider (VAP) Program**

The final budget includes an appropriation of $132 million for the Vital Access Providers (VAP) program, as well as a reappropriation of $212 million of existing VAP funds. The VAP program provides temporary rate adjustments or lump sum payments to eligible providers to preserve access to services in areas experiencing provider restructuring, reconfiguration and/or closure. VAP funds provide operational support, and are not to support capital costs. Nursing homes and home care agencies are eligible to apply for VAP funding.

**Workforce**

- **Minimum Wage:** The 2016-17 State budget authorized phased-in increases to the State's minimum wage. The final 2017-18 budget includes $255.4 million in State funding, an increase of $211.4 million over the 2016-17 levels, to support the direct cost of minimum wage increases for Medicaid-funded services provided by home care agencies, nursing homes, Assisted Living Programs (ALPs), hospitals and other providers.
- **Paid Family Leave:** Last year’s final budget included a provision, commencing in January 2018, requiring employers to provide employee-funded, paid leave for purposes of caring for a newborn child or a seriously ill family member or other qualifying event. Under that legislation, the Superintendent of Financial Services and the Chair of the Workers Compensation Board were empowered to determine whether insurance coverage of this benefit would be subject to community rating or experience rating. The Executive Budget had proposed to set up a fund to implement a risk-adjustment mechanism for the benefit, which was not included in the final 2017-18 budget.
- **Workers’ Compensation Reforms:** As part of the overall workers’ compensation reform included in the final budget, the New York State Workers’ Compensation Board must establish a prescription drug formulary by Dec. 31, 2017. The formulary must include a tiered list of medications that are pre-approved to be prescribed and dispensed, as well as a list of non-preferred drugs that can be prescribed with prior approval. The formulary will contemplate pharmacy reimbursement, a drug rebate program, a pre-approval program, drug utilization review and limitations on the prescribing of compounded medications and compounded topical preparations.
**Capital Funding**

The final budget creates a second round of the Statewide Health Care Facility Transformation Program (SHCFTP) that was initiated in the SFY 2016-17 budget. Administered jointly by DOH and the Dormitory Authority of the State of New York (DASNY), the program was funded at $200 million last year and at $500 million in the current fiscal year. It is financed through a combination of DASNY bonds and State budget capital funding.

The SHCFTP funding will be available for similar purposes as the first round that was established in last year’s budget. These purposes include “capital projects, debt retirement, working capital, and other non-capital projects that facilitate health care transformation and expand access to health care services, including, but not limited to a merger, consolidation, acquisition or other activities intended to create financially sustainable systems of care or preserve or expand essential health care services.” Funds may be awarded to hospitals, nursing homes, diagnostic and treatment centers, mental hygiene law clinics, and community-based providers. Consistent with last year’s program legislation, grant awards may be offered without a competitive bid or request for proposals, and will not be available to support general operating expenses.

Of the $500 million proposed for the program, up to $300 million may be awarded to projects that were not funded under the first round of applications, $50 million is allocated to Montefiore Medical Center, and at least $75 million is allocated to community-based health care providers. Community-based health care providers are defined as diagnostic and treatment centers, mental health clinics, alcohol and substance abuse treatment clinics, home care providers, primary care providers. The term “primary care providers” was added to this year’s program to permit hospital-based primary care providers that are not licensed as diagnostic and treatment centers to participate in the funds. The $75 million may also be allocated to “other purposes and community-based providers designated by the Commissioner” pursuant to information obtained through a stakeholder input process.

Eligible applicants must fulfill a need for “acute inpatient, outpatient, primary, home care, or residential health care services in a community.” Priority will be given to projects that did not receive awards under last year’s funding round. Projects included in the Brooklyn and Oneida County transformation programs established last year are not eligible for this funding. (Note: round one awards have not yet been announced as of the publication of this document.)

Criteria to be considered by DOH in making awards would include how the project contributes to the integration of health care services, the long term sustainability of the applicant, or the preservation of health care services in the communities served; whether the proposed project aligns with Delivery System Reform Incentive Payment (DSRIP) goals; the extent to which it serves Medicaid beneficiaries and uninsured individuals, and geographic distribution considerations.

Grant awards to providers will be conditioned on achieving certain process and performance metrics and milestones to be determined by DOH. DOH, in turn, is required to report quarterly to the Legislature on the awards and the progress of the projects.

**Non-Profit Infrastructure Capital Improvement Program**

The final budget continues the Non-Profit Infrastructure Capital Improvement Program commenced in 2015-16 with an appropriation of $20 million. This program supports infrastructure investments in not-for-profit human services programs that provide direct services to individuals. Grants are intended to fund improvements in the quality, efficiency, and accessibility of services.
Health Information Technology Infrastructure

The final budget continues the following investments in health information technology (HIT) that were initiated in the SFY 2014-15 budget:

- **SHIN-NY Support**: Appropriates $30 million to the State Health Information Network of New York (SHIN-NY) – an electronic health information highway to permit the sharing of health information among health care providers across the State.
- **Claims Database**: Appropriates $10 million in funding 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 HIT Initiatives**: Appropriates $10 million in annual funding for HIT initiatives that target DOH’s technology needs.

Health Care Regulation Modernization Team

The Executive Budget included a proposal to create a Health Care Regulation Modernization Team, modeled on the Medicaid Redesign Team. This multi-stakeholder group would have been charged with providing guidance on a “fundamental restructuring” of the statutes, regulations and policies that govern the licensure and oversight of health care facilities and home care, in order to align them with delivery system reforms. However, the final budget does not include this provision.

Consolidation of Public Health Programs

The Executive Budget included a proposal to consolidate 39 public health appropriations totaling $122.9 million into four pools: (1) disease prevention and control programs; (2) maternal and child health programs; (3) health workforce programs; and (4) health outcomes and advocacy programs. Funding for each pool would be reduced by 20 percent, and DOH would be given added flexibility to support ongoing programs or new investments to meet new or emerging public health priorities. While the final budget rejects the Governor’s consolidation proposal, it accepts the 20 percent reduction in funding to the programs. The 39 programs include both the Nursing Home Transition and Diversion and Enriched Housing programs. The total savings from this action is $23.8 million.

Uniform Assessment System (UAS)

Both houses of the Legislature included provisions in their one-house budgets related to the UAS assessment tool used for determining a beneficiary’s need for long term care services. The final budget includes a more modest amendment. It adds cognitive needs to list of needs that must be assessed by managed long term care plans upon enrollment and in developing a care plan.

Medicaid Eligibility

Once again, the Legislature rejected the Executive Budget proposal to limit “spousal refusal” as a means of qualifying for Medicaid. Under existing current law, the income and assets of the spouse of a Medicaid applicant are not be counted if the spouse refuses to support the applicant or the spouse is “absent.”

