

OFFICE FOR THE AGING

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	123,136,085	127,763,000	4,626,915	3.8%
Special Revenue-Other	4,300,000	4,300,000	0	0.0%
Special Revenue-Federal	117,850,000	117,850,000	0	0.0%
Enterprise	100,000	100,000	0	0.0%
Total for AGENCY SUMMARY:	245,386,085	250,013,000	4,626,915	1.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	39	33	(6)
All Other Funds:	108	108	0
TOTAL:	147	141	(6)

Agency Mission

(Executive Budget: pp.109 -113)

The New York State Office for the Aging (SOFA) is responsible for coordinating and administering federal, State, and local programs and services for the 3.2 million State residents who are sixty years of age or older. The mission of SOFA is to help older New Yorkers remain as independent as possible through effective policies and programs, as well as through encouragement of informal support networks and, as necessary, formal support services. SOFA oversees 59 Area Agencies on Aging, as well as numerous other local programs and providers serving New York's senior citizens.

This agency is included in the Health and Mental Hygiene appropriation bill.

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- implementation of the third year of the cost of living adjustment (COLA) tied to the Consumer Price Index (CPI) and a proposal to extend the COLA through SFY 2011-12. The COLA would apply to the Expanded In-home Services for the Elderly Program (EISEP), Community Services for the Elderly (CSE) Program and the Supplemental Nutrition Assistance Program (SNAP);
- an expansion of the SNAP program which would increase the number of meals provided to the elderly to 700,000 statewide;
- a proposal for a new targeted EISEP program to provide additional services to the frail elderly who are most at-risk of becoming institutionalized when conventional EISEP services are not sufficient to meet their needs;
- a proposal to create Caregiver Centers for Excellence that would serve as regional hubs to provide advanced and innovative information and tools to caregivers;
- a proposal for a new Adult Day Services Demonstration Program with a blended model for seniors;
- a proposal to provide technical assistance and support to promote innovative models of care, training and professional development in geriatrics;
- a proposal to improve SOFA's data systems;
- a proposal to move programs previously funded by transfers from the Department of Health (DOH) into the SOFA budget. Such programs include: the Health Insurance Information, Counseling and Assistance Program; Managed Care Consumer Assistance Program; and Evidence Based Disease Prevention Program; and
- cost savings initiatives totaling \$12,000,000 in the Elderly Pharmaceutical Insurance Coverage (EPIC) Program administered by the DOH. These initiatives include: savings of \$7,000,000 related to reducing EPIC pharmacy reimbursement for brand name drugs from average wholesale price (AWP) minus 14 percent to AWP minus 17 percent, savings of \$2,000,000 related to facilitating enrollment of low income seniors into Medicare Part D and savings of \$2,000,000 related to eliminating the Medicare asset test for EPIC. These proposed reductions would be offset by an increase of \$2,000,000 to support a \$1 increase in the pharmacy dispensing fee for brand name and generic drugs from \$3.50 to \$4.50 for brand name drugs on the Preferred Drug List (PDL) and \$4.50 to \$5.50 for generic drugs. The Executive also proposes \$500,000 related to the creation of a new EPIC Discount Card Program for financially vulnerable persons regardless of age.

Budget Detail

The Executive proposes an All Funds appropriation of \$250,013,000, a net increase of \$4,626,915 or 1.9 percent over SFY 2007-08 funding levels.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$13,871,000, a net decrease of \$145,000 or 1.03 percent below SFY 2007-08 funding levels. The Executive projects a staffing leveling of 141, a decrease of six full-time equivalent (FTE) positions.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$236,142,000, a net increase of \$4,771,915 or 2.06 percent above SFY 2007-08 funding levels.

Proposed Increases

The Executive proposes the following:

- \$4,818,000 for the third year of the cost of living adjustment (COLA) for EISEP, CSE and SNAP;
- \$4,000,000 for expansion of SNAP;
- \$2,500,000 for the new Targeted EISEP initiative;
- \$2,000,000 related to the transfer of the Managed Care Consumer Assistance Program from DOH;
- \$1,000,000 for the Adult Day Services Demonstration Program;
- \$1,000,000 related to the transfer of the Health Insurance Information, Counseling and Assistance program from DOH;
- \$950,000 to support the Caregiver Centers for Excellence;
- \$500,000 for the Community Empowerment initiative;
- \$141,000 related to the transfer of the Evidence Based Disease Prevention program from DOH; and
- \$60,000 for an enhanced web-based reporting infrastructure.

Proposed Decreases

The Executive proposes a savings of \$5,480,000 by eliminating Legislative initiatives enacted in the SFY 2007-08 Budget:

Article VII

The Executive recommends Article VII legislation that would:

- authorize SOFA to administer a new targeted Expanded In-home Services for the Elderly Program; and
- authorize SOFA to administer a new blended model Adult Day Services Demonstration program.

The Executive also recommends Article VII legislation in the Health and Mental Hygiene budget that would:

- reduce Average Wholesale Price (AWP) for drugs reimbursed through EPIC to AWP minus 14 percent to AWP minus 17 percent for brand name drugs;
- increase dispensing fee paid to participating pharmacies for generic drugs by \$1.00 – from \$4.50 to \$5.50;
- expand EPIC to authorize a new discount card for financially vulnerable persons; and
- include the maximum allowable cost (SMAC) to EPIC's options for generic drug reimbursement.

DEVELOPMENTAL DISABILITIES PLANNING COUNCIL

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Federal	4,550,000	4,550,000	0	0.0%
Enterprise	10,000	10,000	0	0.0%
Total for AGENCY SUMMARY:	4,560,000	4,560,000	0	0.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
All Other Funds:	18	18	0
TOTAL:	18	18	0

Agency Mission

(Executive Budget: pp. 115)

The Developmental Disabilities Planning Council (DDPC) helps persons with developmental disabilities to be independent and productive participants in the life of their communities. The DDPC's staff monitors contracts with not-for-profit service providers who work with consumers, helping them to achieve community integration. The 34 member Council is federally funded through the Federal Developmental Disabilities Assistance and Bill of Rights Act of 1975.