Administrative Hearing Office Consolidation

The final budget rejects the Governor’s proposal to create a new Division of Central Administrative Hearings led by a Chief Administrative Law Judge (ALJ), to be appointed by the Governor.
**Mandated Recycling of Organic Waste**

The Executive Budget had proposed a new requirement that certain high volume generators of food waste including health care facilities, manufacturers, supermarkets, large restaurants and higher educational institutions recycle their food waste beginning January 1, 2021. Under the proposed requirements, such businesses would have needed to divert excess edible food and food scraps to food banks, animal feed operations, composting facilities, anaerobic digesters, or other organics recycling facilities. The final budget does not include this proposal.

**Pharmacy**

- **Reining in Rising Drug Spending Under Medicaid:** The final budget modifies the Governor’s proposals to rein in rising prescription drug spending. As described above, it creates a Medicaid drug cap within the Medicaid global cap. If Medicaid spending on drugs is projected to exceed the cap, the Commissioner of Health may refer selected drugs to the Drug Utilization Review Board (DURB) to determine whether negotiation of a supplemental rebate with the manufacturers is justified. If a manufacturer is not willing to pay a supplemental rebate, the manufacturer will be required to provide extensive information to the Department regarding its costs, prices and margin. In addition, the Department may eliminate prescriber prevails requirements. If drug spending is still projected to exceed the cap, the Department may take various steps to reduce utilization of the selected drugs, including prior authorization and removal of drugs from formularies.

- **Prior Authorization of Refills of Controlled Substances:** The final budget accepts the Governor’s proposal to authorize DOH to require prior authorization of any refill of a controlled substance under fee-for-service Medicaid, when more than a 7-day supply of the previously dispensed amount should remain, if the drugs had been used as directed.

- **Opioid Prescribing:** The final budget accepts the Governor’s proposal to make it an “unacceptable practice” in the Medicaid program to prescribe opioids in violation of applicable laws or contrary to recommendations issued by the Drug Utilization Review Board with additional procedural specifications and due process language. Commission of an “unacceptable practice” may lead to exclusion from the Medicaid program.

- **Prior Authorization and Prescriber Prevails:** The final budget rejects the Governor’s proposal to eliminate “prescriber prevails,” i.e., prescribing professionals will continue to be able to override the formulary of the fee-for-service Medicaid preferred drug program regarding coverage of any prescription drug and the formularies of Medicaid managed care plans regarding coverage of atypical antipsychotic and anti-depressant, anti-retroviral, anti-rejection, seizure, epilepsy, endocrine, hematologic and immunologic therapeutic classes of prescription drugs.

- **Reimbursement of Pharmacies under Fee-for-Service Medicaid:** The final budget includes various changes to fee-for-service reimbursement rates for pharmacies for generic, brand name, and non-prescription drugs, and increases the dispensing fee to $10 for prescription drugs and certain non-prescription, covered out-patient drugs. Dispensing fees will be increased to $10 for all prescription drugs.

- **Copayments:** The final budget reduces beneficiary copayments on non-preferred brand name prescription drugs from $3.00 to $2.50. However, brand name prescription drugs that cost less than their generic equivalents and preferred brand name drugs are subject to a $1.00 copayment. Generic drug copayments remain at $1.00. Copayments do not apply to MLTC plan members.

- **Generic Drug Rebates:** The Governor proposes to reduce the price increase that triggers an additional rebate on generic drugs from 300 percent to 75 percent.

- **Comprehensive Medication Management:** The April 3 budget rejects the Governor’s proposal to expand the existing Collaborative Drug Therapy Management program currently authorized in Article 28 facilities.
Financial Exploitation of Vulnerable Adults

The final budget does not include provisions proposed by the Governor to allow banks to place a “hold” on the account of a vulnerable adult when there is reason to suspect financial exploitation. However, it amends crime victims’ compensation law to enable vulnerable elderly persons and persons with disabilities to receive compensation of up to $30,000 for thefts that result in loss of savings.

Miscellaneous

The final budget includes a number of additional initiatives of interest to health care stakeholders, including the following:

- Provides $240 million If the manufacturer is not willing to pay a supplemental rebate, the Department may override the prescriber prevails requirements for antipsychotic, antidepressant, and certain other drugs. If drug spending is still projected to exceed the cap, the Department may take various steps to reduce utilization of selected drugs.
- Extends the Health Care Reform Act (HCRA) for three years through December 31, 2020. Includes in the Public Health Law the amounts allocated to the various programs funded under HCRA.
- Provides a $725 million down payment on a $2.5 billion investment in clean drinking water. Imposes new emerging contaminants monitoring requirements on public water systems.

Good Government

The final budget does not include the proposals related to campaign finance reforms, opt-out voter registration, early voting, term limits, Freedom of Information Law, and legislative ethics that were advanced by the Governor.

Organization of this Report

The remainder of this LeadingAge NY report on the final SFY 2017-18 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
SFY 2017-18 Final State Budget

Adult Care Facilities and Assisted Living

In addition to some of the overarching proposals mentioned earlier in this document, discussed below are proposals that directly impact adult care facilities (ACFs) and assisted living. The final budget essentially reflects the Governor’s proposals.

SSI Increases

We are disappointed that, despite our efforts, an increase in SSI for ACFs was not included in the final budget. An increase had been included in both the Senate and Assembly proposals, and was an outstanding issue during the last days of the budget negotiation, but unfortunately did not get included. We appreciate all that members did to advocate for this issue.

ACF Quality Funding

The final budget includes the Executive Budget proposal to maintain the Enhancing the Quality of Adult Living (EQUAL) quality program for ACFs at $6.5 million, the same amount as last year. EQUAL funding has been available to adult homes and enriched housing programs that serve recipients of SSI or Safety Net Assistance benefits, including Assisted Living Programs (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.

SSI Enriched Housing Subsidy

We are disappointed to report that the final budget essentially accepts the Executive budget proposal, with slight modification. Rather than placing the subsidy into a pool of several programs, and cutting them by 20 percent, the subsidy is restored as a discrete line-item, but reduced by 20 percent. Historically, the program has been appropriated at $475,000, this year’s funding level is $380,000. The subsidy pays $115 per month per SSI recipient to operators of not-for-profit certified enriched housing programs, to the degree that funding is available.

Criminal History Record Checks (CHRC)

The final budget accepts the Executive proposal to level fund services and expenses related to CHRCs for ACFs at $1.3 million.
Assisted Living Program (ALP)

We are awaiting final word on whether our language was included which would change the application process for ALP beds and allow an expedited process for existing ALPs to expand. We also awaiting information on capital funds, and our efforts to ensure that ALPs are eligible applicants for that funding. Lastly, we are awaiting clarification on the trend factor for the ALP; we presume that nearly all Medicaid trend factors continue to be zero until 2019, however the language needs to be clarified.

Transitional Adult Homes and Related Issues

The below items may be of interest to ACF and assisted living providers that serve the mental health population. The final budget includes all the Executive Budget proposals:

- **Transitioning Mentally Ill Individuals Out of Transitional Adult Homes**: As was the case last year, $38 million is proposed for services and expenses associated with the provision of education, assessments, training, in-reach, care coordination, supported housing and the services needed by mentally ill residents of adult homes and persons with mental illness who are discharged from adult homes.

- **Mental Health Transitions**: Up to $7 million is appropriated to the Research Foundation for Mental Hygiene, in contract with the Office of Mental Health, for two demonstration programs. One program would be for a behavioral health care management program for people with serious mental illness. The other program would be for 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 would be made available for grants to counties and NYC to provide medication and other services necessary to prescribe and administer medication. This program has been included in the budget at the same funding level for several years.

Other ACF Programs

The below items may be of interest to ACFs and assisted living facilities, but do not have a direct impact on providers. The final budget includes all the following Executive Budget proposals:

- **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**: The Adult Home Resident Council Support Project, historically operated by the Family Services League on Long Island, is level funded at $60,000.

- **Adult Home Quality Enhancement Account**: The final budget includes $500,000 for State operations related to services and expenses to promote programs to improve the quality of care for residents in adult homes.

- **Assisted Living Residence Quality Oversight Account**: The budget includes $2.1 million in funding for state operations for services and expenses related to the oversight and licensing activities for assisted living facilities.

- **Coalition for the Institutionalized Agenda and Disabled (CIAD)**: The budget includes $75,000 for CIAD, which advocates for residents of adult homes in NYC.

For more information, contact Diane Darbyshire at ddarbyshire@leadingagency.org or 518-867-8828.
SFY 2017-18 Final State Budget

Adult Day Health Care

The final budget includes few provisions specifically affecting adult day health care (ADHC) providers.

**ADHC Transportation**

In response to strong advocacy by the Adult Day Health Care Council (ADHCC) and LeadingAge NY, the final budget does not include an Executive Budget administrative proposal to allow the State's Medicaid transportation broker (Medical Answering Services) to manage all transportation of ADHC registrants. The associated $5 million of anticipated State savings was restored by the Legislature.

**Social Adult Day Care (SADC)**

SADC services were level-funded at $1,072,000 to provide grants to support these programs through the New York State Office for the Aging (NYSOFA).

*For more information, contact Anne Hill at ahill@leadingagency.org or 518-867-8836.*
SFY 2017-18 Final State Budget

Community-based Services

The FY 2017-18 Final Budget includes $239.4 million for aging services, representing a small cut from last year’s funding level of $247 million and moves some program funding under the Medicaid program. The following proposals pertain to aging services administered by the New York State Office for the Aging (NYSOFA) and DOH, most of which are designed to help elders remain in their communities:

- **Increase Community Services for the Elderly**: The final budget allocates $29.8 million in total to the Community Services for the Elderly (CSE) Program for SFY 2017-18, including a legislative addition of $875,000. In addition, the proposed budget provides $1.1 million in discrete transportation funding to CSE to provide localities the flexibility to direct resources where they are needed most.

- **Continue Alzheimer’s Caregiver Supports**: The final budget appropriated $50 million over two years for services for individuals living with Alzheimer’s disease and other dementias, and their caregivers. The funding will support care and support services, including respite. This initiative provides support through regional contracts for caregiver support organizations, funding for Centers of Excellence that specialize in treating this disease, and funding for the Alzheimer’s Community Assistance Program, which is implemented through local chapters of the Coalition of Alzheimer’s Associations.

- **Discontinue Underutilized Cost of Living Adjustment (COLA)**: Funding was enacted in 2015 to provide a wage increase targeted to direct care workers and direct service providers. DOH and NYSOFA providers have not adopted this COLA as anticipated, citing the complexity of identifying the targeted workers.

- **Change with NY Connects**: The final budget moves the NY Connects program under the Medicaid global cap and provides $3.4 million in funding, which will continue to be administered by the State Office for the Aging.

- **Naturally Occurring Retirement Communities (NORCs) and Neighborhood NORCs**: The final budget accepts the Executive proposal to level-fund both programs at $2,027,500 each. Funding priority will be given to the renewal of existing contracts with the New York State Office for the Aging.

- **Wellness in Nutrition (WIN) program**: Formerly known as Supplemental Nutrition Assistance Program (SNAP), WIN is level-funded at $27.4 million. WIN funding is used to provide home-delivered meals, some congregate meals and other nutrition-related services to eligible frail elderly, including residents of senior housing facilities.

- **Expanded In-home Services for the Elderly Program (EISEP)**: The final budget accepts the Executive proposal to level-funding EISEP at $50.1 million. 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.
• **Congregate Services Initiative:** The final budget includes the Executive proposal to level-fund CSI at $403,000. The appropriation language states that no expenditures shall be made from this appropriation until the director of the budget has approved a plan submitted by the office outlining the amounts and purpose of such expenditures and the allocation of funds among the counties. 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:** The final budget accepts the Executive proposal to level-fund this program at $122,500. The program is aimed at creating neighborhoods that consider the evolving needs and preferences of all their residents.

• **Title XX funding:** The final budget accepts the Executive proposal to level fund Title XX at $66 million. A portion of this funding has gone to support senior centers and senior services in New York City, as well as Nassau, Steuben and Erie counties.

• **Technical assistance/training for Area Agencies on Aging:** The final budget includes the Executive proposal to allocate $250,000 for the Association on Aging in New York State; level funded from last year. This is 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.

*For more information, contact Cheryl Udell at cudell@leadingageny.org or 518-867-8871.*
SFY 2017-18 Final State Budget

Home Care and Hospice Services

The final budget reflects the continuation of the implementation of Medicaid Redesign Team (MRT) recommendations, which began in SFY 2011-12. As a result of these reforms, especially MRT #90 which mandates managed care enrollment of Medicaid recipients who need more than 120 days of community-based long term care services, the provision of home care services has changed significantly.

In addition, the budget extends ongoing cost containment initiatives, such as Medicare maximization, administrative and general cost caps, past trend factor cuts and others. Specific proposals affecting home care and hospice services include:

- **Hospice Services:** The final budget includes an agreement to achieve $9 million in savings administratively (without legislation) through billing guidance to ensure that Medicare is the primary payer for hospice services.