This agency is included in the Health and Mental Hygiene appropriation bill.

Budget Detail

State Operations

The Executive proposes an All Funds appropriation of \$4,560,000, reflecting no change from SFY 2007-08. The staffing level will remain constant at 18 full-time equivalent (FTE) positions.

DEPARTMENT OF HEALTH

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	13,578,059,460	13,824,004,100	245,944,640	1.8%
Special Revenue-Other	6,861,845,500	6,576,478,200	(285,367,300)	-4.2%
Special Revenue-Federal	29,129,324,000	28,569,353,000	(559,971,000)	-1.9%
Enterprise	10,000	10,000	0	0.0%
Capital Projects Fund	182,600,000	182,600,000	0	0.0%
Capital Projects Fund - Advances	85,000,000	85,000,000	0	0.0%
Federal Capital Projects Fund	36,812,000	9,980,000	(26,832,000)	-72.9%
Total for Agency:	49,873,650,960	49,247,425,300	(626,225,660)	-1.3%
Total Contingency:	1,771,200,000	1,771,200,000	0	0.0%
Total for AGENCY SUMMARY:	51,644,850,960	51,018,625,300	(626,225,660)	-1.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	2,080	2,147	67
All Other Funds:	3,704	3,893	189
TOTAL:	5,784	6,040	256

Agency Mission

(Executive Budget: pp. 119-137)

The Department of Health is the designated State agency responsible for promoting and supervising public health activities, ensuring sound and cost-effective medical care, reducing infectious diseases, and providing the first line of defense against any biologically-based terror attack. The Department of Health has worked towards its goal of ensuring the highest quality,

most appropriate, cost-effective, health care for all New Yorkers. Since State Fiscal Year (SFY) 1996-97 when authority for the State's Medical Assistance (Medicaid) program was transferred from the former Department of Social Services, the Department of Health has served as the principal State agency responsible for coordinating with Federal and local governments, health care providers, and program participants on behalf of the Medicaid program in New York.

This agency is included in the Health and Mental Hygiene appropriation bill.

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- reducing overall State share Medicaid spending by \$634,150,000, including savings measures totaling \$736,000,000 offset by \$101,850,000 in spending on new initiatives;
- expanding the Child Health Plus (CHP) eligibility from 250 percent to 400 percent of the Federal Poverty Level to provide access to coverage to many of New York's uninsured children. The federal government has denied matching funds to support this expansion and the Executive is proposing additional State funds that would replace the federal share.
- enhancing Medicaid payment rates for outpatient and primary care and creating a new Ambulatory Patient Group (APG) methodology that would reimburse providers based on the severity of each case rather than on one standard fee;
- implementing other primary care enhancements, including Medicaid reimbursement for diabetes and asthma education, access to after-hours primary care, nurse family partnerships, and maternal case management services;
- providing local governments with Medicaid savings of \$776,532,012 in SFY 2008-09, of which \$32,012,000 reflects the continuation of a cap on local Medicaid expenditures and \$453,500,000 represents projected savings from full State assumption of the local share of Family Health Plus (FHP);
- improving the effectiveness of the fraud prevention and detection activities conducted by the Office of the Medicaid Inspector General (OMIG) and the Attorney General's Medicaid Fraud Control Unit. These include the establishment of civil penalties for the misappropriation of Medicaid funds; expanding the OMIG's access to provider tax records; and requiring the Office of the Attorney General to provide the OMIG with complaint information and evidence related to False Claims actions;
- extending from April 1, 2009 to April 1, 2012, the cost of living adjustment (COLA) for various programs within the Department;

- providing enhancements to the Elderly Pharmaceutical Insurance Coverage (EPIC) Program, including the creation of a new EPIC Discount Card Program for financially vulnerable persons regardless of age, the facilitated enrollment of low income senior EPIC enrollees into Medicare Part D, and the elimination of the Medicare asset test for EPIC to allow more individuals to qualify for the Medicare Part D Low Income Subsidy;
- increasing General Public Health Works Program (Article 6) funding by \$15,300,000, and continuing a \$40,000,000 contingency fund to address public health emergencies;
- reauthorizing the Health Care Reform Act (HCRA) through March 31, 2011 as an on-budget program for which the Executive proposes \$21,500,000 in new spending to be offset by \$52,000,000 in proposed spending reductions and \$169,000,000 in new revenue;
- redistributing HCRA Graduate Medical Education (GME) funding to create a new GME Innovations Pool that would support several new initiatives, including the Empire Clinical Research Program (ECRP), the Ambulatory Care Training Program, the Physician Loan Repayment Program, the Physician Practice Support Program, a study of the physician workforce, and the Diversity in Medicine/Post-Baccalaureate Program;
- phasing in a new distribution methodology for Hospital Indigent Care payments over three years. The new system would be based on the report from the Indigent Care Workgroup authorized by the SFY 2007-08 Budget. The proposed methodology would be based on losses from serving the uninsured;
- continuing \$78,000,000 in base funding for Roswell Park Cancer Institute, \$15,000,000 for cancer research, and \$25,000,000 for capital improvements;
- supporting the fourth and final year of the Health Care Efficiency and Affordability Law for New Yorkers (HEAL NY) which provides for health care technology improvements, facility upgrades, reconfigurations and consolidations; and
- continuing support for stem cell grants for research and development activities that will further scientific discoveries in fields related to stem cell biology.