- **Extending Elimination of Trend Factors:** The final budget continues the elimination of the Medicaid trend factor. It appears the elimination continues until March 31, 2019 for CHHAs, LTHHCPs, AIDS home care programs, and personal care provider services; however, we are awaiting confirmation on the language.

- **CHHA and LTHHCP Administrative and General Caps:** The final budget continues, through March 31, 2020, the existing caps on CHHA and LTHHCP reimbursable administrative and general costs, which limits reimbursement to the statewide averages.

- **CHHA Episodic Payments:** Last year’s final budget extended the authority for CHHA episodic rates of payment for sixty-day episodes of care until March 31, 2019. The episodic payment methodology does not apply to services provided to children under eighteen years of age and other discrete groups.

**Home Care Appropriations**

The final budget reflects the following funding amounts:

- **Consumer Directed Personal Assistance Program (CDPAP) – Wage Parity:** The final budget expands the Wage Parity law to cover personal assistants or aides working under CDPAP. Wage Parity requires specified hourly wages for aides working in New York City, Westchester, Nassau and Suffolk Counties. The budget appropriates $18 million to support this expansion; however, the Department of Health has indicated that it believes existing rates are sufficient to cover the expansion.

- **Personal Care Worker Recruitment and Retention (R&R):** The final budget accepts the Executive proposal to level-fund $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 R&R:** The final budget accepts the Executive proposal to level-fund recruitment and retention at $100 million. The funds support Medicaid rate increases for CHHAs, LTHHCPs, AIDS home care programs, hospice programs and MLTC plans for recruitment and retention of health care workers.

• **CHHA Bad Debt and Charity Care:** The final budget includes the Executive proposal to level fund up to $1.7 million for eligible publicly-sponsored CHHAs that demonstrate losses from a disproportionate share of bad debt and charity care.

• **Traumatic Brain Injury (TBI) program:** The final budget accepts the Executive proposal to level fund services and expenses related to TBI at $12.4 million.

• **NHTD Waiver Housing Subsidy:** The final budget rejects the consolidation of the 39 public health programs and restores the subsidy as its own discrete line item, but accepts the 20 percent reduction in funding for the program.

• **Home Care Registry:** The final budget level funds the home care registry at $1.8 million.

• **Criminal History Record Checks (CHRC):** The final budget level-funds CHRCs for non-licensed long-term care employees including employees of CHHAs, LTHHCPs, AIDS home care providers, licensed home care service agencies (LHCSAs) and nursing homes at $3 million.

*For more information, contact Cheryl Udell at cudell@leadingagency.org or 518-867-8871.*
Managed Long Term Care/Managed Care

While the State's spending plan and related documents include a number of provisions impacting Managed Long Term Care Plans, most of these will be implemented under Department of Health (DOH) administrative authority or pursuant to a side agreement between DOH and the State Legislature. The final budget agreement rejected proposals to require MLTC plans to use the state's transportation manager for their members' non-emergency medical transportation, extended the requirement that plans pay a nursing home benchmark rate, increased legislative access to managed care rate setting information, banned marketing and reduced quality pool payments. The individual provisions are described below.

Legislative Provisions

**MLTC Transportation Carve-Out**

The final budget rejects the proposal to require MLTC plans to use the state's Medicaid transportation managers for their members' non-emergency medical transportation. Instead, the budget retains statutory language advanced by LeadingAge NY two years ago that excludes transportation services provided or arranged for enrollees of MLTC plans from the State's transportation vendor contracts.

**Nursing Home Level of Care**

The final budget rejects the proposal to raise the clinical eligibility requirements for enrollment into an MLTC plan to permit only those who require a nursing home level of care to enroll. Nursing home level of care is defined by a threshold score on the Universal Assessment System (UAS) tool. Fewer than one percent of current MLTC enrollees score below the threshold.

**Nursing Home Benchmark Rate Requirement**

The final budget requires Medicaid managed care plans to continue to reimburse nursing homes in their networks at the DOH-promulgated, facility-specific benchmark rate through at least Dec. 31, 2020. The benchmark rate requirement may be continued beyond that date, but DOH may require as a condition of continuation that total payments from Medicaid managed care plans to nursing homes must meet the value-based payment (VBP) requirements agreed to with the Centers for Medicare and Medicaid Services (CMS). DOH may waive the VBP requirement for purposes of extending benchmark rates if it presents a financial hardship or threatens access to care. A companion provision to this requirement is that DOH seek authority from CMS to develop a distinct nursing home rate cell. A provision enacted in the 2014-15 State Budget requires that plans pay the benchmark rate for permanent residents living in out-of-network nursing homes.
Wage Parity for CDPAS Workers

The enacted State Budget includes Consumer Directed Personal Assistant Services workers under provisions of the Wage Parity Law that currently governs wages for personal care workers in New York City as well as Westchester, Nassau and Suffolk counties. Please see the Home Care section for complete information about this provision.

Authority for CDPAS Fiscal Intermediaries

The enacted State Budget defines the scope of responsibilities for fiscal intermediaries and requires that they apply and receive authorization from DOH to operate. It also prohibits managed long term care plans from operating as a fiscal intermediary.

MLTC Enrollment Assessment

The enacted budget adds “cognitive” to the items that a managed long term care plan must evaluate as part of a prospective member's enrollment assessment. Current language requires the assessment to evaluate medical, social and environmental needs.

Administrative Provisions

The final budget agreement includes the following administrative proposals and their related savings estimates. These are not reflected in statutory language because they are being implemented through DOH administrative authority.

MLTC Marketing Ban

This administrative provision prohibits marketing and advertising activities for Single-Capitated MLTC plans. The stated goal is to stabilize the sharp growth of MLTC enrollment with savings accruing from a projected slow-down in enrollment. The State has attributed a $6 million all funds savings to this action in SFY 2017-18, growing to $24 million in SFY 2018-19.

MLTC Fining Mechanism

This administrative provision authorizes DOH to assess fines against MLTC plans to address issues that arise out of surveillance, UAS errors and infractions, contract violations and other identified areas of concern. DOH has stated that the fines would be aimed to address repeated, egregious violations and would become effective on Dec. 1, 2017. The State has attributed a $2 million all funds savings to this action in SFY 2017-18, and $2.5 million in SFY 2018-19.

MLTC Quality Payment Reduction

This administrative provision will reduce MLTC quality payments by $30 million annually from $150 to $120 million. Because the quality payments do not represent additional funds but are funded through a premium withhold, the provision represents a $30 million funding cut (i.e., the State will withhold $150 million in premiums but only pay out $120 million in quality payments). DOH is exploring implementing the cut by focusing the impact on lower performing quality tiers. The State has attributed an annual $30 million all funds savings to this action in SFY 2017-18 and SFY 2018-19.
Side Letter Provisions

Apart from issues included in State Budget legislation, DOH agreed to address a number of other concerns that the Legislature raised during the budget negotiation process and that were included in the legislative one-house budget proposals. A number of these centered on managed care premium adequacy. These provisions are not reflected in statutory language but are memorialized in a side letter signed by Jason Helgerson, the state's Medicaid Director. It commits DOH to a number of actions. Those impacting MLTC are summarized below.

Rate Cells

In the side letter, the Executive commits to explore separate rate cells or risk adjustment for nursing home services, high cost/high need home and personal care services, and Health and Recovery Plan (HARP, i.e., mental health) services. DOH will re-engage in discussions with CMS with the assistance of stakeholders impacted by the issue.

UAS

In the side letter, the Executive commits to analyzing and formulating recommendations regarding the Universal Assessment System (UAS) Tool. DOH will hold regular meetings with stakeholder groups identified by DOH and the Legislature as well as DOH staff from departments that work with the UAS and UAS data.

Waiver Transition

In the side letter, DOH agrees to delay the transition of the Nursing Home Transition and Diversion (NHTD) and Traumatic Brain Injury (TBI) waivers into Medicaid managed care for an additional year, until Jan. 1, 2019.

Rate

In the side letter, DOH commits to provide quarterly updates to the Legislature on Medicaid Managed Care rates. This will include quarterly meetings with the Chairs of the Health Committees as well as the Chairs of the Senate Finance and Assembly Ways and Means Committees. DOH will provide the Legislature with actuarial memoranda and presentation materials disseminated at monthly managed care policy and planning meetings.

For more information, contact Darius Kirstein at dkirstein@leadingagency.org or 518-867-8841.
Nursing Homes

SFY 2017-18 Final State Budget

Nursing Homes

While the Executive Budget included only one provision specifically affecting nursing homes, the final budget includes other provisions of interest. Major components of the budget affecting multiple providers (e.g., capital funding, VAP, etc.) are covered in the Overview section of this report. Provisions impacting nursing homes are detailed below.

Bed Hold Benefits

The Executive Budget included a proposal to eliminate Medicaid coverage and payment for all nursing home bed holds. For Medicaid beneficiaries aged 21+, the final budget eliminates hospitalization bed hold payments entirely, while maintaining 10 days of therapeutic leave per 12-month period reimbursable at 95 percent of the Medicaid rate. The final budget also makes permanent a bed hold-related cut already reflected in current Medicaid rates that results in $18 million in annual savings. These changes are effective April 1, 2017.

We understand that for hospitalization situations on or after April 1, 2017, the relevant state regulations would apply to the facility. Specifically, the current requirements in the nursing home code [10 NYCRR 415.3(h)(3)] require that a home offer the first available semi-private room to a returning resident, consistent with its bed hold policy.

Nursing Home Benchmark Rate Requirement

Under existing DOH policies, Medicaid managed care plans have been required to reimburse nursing homes in their networks at the “benchmark” (i.e., fee-for-service) rate or an alternative rate methodology for the first three years following the beginning of the transition to managed care. This means that the benchmark rate requirement was set to expire Feb. 1, 2018 in New York City; April 1, 2018 in Nassau, Suffolk and Westchester Counties; and July 1, 2018 in the rest of the State.

The final budget requires Medicaid managed care plans to continue to reimburse nursing homes in their networks at the benchmark rate through at least Dec. 31, 2020. The benchmark rate requirement may be continued beyond that date, but DOH may require as a condition of continuation that total payments from Medicaid managed care plans to nursing homes must meet the value-based payment (VBP) requirements agreed to with the Centers for Medicare and Medicaid Services. The applicable requirement at present is that by April 1, 2020, 80-90 percent of all payments from managed care plans to providers must incorporate VBP Level 1 features (i.e., FFS with upside-only shared savings), and 15 percent of payments from partially capitated plans (e.g., MLTC) must be contracted at Level 2 (i.e., FFS with shared savings/losses) or higher. DOH may waive this requirement for purposes of extending benchmark rates if it presents a financial hardship or threatens access to care.

An existing law already requires Medicaid managed care plans to pay nursing homes at the benchmark rate indefinitely for all out-of-network placements.
**Prior Years’ Measures**

Under the final budget, the following measures are continued:

- **Prior Cost Containment Extenders**: Extends for two years, through March 2019, prior year trend factor cuts and Medicare maximization provisions that require periodic extensions.

- **Trend Factor Elimination**: Extends for two years, through March 31, 2019, the provision that no trend factor adjustment greater than 0 percent be made to Medicaid rates for Medicaid providers, including nursing homes (except for pediatric nursing homes).

- **Cash Receipts Assessment**: Extends for two years, through March 2019, the authority for the six percent reimbursable cash receipts assessment on nursing home and ADHC receipts.

- **Intergovernmental Transfer (IGT) Payments**: Extends for three years, through March 2020, the State’s authority to make Intergovernmental Transfer (IGT) payments of up to $500 million per year to nursing homes operated by counties and municipalities, including the NYC Health & Hospitals Corporation.

The additional non-reimbursable 0.8 percent assessment also remains in effect for nursing home and ADHC cash receipts. DOH plans to institute an adjustment to the statewide prices for nursing homes to incorporate a 1 percent add-on to the rates effective April 1, 2015 (subject to federal approval), which would offset half of the cost of the 0.8 percent assessment. The remaining half of the 0.8 percent assessment receipts is being used to fund the nursing home Universal Settlement payments through 2020.

*For more information, contact Dan Heim at dheim@leadingageny.org or 518-867-8866.*
SFY 2017-18 Final State Budget

Senior Housing

LeadingAge NY is pleased to report that the final budget includes a $2.5 billion, five-year investment of capital funds to expand affordable and supportive housing projects. The funding is expected to create 100,000 units of affordable housing and 6,000 units of supportive housing. As noted below, a portion of this investment is dedicated to affordable senior housing. This funding supplants the Affordable and Supportive Housing Memorandum of Understanding. LeadingAge NY was part of the broad coalition of affordable housing stakeholders that worked together over the past two years to make this happen.

Housing Capital Funding

$125 million has been allocated for the development or rehabilitation of 100% senior housing, targeted to low-income seniors aged 60 and above. State capital funding for senior housing has been a key legislative priority for LeadingAge NY for several years, and is especially important since the HUD 202 program has been discontinued as a source of new capital.

LeadingAge NY and a coalition of senior housing organizations and advocates had proposed an Affordable Senior Housing and Services Program, with its own rules and scoring criteria. The proposed language, which was included in the Senate's one-house budget, also matched a separate bill (S.5141/A.6804) introduced by Senate Housing Chair Betty Little and Assembly Housing Chair Steven Cymbrowitz. This language was not included in the final budget but will still be an active bill for consideration by the Legislature.