Budget Detail

The Executive requests the following:

- All Funds appropriations totaling \$51,018,625,300, a decrease of \$626,225,660 or 1.2 percent from SFY 2007-08 levels;
- General Fund appropriations totaling \$13,824,004,100, an increase of \$245,944,640 or 1.8 percent from SFY 2007-08 levels;

- Special Revenue Fund–Other appropriations, including a \$1,252,100,000 Health Care Reform Act (HCRA) appropriation, totaling \$6,576,478,200, a decrease of \$285,367,300 or 4.2 percent from SFY 2007-08 levels; and
- Special Revenue Fund–Federal appropriations totaling \$28,569,353,000, a decrease of \$559,971,000 or 1.9 percent from SFY 2007-08 levels.

In the SFY 2008-09 Executive Budget, the Governor proposes an increase of 256 full-time equivalent (FTE) positions agency wide, for a total workforce of 6,040 FTEs.

State Operations

The Executive proposes the following appropriations for State Operations:

- An All Funds appropriation of \$2,005,909,000, an increase of \$31,632,500 or 1.6 percent from SFY 2007-08;
- General Fund appropriations totaling \$260,672,800, an increase of \$32,506,800 or 14.3 percent from over SFY 2007-08;
- Special Revenue–Other appropriations totaling \$553,733,200, a decrease of \$31,527,300 or 5.4 percent from SFY 2007-08; and
- Special Revenue–Federal appropriations totaling \$1,191,493,000, an increase of \$30,653,000 or 2.6 percent from SFY 2007-08.

Proposed Increases

The Executive proposes:

- an increase of \$400,000 related to clinic lab waived testing and registration program fees;
- an increase of \$420,000 related to clinical lab specialist certification fees;
- an increase of \$220,000 to support a regional epidemiology program;
- an increase of \$80,000 to support a center for translational neurological research;
- an increase of \$50,000 to support a public health genomics program;
- an increase of \$200,000 to support HIV/AIDS Communities of Color treatment and compliance initiatives;

- an increase of \$250,000 to support hospice quality assessments;
- an increase of \$500,000 to support data protection and interoperability initiatives;
- an increase of \$500,000 to support electronic content and e-discovery initiatives;
- an increase of \$60,000 to support two administrative staff positions in the Office of Health Systems Management and Office of Long Term Care;
- an increase of \$500,000 to support a surveillance contract for the Office of Health Systems Management and Office of Long Term Care;
- an increase of \$4,000,000 for the creation of a State Enrollment Portal to streamline Medicaid enrollment, to be funded from \$8,000,000 in funding freed up from the elimination of Medicaid Managed Care plan facilitated enrollment;
- an increase of \$3,500,000 to support community based organizations Medicaid facilitated enrollment activities, to be funded from \$8,000,000 in funding freed up from the elimination of Medicaid Manage Care plan facilitated enrollment; and
- an increase of \$1,920,000 related to long term care reforms, including a home care database, nursing home appeals, reforms and restructuring plans.

Aid to Localities

The Executive proposes the following appropriations for Aid to Localities:

- All Funds appropriations totaling \$46,963,936,300, a decrease of \$631,026,160 or 1.3 percent from SFY 2007-08 levels;
- General Fund appropriations totaling \$13,563,331,300, an increase of \$213,437,840 or 1.6 percent from SFY 2007-08 levels;
- Special Revenue–Other appropriations totaling \$6,022,745,000, a decrease of \$253,840,000 or 4.0 percent from SFY 2007-08 levels; and
- Special Revenue–Federal appropriations totaling \$27,377,860,000, a decrease of \$590,624,000 or 2.1 percent from SFY 2007-08 levels.

Proposed Increases

The Executive proposes:

- an increase of \$15,300,000 related to underlying program growth in the General Public Health Works Program (Article 6);
- an increase of \$6,100,000 to support underlying program growth in the Early Intervention Program;
- An increase of \$19,600,000 to support a COLA tied for various programs within the Department of Health. The Executive also includes language extending the COLA from April 1, 2009 to April 1, 2012;
- an increase of \$1,250,000 to support childhood lead poisoning prevention activities;
- an increase of \$800,000 to support a comprehensive Hepatitis C program;
- an increase of \$2,200,000 to support improved tobacco control initiatives;
- an increase of \$1,500,000 to support adolescent pregnancy prevention activities in addition to \$7,320,000 in pregnancy prevention funding transferred to DOH from the Office of Children and Family Services (OCFS);
- an increase of \$300,000 to support obesity prevention activities and healthy eating collaboratives;
- an increase of \$500,000 to support HIV/AIDS risk reduction activities;
- an increase of \$330,000 to support workforce preparedness; and
- an increase of \$25,320,000 related to the shift of various programs from Temporary Assistance for Needy Families (TANF) funding to the General Fund.

Proposed Decreases

The Executive proposes:

- a reconciliation of \$60,000,000 related to overpayments made to New York City for Early Intervention services;
- a reduction of \$32,700,000 related to the elimination of payments related to a COLA for Early Intervention providers from SFY 2006-07, SFY 2007-08 and SFY 2008-09;

- a reduction of \$28,250,000 related to fund sweeps and transfers;
- a reduction of \$3,100,000 related to the transfer of funding from DOH to the State Office for the Aging for the Health Insurance Information, Counseling and Assistance Program (HIICAP), the Managed Care Consumer Assistance Program, and the Evidence Based Disease Prevention Program;
- a reduction of \$24,950,000 related to various programs in the AIDS Institute Program, the Center For Community Health Program, and the Office of Long Term Care; and
- a reduction of \$1,000,000 in funding for avian flu preparedness.