Access to Home

Access to Home, which provides building modifications for seniors and persons with disabilities so they can remain independent, was funded at its traditional level of $1 million.

Affordable New York Program

The budget revives the lapsed 421-a program for New York City developers under a new name, “Affordable New York.” The program, which will run until 2022, offers tax breaks in return for reserving a certain number of apartments for people at a range of low and moderate incomes. Key changes include extending the tax break from 25 to 35 years and implementing wage requirements for large projects.

Homeless Housing Assistance Program

Operated by the Office of Temporary Disability Assistance (OTDA), the Homeless Housing Assistance Program (HHAP) is level-funded at $64 million.
**Mitchell-Lama Program**

The Mitchell-Lama Program, which includes many senior developments in all parts of the state, received $75 million. Additionally, of the $155 million provided from the Mortgage Insurance Fund (MIF) for various housing programs, $39.5 million has been allocated for Mitchell-Lama project rehabilitation.

**MRT Supportive Housing**

As part of the five-year capital investment, the MRT Supportive Housing Program is funded at $950 million. Supportive housing for homeless individuals and other special needs populations is an important priority for this administration.

**Neighborhood and Rural Preservation Programs**

The Neighborhood and Rural Preservation Programs, which provide operating grants to non-profit housing companies in nearly every corner of the state to support their work in housing and community revitalization, were funded at approximately $8.5 million and $3.5 million, respectively, from excess MIF reserves.

**Funding for Other Housing Programs**

The following programs were funded in the final budget:

- **Affordable Housing Corporation:** The Affordable Housing Corporation, which provides grants to governmental, not-for-profit, and charitable organizations to help subsidize the cost of newly constructed houses and the renovation of existing housing, was funded at its traditional level of $26 million.
- **Housing Opportunities Program for the Elderly:** Formerly known as RESTORE, this program provides home improvement grants for low-income, elderly homeowners. It was funded at its traditional level of $1.4 million.
- **Other Capital Programs:** The Homes for Working Families Program was funded at $16 million. The Low-Income Housing Trust Fund was funded at $65.2 million, of which $21 million is from the MIF, representing a net increase of $10 million from SFY 2016-17. The Public Housing Modernization Program was level-funded at $6.4 million.

*For more information, contact Ami Schnauber at aschnauber@leadingagency.org or 518-867-8854.*
## Summary of NYS Budget by Functional Area

<table>
<thead>
<tr>
<th>EXECUTIVE BUDGET</th>
<th>FINAL BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adult Care Facilities and Assisted Living</strong></td>
<td><strong>Program Funding</strong></td>
</tr>
<tr>
<td>• Fund EQUAL at last year’s level of $6.5M.</td>
<td>• Includes Executive EQUAL funding proposal</td>
</tr>
<tr>
<td>• Puts enriched housing subsidy into a pool of programs, which is cut by 20%.</td>
<td>• Restores the enriched housing subsidy as a discrete line item, but cuts by 20% to $380,000</td>
</tr>
<tr>
<td>• No increase in the state portion of SSI Level 3 (Senate and Assembly proposals included increases).</td>
<td>• No increase in the state portion of SSI Level 3.</td>
</tr>
<tr>
<td>• $1.3M for ACF criminal history record check (CHRC) program, and $1.3M re-appropriated for past years.</td>
<td>• Includes Executive proposal for ACF CHRC funding.</td>
</tr>
<tr>
<td><strong>Community-based Services</strong></td>
<td><strong>Level-funds or otherwise appropriates funding for the following programs:</strong></td>
</tr>
<tr>
<td>• Level-funds or slightly increase funding for the following programs:</td>
<td></td>
</tr>
<tr>
<td>■ EISEP at $50.1M.</td>
<td></td>
</tr>
<tr>
<td>■ WIN at $27.5M.</td>
<td></td>
</tr>
<tr>
<td>■ Community Services for the Elderly at $30.1M.</td>
<td></td>
</tr>
<tr>
<td>■ Livable NY Initiative at $122,500.</td>
<td></td>
</tr>
<tr>
<td>■ Congregate Services Initiative at $403,000.</td>
<td></td>
</tr>
<tr>
<td>■ Investment in Caregiver Support at $25M.</td>
<td></td>
</tr>
<tr>
<td>■ Title XX funding of $66M.</td>
<td></td>
</tr>
<tr>
<td><strong>Consumer Directed Personal Assistance Program (CDPAP) Wage Parity</strong></td>
<td><strong>Includes CDPAS workers under provisions of the wage parity law that currently governs wages for personal care workers in NYC as well as Westchester, Nassau and Suffolk counties. Appropriates $18 million to support this expansion.</strong></td>
</tr>
<tr>
<td>No provision.</td>
<td></td>
</tr>
<tr>
<td><strong>Health Care Transformation</strong></td>
<td><strong>Includes Executive proposal.</strong></td>
</tr>
<tr>
<td>Creates second round of the Statewide Health Care Facility Transformation Program initiated in the SFY 2016-17 budget. Program is funded at $500M and financed through a combination of DASNY bonds and state budget capital funding.</td>
<td></td>
</tr>
<tr>
<td><strong>Health Information Technology Infrastructure</strong></td>
<td><strong>Includes Executive proposal.</strong></td>
</tr>
<tr>
<td>• $30M for SHIN-NY to permit sharing of health information among health care providers.</td>
<td></td>
</tr>
<tr>
<td>• $10M for the All Payer Claims Database, a repository of health care utilization and spending data.</td>
<td></td>
</tr>
<tr>
<td>• $10M for DOH information technology initiatives.</td>
<td></td>
</tr>
</tbody>
</table>
### Summary of NYS Budget by Functional Area