Medical Assistance (Medicaid) Program

The Executive proposes the following Medicaid appropriations in the SFY 2008-09 Budget:

- An All Funds appropriation in Aid to Localities of \$40,670,064,000, a net decrease of \$637,646,000 or 1.5 percent from SFY 2007-08 levels;
- General Fund appropriations totaling \$12,255,414,000, a net increase of \$217,516,000 or 1.8 percent over SFY 2007-08 levels;
- Special Revenue Fund – Other appropriations totaling \$3,159,650,000, a net decrease of \$201,000,000 or 6.0 percent from SFY 2007-08 levels; and
- Special Revenue Fund – Federal appropriations totaling \$25,255,000,000, a net decrease of \$654,162,000 or 2.5 percent from SFY 2007-08 levels.

The Executive proposes to restructure the way Medicaid spending is appropriated. Previously, the State's Medicaid appropriations and spending had been dispersed among various State agencies with Medicaid responsibilities, with the Federal share of Medicaid generally appropriated in DOH. The SFY 2008-09 budget would consolidate all Medicaid appropriations within DOH, including appropriations previously found in the Office of Mental Health (OMH), the Office of Mental Retardation and Developmental Disabilities (OMRDD), the Office of Alcoholism and Substance Abuse Services (OASAS), the State Education Department (SED), and the Office of Children and Family Services (OCFS) budgets. This change would be revenue neutral to the State but would generate a \$2,648,800,000 increase in the General Fund Medicaid appropriation within DOH which is reflected in the SFY 2008-09 budget.

On January 1, 2006, the State implemented a cap on the local share of Medicaid expenditures. In calendar year 2006, local Medicaid contributions were capped at 3.5 percent growth over 2005 expenditures. The growth rate dropped to 3.25 percent in 2007 and to 3.0 percent for 2008 and thereafter. The Executive projects the cap will save counties a total of \$323,000,000 in

SFY 2008-09. As of January 1, 2006, the State also assumed the full local share of Family Health Plus (FHP) expenditures, saving counties a projected \$453,500,000 in SFY 2008-09. The total savings to local governments statewide is projected to be \$776,500,000 in SFY 2008-09 from the two actions, with a corresponding cost to the State.

The Governor proposes Article VII language intended to improve the effectiveness of the Office of the Medicaid Inspector General's (OMIG) fraud prevention and detection activities. Specifically, the Governor proposes:

- to establish civil penalties for the misappropriation of Medicaid funds and enable the OMIG to recoup such funds;
- to expand the OMIG's access to provider tax records; and
- to require the Office of the Attorney General to provide the OMIG with complaint information and evidence related to False Claims actions.

The Governor's proposed budget delays the implementation of the new methodology used to determine the reimbursement rates for nursing homes that was authorized in SFY 2006-07 and scheduled to take effect January 1, 2007, but has not yet been approved by the federal government. The new methodology is now scheduled to become effective immediately upon approval by the federal government, with reimbursements being applied in accordance with the new rates as of January 1, 2008. The delay in the implementation schedule is expected to result in State savings of \$85,000,000.

The Executive would also continue funding State grants for public nursing homes, enacted in the SFY 2006-07 budget providing a total of \$15,000,000 in SFY 2007-08; \$35,000,000 in SFY 2008-09; and \$100,000,000 annually thereafter.

The Executive proposes a new Ambulatory Patient Group (APG) methodology for Medicaid reimbursement of outpatient care. The current system that reimburses providers a standard rate for outpatient services would be replaced with a new methodology that reimburses providers based on the severity of each case. Under this new system provider reimbursement would vary based on the diagnosis and procedure of each patient.

The Executive proposes actions that are expected to reduce the State share of Medicaid spending by approximately \$634,150,000, including savings measures totaling \$736,000,000 offset by \$101,850,000 in spending on new initiatives. On an All Funds basis, Medicaid spending is expected to be reduced by \$1.210 billion as a result of these proposed actions.

Hospitals/Ambulatory Care

The Executive proposes General Fund Medicaid savings initiatives totaling \$172,000,000, to be offset by \$84,000,000 in new spending, resulting in a net decrease of \$88,000,000 in

General Fund State share spending in SFY 2008-09. The Governor proposes the following actions which will result in savings:

- rebasing inpatient hospital rates from 1981 to 2005 effective July 1, 2008, to be phased in over four years - \$41,000,000 in savings;
- shifting Graduate Medical Education (GME) payments from inpatient to outpatient - \$11,000,000 in savings;
- reducing the 2008 trend factor by 25 percent - \$20,000,000 in savings;
- removing detoxification reimbursement from the Diagnosis Related Group (DRG) system and reimbursing hospitals as a per-diem payment related to costs - \$35,000,000 in savings;
- eliminating Medicaid payments for “never events” which are serious and costly errors that should never happen - \$10,000,000 in savings;
- shifting of services from an inpatient setting to an outpatient setting - \$2,000,000 in savings;
- implementing selective contracting for certain services - \$1,000,000 in savings;
- implementing the recommendations of the Commission on Health Care Facilities in the 21st Century - \$43,000,000 in savings;
- requiring the diagnosis and procedure code on hospital admission information - \$7,000,000 in savings; and
- eliminating the specialty rates for mental health clinic services - \$2,000,000 in savings.

These savings actions will be offset by spending on the following new initiatives:

- an increase of \$31,000,000 to support outpatient hospital care including \$11,000,000 in Graduate Medical Education (GME) payments shifted from inpatient to outpatient care;
- an increase of \$26,000,000 to support increased reimbursement for ambulatory surgery;
- an increase of \$3,000,000 to support increased reimbursement for emergency room visits;

- an increase of \$2,000,000 to support increased reimbursement for non-hospital clinic services;
- an increase of \$5,000,000 to support increased reimbursement for physician services in an inpatient setting;
- an increase of \$5,000,000 to support increased reimbursement for physician services in a clinic setting;
- an increase of \$5,000,000 to support increased reimbursement for office-based physician services; and
- an increase of \$7,000,000 to support primary care enhancements, including diabetes and asthma education, improved access to after hours primary care, nurse family partnerships, and maternal case management services.

Nursing Homes

The Executive proposes savings initiatives for the nursing home sector totaling \$111,000,000 in General Fund State share savings in SFY 2008-09 from the following actions:

- reducing the 2008 trend factor by 25 percent - \$16,000,000 in savings;
- eliminating nursing home rebasing payments for SFY 2006-07 and SFY 2007-08 that never received federal approval - \$85,000,000 in savings; and
- implementing the recommendations of the Commission on Health Care Facilities in the 21st Century - \$10,000,000 in savings.

Pharmacy

The Executive proposes savings initiatives totaling \$173,000,000 which are offset by \$13,000,000 in new spending, resulting in a net decrease of \$160,000,000 in General Fund State share spending in SFY 2008-09. The Governor proposes the following actions which will result in savings:

- reducing the Medicaid pharmacy reimbursement for brand name drugs from average wholesale price (AWP) less 14 percent to AWP less 17 percent -- \$33,000,000 in savings;
- implementing a specialty pharmacy program for high cost drugs - \$4,000,000 in savings;

- modifying the Preferred Drug Program (PDP) to eliminate the exemption for anti-depressant drugs - \$ 5,000,000 in savings;
- adding new drugs to the Clinical Drug Review Program (CDRP) - \$14,000,000 in savings;
- adding new drugs and new classes of drugs to the PDP - \$13,000,000 in savings;
- allowing drugs to be included on both the PDP and the CDRP - \$4,000,000 in savings;
- implementing additional controls on early refills - \$6,000,000 in savings;
- increasing the usage of the federal 340-B Program - \$4,000,000 in savings;
- removing the pharmacy benefit from the capitated rate paid for the Family Health Plus program and reimbursing these pharmacy costs on a fee-for-service basis - \$27,000,000 in savings;
- implementing a medication therapy management program to reduce medication errors for medically complex enrollees - \$1,000,000 in savings;
- implementing an enhanced system of retrospective drug utilization review - \$4,000,000 in savings;
- implementing a program of academic detailing to provide evidence-based prescribing information to physicians - \$ 1,000,000 in savings; and
- re-estimating the State payments to the federal government related to pharmacy services provided through Medicare Part D for individuals eligible for both Medicare and Medicaid (“Clawback payments”) - \$57,000,000 in savings.

These savings actions will be offset by spending on the following new initiatives:

- an increase of \$9,000,000 to support a \$1 increase in the dispensing fee for generic and brand name drugs on the Preferred Drug List (PDL); and
- an increase of \$4,000,000 to support a decrease in the co-payment from \$3 to \$1 for brand name drugs on the PDL.

Managed Care

The Executive proposes savings initiatives totaling \$34,000,000 in General Fund State share savings in SFY 2008-09 from the following actions:

- reducing Medicaid Managed Care and Family Health Plus trend factors by 0.5 percent - \$15,000,000 in savings;
- reducing the Managed Long Term Care premium growth by 50 percent - \$8,000,000 in savings;
- reducing Medicaid Managed Care Premiums related to the elimination of facilitated enrollment by contracted health plans, with savings to be redirected to fund a new State Enrollment Portal and facilitated enrollment by community based organizations - \$8,000,000 in savings;
- expanding enrollment of individuals eligible for Supplemental Security Income (SSI) into Medicaid Managed Care - \$2,000,000 in savings; and
- expanding enrollment of Severely and Persistently Mentally Ill (SPMI) individuals into Medicaid Managed Care - \$1,000,000 in savings.

Other Long Term Care

The Executive proposes new savings initiatives totaling \$41,000,000 in General Fund State share savings in SFY 2008-09 from the following actions:

- reducing the trend factor for home care services by 25 percent - \$4,000,000 in savings;
- reducing the trend factor for personal care services by 25 percent - \$6,000,000 in savings;
- implementing a personal care services utilization demonstration program for New York City - \$6,000,000 in savings;
- reducing administrative and general costs for Certified Home Health Agencies (CHHA) with more than \$10,000,000 in annual revenue, eliminating the 10 percent corridor in excess of the mean reimbursement rate, and freezing the base year at 2005 costs - \$20,000,000 in savings; and
- reducing administrative and general costs for Long Term Home Health Care Program (LTHHP) providers with more than \$10,000,000 in annual revenue - \$5,000,000 in savings.

Transportation Services

- The Executive proposes \$10,000,000 in General Fund State share savings related to the implementation of transportation broker contracts for non-emergency Medicaid transportation services.

Other Medicaid Proposals

The Executive proposes savings initiatives totaling \$195,000,000 in General Fund State share savings in SFY 2008-09 from the following actions:

- improving the Medicaid utilization review system - \$5,000,000 in savings;
- improving case management for diabetes and asthma patient - \$7,000,000 in savings;
- improving prenatal registration and care coordination - \$1,000,000 in savings;
- increasing the Medicaid Audit Target to account for increased recoveries anticipated from the Governor's new anti-fraud proposals - \$160,000,000 in savings;
- eliminating Medicaid payments related to a cost of living adjustment (COLA) for Early Intervention providers from SFY 2006-07, SFY 2007-08 and SFY 2008-09 - \$8,000,000 in savings;
- enhancing provider enforcement actions in the Office of Alcoholism & Substance Abuse Services (OASAS) and Office of Mental Retardation and Developmental Disabilities (OMRDD) - \$14,000,000 in savings.

These savings actions will be offset by spending \$,850,000 for the following new initiatives:

- an increase of \$250,000 related to extending Medicaid coverage to foster care children from age 18 to age 21;
- an increase of \$2,600,000 to ensure coverage for medically needy Medicaid enrollees; and
- an increase of \$2,000,000 related to the removal of the asset test for the Medicare Savings program.