<table>
<thead>
<tr>
<th>EXECUTIVE BUDGET</th>
<th>FINAL BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Home Care Recruitment, Training and Retention</strong></td>
<td>Includes Executive proposal.</td>
</tr>
<tr>
<td>• Continue funding for personal care worker recruitment and retention at $272M for NYC and $22.4M for other areas of the State.</td>
<td>• Includes a $2.5 billion, five-year investment of capital funds to expand affordable and supportive housing projects. $125 million is allocated for the development or rehabilitation of 100% senior housing, targeted to low-income seniors aged 60 and above. Plan also appropriates $950M for the MRT Supportive Housing Program and $75M for the Mitchell-Lama Program.</td>
</tr>
<tr>
<td>• Continue recruitment, training and retention funding at $100M for LTHHCPs, AIDS home care, and hospices.</td>
<td>• Includes Executive proposal.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Housing Programs</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reallocates nearly $2 billion in capital funds for affordable housing initiatives, and adds an additional $500 million to a five-year capital plan. Plan includes $125 million for senior housing.</td>
<td>• Includes a $2.5 billion, five-year investment of capital funds to expand affordable and supportive housing projects. $125 million is allocated for the development or rehabilitation of 100% senior housing, targeted to low-income seniors aged 60 and above. Plan also appropriates $950M for the MRT Supportive Housing Program and $75M for the Mitchell-Lama Program.</td>
</tr>
<tr>
<td>• Funds existing programs:</td>
<td>• Includes Executive proposal. Also includes language allowing adjustments to the cap to reflect minimum wage.</td>
</tr>
<tr>
<td>■ Access to Home at $1M.</td>
<td></td>
</tr>
<tr>
<td>■ Affordable Housing Corporation at $26M.</td>
<td></td>
</tr>
<tr>
<td>■ Low-Income Housing Trust Fund program at $65.2M.</td>
<td></td>
</tr>
<tr>
<td>■ Homeless Housing Assistance Program at $64M.</td>
<td></td>
</tr>
<tr>
<td>■ Housing Opportunity Program for the Elderly (HOPE) at $1.4M.</td>
<td></td>
</tr>
<tr>
<td>■ Public Housing Modernization Program at $6.4M.</td>
<td></td>
</tr>
<tr>
<td>■ Neighborhood and Rural Preservation Programs at $8.5M and $3.5M, respectively.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Medicaid Global Spending Cap</strong></th>
<th>Includes Executive proposal.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continues the cap (including the State’s “superpower” authority to make spending reductions if the Global Cap is breached) through March 31, 2019, with total state share DOH spending limited to $19.7B in SFY 2017-18 and $20.8B in SFY 2018-19.</td>
<td>Includes Executive proposal. Also includes language allowing adjustments to the cap to reflect minimum wage.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Non-Profit Infrastructure Capital Investment</strong></th>
<th>Includes re-appropriation and adds up to $20M.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Re-appropriates $100M for competitive grants for non-profit human services organizations for capital projects to improve service quality, efficiency and accessibility.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>NORCs/NNORCs</strong></th>
<th>Includes Executive proposal.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level-funds both programs at $2,027,500 each. Funding priority will be given to the renewal of existing contracts with the New York State Office for the Aging.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>TBI and NHTD Waiver Programs</strong></th>
<th>Accepts the Executive proposal to level-fund services and expenses related to TBI at $12.4 million. Rejects the consolidation of the 39 public health programs and restores the NHTD waiver housing subsidy as its own discrete line item, but accepts the 20% reduction in funding for the program.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level-funds the TBI program at $12.4M. The NHTD waiver housing subsidy, normally fully funded at $2.4M, is included in a group of public health programs that would be consolidated and reduced by 20%.</td>
<td></td>
</tr>
<tr>
<td>Executive Budget</td>
<td>Final Budget</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------</td>
</tr>
<tr>
<td><strong>VAP Program</strong></td>
<td>Includes Executive proposal.</td>
</tr>
<tr>
<td>Includes appropriation of $132 million for VAP, as well as a re-appropriation of $212 million of existing VAP funds.</td>
<td></td>
</tr>
<tr>
<td><strong>Discrete Cells in Managed Care Rate-Setting</strong></td>
<td>DOH commits to explore separate rate cells or risk adjustment for nursing home, high cost/high need home and personal care, and HARP (side letter).</td>
</tr>
<tr>
<td>No provision.</td>
<td></td>
</tr>
<tr>
<td><strong>Managed Care Rate Transparency</strong></td>
<td>DOH commits to provide quarterly updates to the legislature on Medicaid Managed Care rates (side letter).</td>
</tr>
<tr>
<td>No provision.</td>
<td></td>
</tr>
</tbody>
</table>
| **Nursing Home Bed Hold Benefits** | • For Medicaid beneficiaries aged 21+, eliminates hospitalization bed hold payments entirely, while maintaining 10 days of therapeutic leave per 12-month period reimbursable at 95% of the Medicaid rate.  
• Makes permanent the bed hold-related cut already reflected in current Medicaid rates that results in $18 million in annual savings. |
| • Eliminates bed hold payments to all nursing home providers while preserving the requirement for nursing homes to hold beds for residents who temporarily leave the nursing home.  
• Requires that an across-the-board reduction for all nursing homes other than pediatric facilities be made to achieve an annual savings of $18 million. This would replace the existing bed hold-related, $18 million across-the-board cut currently reflected in nursing home Medicaid rates. |
| **Nursing Home Benchmark Rate** | Requires Medicaid managed care plans to pay the nursing home benchmark rate until Dec. 31, 2020. |
| No provision. |
| **Reduction of MLTC Quality Payment** | No language enacted to prevent administrative action. |
| Reduces annual MLTC quality pool by $30 million. |
| **Transportation Carve-out** | Does not include Executive proposal. |
| Eliminates transportation from the MLTC benefit package and adjusts plan premiums accordingly. Manages the transportation of MLTC members and ADHC program participants through the State's transportation managers. |
| **Administrative Hearing Office Consolidation** | Does not include Executive proposal. |
| Creates a new Division of Central Administrative Hearings led by a Chief Administrative Law Judge (ALJ), to be appointed by the Governor. |
| **Authorization for Fiscal Intermediaries** | Requires CDPAS fiscal intermediaries to apply and receive authorization to operate from DOH. |
| No provision. |
| **Consolidation of Public Health Programs** | Does not include Executive consolidation proposal, but accepts the 20% reduction in funding to the programs. The 39 programs include both the Nursing Home Transition and Diversion and Enriched Housing programs. |
| Consolidates 39 public health appropriations into four pools: (1) disease prevention and control programs; (2) maternal and child health programs; (3) health workforce programs; and (4) health outcomes and advocacy programs. Reduces funding for each pool by 20%. |
### Summary of NYS Budget by Functional Area