Health Care Reform Act (HCRA)

The Executive proposes to extend HCRA from March 31, 2008 through March 31, 2011, and recommends a Special Revenue – Other appropriation of \$1,266,900,000 for the HCRA Program for SFY 2008-09. This appropriation represents an increase of \$14,800,000 or 1.2 percent over SFY 2007-08.

The Executive proposes \$19,500,000 in new spending to be offset by \$52,000,000 in spending reductions and \$169,000,000 in new revenue.

Additionally, the Executive proposes a new distribution formula for Graduate Medical Education (GME) payments funded by HCRA. The SFY 2007-08 State budget included \$362,300,000 in HCRA funding to support GME payments, including \$329,700,000 to fund the Professional Education Pool which is distributed to teaching hospitals based proportionally on GME costs; \$31,000,000 to support the GME Incentives Pool which funds specialized medical education programs; and \$1,600,000 to support the Area Health Education Center (AHEC) program. The Executive proposes to continue the total HCRA GME funding at the same level but would make the following changes to the allocation:

- An increase of \$45,600,000 related to the creation of a new GME Innovations Pool that would fund several new initiatives, including \$31,000,000 for the Empire Clinical Research Program (ECRP), \$5,000,000 for the Ambulatory Care Training Program, \$2,000,000 for the Physician Loan Repayment Program, \$2,000,000 for the Physician Practice Support Program, \$600,000 for a study on physician workforce, and \$2,000,000 for the Diversity in Medicine/Post-Baccalaureate Program;
- An increase of \$1,000,000 related to the AHEC program to bring total funding to \$2,600,000 in SFY 2008-09;
- a reduction of \$15,600,000 in Professional Education Pool funding, with these savings being used to fund the new GME Innovations Pool and the increase in funding for the AHEC program; and
- a reduction of \$31,000,000 related to the elimination of the GME Incentives Pool, with these savings used to fund the new GME Innovations Pool and the increase in funding for the AHEC program.

The Executive continues funding for the Empire State Stem Cell Board within the Department of Health which makes grants for research and development activities that will further scientific discoveries in fields related to stem cell biology. The Board is comprised of a funding committee and an ethics committee, both of which are chaired by the Commissioner of Health. The Executive proposes to advance the first of ten \$50,000,000 annual installments to supplement the \$100,000,000 appropriated from the General Fund in the SFY 2007-08. This proposed funding

would bring total appropriation levels to \$150,000,000 out of the \$600,000,000 commitment over eleven years. These annual installments are to be supported from the conversion of a downstate New York health insurance plan from not-for-profit to for-profit status. The initial public offering from this conversion is anticipated for SFY 2008-09.

The Governor advances new revenue enhancing initiatives for HCRA that include:

- increasing the Covered Lives Assessment by \$140,000,000 annually, from \$850,000,000 to \$990,000,000;
- investing in new payor and provider audits to enhance compliance with HCRA revenue obligations that the Executive estimates would generate \$27,000,000 in SFY 2008-09; and
- conforming the tax on “little cigars” with the tax on cigarettes to generate \$2,000,000 in revenue.

Proposed Increases

The Executive proposes:

- an addition of \$19,000,000 to support the expansion of eligibility for the Child Health Plus program from 250 percent to 400 percent of the Federal Poverty Level (FPL), effective July 1, 2008. The federal government has denied federal matching funds to support this expansion and this additional funding would replace the federal share. There is \$37,000,000 in total funding included in the SFY 2008-09 budget to support this expansion; and
- an addition of \$500,000 to support the creation of a new Elderly Pharmaceutical Insurance Coverage (EPIC) Discount Card Program for financially vulnerable persons regardless of age.

Proposed Decreases

The Executive proposes:

- cost savings initiatives totaling \$12,000,000 in the EPIC Program that include: reducing EPIC pharmacy reimbursement for brand name drugs from average wholesale price (AWP) less 14 percent to AWP less 17 percent -- \$7,000,000 in savings; additional savings from facilitated enrollment of low income seniors into Medicare Part D - \$2,000,000 in savings; and eliminating the Medicare asset test for EPIC - \$2,000,000 in savings. These proposed reductions would be offset by an increase of \$2,000,000 to support a \$1 increase in the pharmacy dispensing fee for

brand name and generic drugs from \$3.50 to \$4.50 for brand name drugs on the PDL and \$4.50 to \$5.50 for generic drugs;

- a reduction of \$12,000,000 related to the first years of a four year phase out of Workforce Recruitment and Retention Funding for public hospitals;
- a reduction of \$12,000,000 related to increased enrollee premiums under the Child Health Plus program; and
- an decrease of \$11,900,000 related to the shift of the Enhanced Newborn Screening Program from the Department of Health to the Insurance Department.

Capital Projects

The Executive continues the HEAL NY program to help enhance the efficiency of New York's health care system. Funds for this program are used to support health care technology improvements, as well as facility upgrades, reconfigurations, and consolidations. The Governor proposes to advance the fourth, and final, \$250,000,000 annual installment to bring total appropriation levels to \$1,000,000,000. The Governor proposes to dedicate \$7,000,000 in HEAL NY funding to support health facility planning and also continues to dedicate \$25,000,000 for capital improvements at the Roswell Park Cancer Institute.

The Executive would also continue \$10,000,000 to support capital projects at the Wadsworth Laboratories.