<table>
<thead>
<tr>
<th>EXECUTIVE BUDGET</th>
<th>FINAL BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXECUTIVE BUDGET</strong></td>
<td><strong>FINAL BUDGET</strong></td>
</tr>
<tr>
<td><strong>Programmatic Initiatives</strong></td>
<td><strong>Programmatic Initiatives</strong></td>
</tr>
<tr>
<td><strong>Minimum Wage</strong></td>
<td>Includes Executive proposal.</td>
</tr>
<tr>
<td>Includes $255.4 million in state funding to support the direct cost of minimum wage increases for Medicaid-funded services provided by home care agencies, nursing homes, Assisted Living Programs (ALPs), hospitals and other providers.</td>
<td></td>
</tr>
<tr>
<td><strong>MLTC Enrollment Assessment</strong></td>
<td>Requires plans to evaluate cognitive needs as part of the enrollment assessment.</td>
</tr>
<tr>
<td>No provision.</td>
<td></td>
</tr>
<tr>
<td><strong>MLTC Marketing Ban</strong></td>
<td>No language enacted to prevent administrative action.</td>
</tr>
<tr>
<td>Administrative proposal to prohibit marketing by single-capitated MLTC plans.</td>
<td></td>
</tr>
<tr>
<td><strong>MLTC Plan Fining Mechanism</strong></td>
<td>No language enacted to prevent administrative action.</td>
</tr>
<tr>
<td>Administrative proposal to establish a mechanism to levy fines for contractual or regulatory infractions.</td>
<td></td>
</tr>
<tr>
<td><strong>Nursing Home Level of Care</strong></td>
<td>Does not include Executive proposal.</td>
</tr>
<tr>
<td>Limits new MLTC enrollments to individuals requiring nursing home level of care.</td>
<td></td>
</tr>
<tr>
<td><strong>Paid Family Leave</strong></td>
<td>Does not include Executive proposal.</td>
</tr>
<tr>
<td>Sets up fund to implement a risk-adjustment mechanism for the paid leave benefit.</td>
<td></td>
</tr>
<tr>
<td><strong>State-Local Medicaid Cost Sharing</strong></td>
<td>Does not include Executive proposal.</td>
</tr>
<tr>
<td>- Reduces state Medicaid cost sharing to NYC by $50 million, though this would not be implemented if NYC entered into a joint savings allocation plan with DOH to increase allowable federal claims for preschool and school supportive health by $100 million.</td>
<td>Includes Executive proposal.</td>
</tr>
<tr>
<td>- Continues State's commitment to bear the full cost of any growth in non-federal Medicaid expenditures and exempt local social services districts from sharing in the cost of any increases in Medicaid spending.</td>
<td></td>
</tr>
<tr>
<td><strong>Uniform Assessment System (UAS) Tool</strong></td>
<td>DOH commits to analyze and formulate change recommendations regarding the Universal Assessment System (UAS) Tool (side letter).</td>
</tr>
<tr>
<td>No provision.</td>
<td></td>
</tr>
<tr>
<td><strong>Regulatory/Programmatic Initiatives</strong></td>
<td><strong>Regulatory/Programmatic Initiatives</strong></td>
</tr>
<tr>
<td><strong>Financial Exploitation of Vulnerable Adults</strong></td>
<td>Does not include Executive proposal, but amends crime victims’ compensation law to enable vulnerable elderly persons and persons with disabilities to receive compensation of up to $30,000 for thefts that result in loss of savings.</td>
</tr>
<tr>
<td>Allows banks to place a &quot;hold&quot; on the account of a vulnerable adult when there is reason to suspect financial exploitation.</td>
<td></td>
</tr>
<tr>
<td><strong>Health Care Regulation Modernization Team</strong></td>
<td>Does not include Executive proposal.</td>
</tr>
<tr>
<td>Creates a Health Care Regulation Modernization Team to provide guidance on a “fundamental restructuring” of the statutes, regulations and policies that govern the licensure and oversight of health care facilities and home care.</td>
<td></td>
</tr>
</tbody>
</table>
# Summary of NYS Budget by Functional Area

## EXECUTIVE BUDGET

### Mandated Recycling of Organic Waste
Requires certain high volume generators of food waste, including health care facilities, manufacturers, supermarkets, large restaurants and higher educational institutions to recycle their food waste beginning Jan. 1, 2021.

### Pharmacy
- Proposes legislation to increase transparency of drug prices and rein in the costs of high priced drugs.
- Authorizes DOH to require prior authorization of any refill of a controlled substance when more than a 7-day supply of the previously dispensed amount should remain, if the drugs had been used as directed.
- Makes it an “unacceptable practice” in the Medicaid program to prescribe opioids in violation of applicable laws or contrary to recommendations issued by the Drug Utilization Review Board.
- Eliminates “prescriber prevails” for drugs not on preferred drug list.
- Eliminates Medicaid managed care requirement to cover certain non-formulary drugs.
- Proposes various changes to fee-for-service reimbursement rates for pharmacies for generic, brand name and non-prescription drugs, and increases dispensing fee to $10 for generic and brand name drugs.
- Proposes $1.00 beneficiary copayment on nonprescription drugs and modifies brand name copayments. Copayments do not apply to MLTC plan members.
- Expands existing Collaborative Drug Therapy Management program currently authorized in Article 28 facilities.

### TBI and NHTD Waiver Transition to Managed Care
No provision.

### Workers’ Compensation Reforms
No provision.

### Spousal Refusal
Allows applicant to qualify for Medicaid without counting his/her spouse's income and assets only if the spouse is both absent and unwilling to support the applicant.

## FINAL BUDGET

### Mandated Recycling of Organic Waste
Does not include Executive proposal.

### Pharmacy
- Creates Medicaid drug cap within the Medicaid global cap.
- Includes Executive proposal.
- Includes Executive proposal.
- Does not include Executive proposal.
- Does not include Executive proposal.
- Increases dispensing fee to $10 for prescription drugs and certain non-prescription, covered out-patient drugs. Dispensing fees increased to $10 for all prescription drugs.
- Reduces beneficiary copayments on non-preferred brand name prescription drugs from $3.00 to $2.50. Brand name prescription drugs costing less than their generic equivalents and preferred brand name drugs subject to $1.00 copayment. Generic drug copayments remain at $1.00. Copayments do not apply to MLTC plan members.
- Does not include Executive proposal.

### TBI and NHTD Waiver Transition to Managed Care
DOH commits to delay transition of NHTD and TBI waivers into managed care for one year to Jan. 1, 2019 (side letter).

### Workers’ Compensation Reforms
Ensures swift access to hearings for injured workers not receiving benefits, creates a clear formulary for prescription drugs, and provides relief for first responders exposed to a traumatic event at work.

### Spousal Refusal
Does not include Executive proposal.
Adult Care Facilities and Assisted Living
*Diane Darbyshire at* ddarbyshire@leadingageny.org *or* 518-867-8828

Adult Day Health Care
*Anne Hill at* ahill@leadingageny.org *or* 518-867-8836

Community-based Services
*Cheryl Udell at* cudell@leadingageny.org *or* 518-867-8871

Home Care
*Cheryl Udell at* cudell@leadingageny.org *or* 518-867-8871

Managed Long Term Care/Managed Care
*Darrius Kirstein at* dkirstein@leadingageny.org *or* 518-867-8841

Nursing Home
*Dan Heim at* dheim@leadingageny.org *or* 518-867-8866

Senior Housing
*Ami Schnauber at* aschnauber@leadingageny.org *or* 518-867-8854