Article VII

Part A: Public Health Programs:

The Executive recommends Article VII legislation that would:

- reduce pharmacy reimbursement levels within the EPIC program for brand name prescription drugs from average wholesale price (AWP) less 14 percent to AWP less 17 percent;
- increase the dispensing fee paid to participating pharmacies within the EPIC program for generic drugs by \$1.00, from \$4.50 to \$5.50, and increase the dispensing fee for brand name drugs in the Preferred Drug Program by \$1.00, from \$3.50 to \$4.50;
- establish a drug discount card within the EPIC program to be available to any resident of any age who meets the income requirements of catastrophic coverage under the EPIC program and who does not receive Medicaid;

- allow for the reimbursement of travel and other expenses incurred by those serving on the Coordinating Council for Services related to Alzheimer's Disease and other Dementia;
- change pharmacy reimbursement levels within the EPIC program for generic drugs to allow for either 1) the usual and customary charge, 2) the upper limit set by the Centers for Medicare and Medicaid Services, 3) AWP less 25 percent, or, 4) the maximum allowable cost if any, established by the Commissioner of Health, plus the dispensing fee;
- require the Commissioner of Health to conduct a study on the feasibility and cost-effectiveness of a program to make childhood immunizations universally available to children and adolescents up to age 19 without charge;
- clarify State reimbursement payments in the event of a public health emergency;
- permanently authorize Professional Medical Conduct account financing of physician profiling;
- establish a new limited laboratory certificate of registration process for facilities performing only waived tests, state-waived tests and microscopy procedures and establish a \$200 biennial fee for limited registration of such facilities;
- exempt laboratories performing only waived tests, state-waived tests or provider-performed microscopy procedures from having to be licensed or certified as a clinical laboratory practitioner under the Education Law;
- establish a certificate of qualification process for clinical laboratory specialists within the Department of Health and set registration fees of \$120;
- create a Masters of Science degree program in the field of laboratory science within the Wadsworth Center;
- expand the Public Health Management Leaders of Tomorrow program to accredited schools of public health and public health programs at public and private universities;
- increase penalties for violations of health laws or regulations from \$2,000 to \$10,000 per violation; and
- transfer the Adolescent Pregnancy Prevention and Services (APPS) program from the Office of Children and Family Services to DOH.

Part B: Extend and modify the Health Care Reform Act (HCRA)

The Executive recommends Article VII legislation that would:

- extend provisions of the Health Care Reform Act (HCRA) for three years, from March 31, 2003 through March 31, 2011;
- continue the Medicaid inpatient hospital reimbursement methodology, the collection of surcharges, and the Covered Lives Assessment to preserve Federal provider tax approvals;
- provide funding for various administrative costs of the Department of Health associated with HCRA programs including Tobacco Control and Health Care Delivery;
- extend the programmatic allocations for the Health Care Initiatives Pool and The Tobacco Control and Insurance Initiatives Pool;
- extend the Pay-for-Performance Program;
- extend and modifies the authority to transfer funds from HCRA to the General Fund to support HEAL-NY capital grants and debt service costs;
- extend the authorization hospital admission billing, uniform fiscal intermediary requirements, the Council on Health Care Financing, cost-based rates for ambulatory surgery, and the Ambulatory Care Pilot Program;
- extend the Covered Life Assessment and, effective April 1, 2008, increase the collection target by \$140,000,000 from \$850,000,000 to \$990,000,000 annually;
- extend and modify the GME distribution methodology, including supplemental distributions and Area Health Education Centers;
- implement new GME standards, quality measures and performance requirements which improve transparency and support training in primary care settings;
- provide that payments from the new GME Innovations Pool will be made directly from the HCRA Resources Fund, rather than by the HCRA Pool Administrator;
- continue a \$48,000,000 Medicaid payment to high need public and voluntary hospitals;
- extend the Individual Subsidy program for those individuals enrolled in the program prior to January 2001;
- extend funding for the Rural Health Network Development Grant Program and the Rural Health Care Access Development Program;

- include provisions concerning nursing home workforce recruitment and retention that were inadvertently dropped in preparing the 2007-2008 Enacted Budget;
- authorize that payments are made for the GME Innovations Pool directly from the HCRA Resources Fund, rather than by the HCRA Pool Administrator;
- continue a \$48,000,000 Medicaid payment to high need public and voluntary hospitals;
- extend the Individual Subsidy program;
- extend funding for the Rural Health Network Development Grant Program and the Rural Health Care Access Development Program;
- extend hospital workforce recruitment and retention payments through July 1, 2008;
- extend rate adjustments for clinic workforce recruitment and retention through December 31, 2008;
- extend payments for the personal care and home care workforce recruitment and retention programs;
- extend the Physician's Excess Medical Malpractice Program through June 31, 2011,
- extend the clinic bad debt and charity care program;
- extend funding for Hospital Indigent Care distributions and the High Need Indigent Care Adjustment, and modify the distribution methodology to be based on losses from serving the uninsured;
- extend the Health Insurance Continuation Assistance Demonstration Program through July 1, 2011;
- make technical adjustments to amounts appropriated for the DOH Center for Community Health's eating disorder and cancer grant programs.
- extend annual Medicaid payments totaling \$38,000,000 to non-public hospitals in New York City for foreign language translation services;
- make a variety of changes to the Child Health Plus Program, including authorizing New York to make State-only payments for the Child Health Plus income eligibility expansion to 400 percent of the Federal Poverty Level, modifying family contributions to increase enrollee cost sharing, moving the rate approval process from the State Insurance

Department to DOH, and permitting DOH to access tax returns in order to verify enrollee income eligibility for the program;

- require health care providers and third party payors to submit Federal tax identification numbers to assist providers and DOH in identifying claims that require surcharges and assessments;
- provide DOH with the flexibility to apply provider or payor audit findings;
- require that all delinquent surcharges and one percent assessment amounts referred to the Attorney General for collection be deemed final and not subject to further revision or reconciliation;
- allow third party payors to use monthly reporting for the Covered Lives Assessment and require that if they elect this option, this methodology must be used throughout the entire calendar year; and
- modify enforcement procedures related to indigent care payments.

Part C: Medical Assistance (Medicaid) Program:

The Executive recommends Article VII legislation that would:

- carve out Family Health Plus (FHP) pharmacy costs from the FHP benefit package to Medicaid fee-for-service;
- decrease pharmacy reimbursement for the Medicaid program from average wholesale price (AWP) less 14 percent to AWP less 17 percent for brand name drugs;
- create a specialty pharmacy program for Medicaid;
- implement a Medication Therapy Management pilot program for Medicaid;
- modify the Preferred Drug Program (PDP) to eliminate the exemption for anti-depressant drugs;
- authorize the inclusion of drugs in both the PDP and the Clinical Drugs Review Program (CDRP);
- increase the dispensing fees for generic and brand name drugs in the PDL by \$1;
- reduce co-payments for brand name drugs in the PDP from \$3 to \$1;

- limit pharmacy reimbursement for generic drugs to the lower of: the federal upper limit, the estimated acquisition cost of the drug, the State maximum acquisition cost, or the pharmacy's usual and customary price;
- decrease the 2008 inflationary trend cost increases for hospitals, nursing homes and home health care by 25 percent.;
- update the general hospital inpatient reimbursement methodology to reflect 2005 costs, beginning on July 1, 2008, and phasing in over four years;
- update inpatient reimbursement methodologies for those services that are currently on a per diem rate to reflect 2005 costs beginning on July 1, 2008 and phased in over four years;
- remove inpatient detoxification and withdrawal services from the Diagnostic Related Groups (DRG) and set the new per diem rate at cost;
- clarify that the itemized hospital bills that must be presented to patients include all ancillary charges;
- eliminate the statutory defined relationship between Workers Compensation and No Fault reimbursements to Medicaid rates, effective July 1, 2008;
- establish a new reimbursement methodology for ambulatory care based on the intensity of services provided rather than on a per visit basis, with outpatient and ambulatory surgery methodologies effective July 1, 2008 and community clinics and emergency room services effective January 1, 2009;
- establish, effective July 1, 2008, discrete rates of payments for hospital outpatient clinics for individuals enrolled in Medicaid Managed Care and FHP, to reflect costs related to direct and indirect medical education;
- permit prospective rate adjustments through alternate rate setting methodologies for clinics identified as Federally Qualified Health Centers (FQHC);
- eliminate retrospective nursing home rebasing payments and modify the SFY 2008-09 payments to be effective January 1, 2008;
- redistribute and restructure adjustments for nursing homes that qualify as financially disadvantaged;
- provide State funding for adult day health care services provided to persons with AIDS or HIV related illnesses if federal approval has not been obtained;

- create a Home Care Advisory Council to recommend reforms to the home care reimbursement system;
- modify reimbursement rates for Certified Home Health Agencies (CHHA) and the Long Term Home Health Care Program;
- promote utilization management and care coordination by Medicaid recipients;
- require individuals dually eligible for both Medicare and Medicaid, who are in a Medicare managed care plan, to enroll in the same plan for their Medicaid benefits;
- modernize the Medicaid utilization thresholds for Medicaid fee-for-service patients;
- reimburse providers for diabetes and asthma self-management education services;
- create a standardized registry of prenatal identification for women who are at high risk of poor birth outcomes;
- require the Office of the Attorney General to provide the Office of the Medicaid Inspector General (OMIG) with complaints and evidence related to False Claims actions;
- allow civil recoupment of misappropriated Medicaid funds;
- expand the OMIG's access to providers' tax return records;
- modifies the current FHP Employer Buy-In to allow benefit flexibility;
- authorize DOH to assume responsibility for authorization and reimbursement of transportation costs and to develop ways to improve the efficiency of transportation services;
- authorize DOH to centralize and facilitate enrollment in public health insurance programs;
- extend Medicaid coverage to foster children up to age 21;
- eliminate the asset test for the Medicare Savings Program;
- align Medicaid and FHP resources rules;
- eliminate Medicaid rules which require drug and alcohol screenings as a condition of eligibility;
- allow DOH to access income tax information for Medicaid, Child Health Plus, and FHP applicants;

- authorize DOH to create a personal care demonstration project in New York City to improve case management;
- establish a single Medicaid eligibility level for singles, childless couples and low-income families;
- provide for estate recoveries, personal injury action recoveries and spousal refusal recoveries by DOH;
- limit equity and transfers of assets by nursing homes;
- authorize DOH to enter into agreements with other states to establish multi-state pharmacy purchasing pools for the purpose of bulk purchasing of prescription drugs;
- provide contingency language relating to changes in hospital reimbursement and ambulatory care and funding for primary care enhancements; and
- provide various technical changes, extend various expiring laws, and extend various prior year cost containments

Part I: Cost of Living Adjustment

The Executive recommends Article VII legislation that would:

- extend, from April 1, 2008 to April 1, 2012, the cost of living adjustment (COLA) for various human service programs in OMH, OMRDD, OASAS, DOH, NYSOFA, OTDA and OCFS; and
- eliminate the COLA for providers of Early Intervention services.

MEDICAID INSPECTOR GENERAL, OFFICE OF THE

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	32,052,000	36,044,000	3,992,000	12.5%
Special Revenue-Other	5,257,000	5,185,000	(72,000)	-1.4%
Special Revenue-Federal	60,686,000	50,610,000	(10,076,000)	-16.6%
Total for AGENCY SUMMARY:	97,995,000	91,839,000	(6,156,000)	-6.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	323	361	38
All Other Funds:	355	392	37
TOTAL:	678	753	75

Agency Mission

(Executive Budget: pp. 139-142)

The Office of the Medicaid Inspector General (OMIG) was created as an independent entity within the Department of Health by Chapter 442 of the Laws of 2006. OMIG is responsible for improving and preserving the integrity of the Medicaid program by conducting and coordinating fraud and abuse control activities for all State agencies responsible for services funded by Medicaid. In carrying out its mission, the Office conducts and supervises all prevention, detection, audit and investigation efforts and coordinates such activities with the Department of Health, the Office of Mental Health, Office of Mental Retardation and Developmental Disabilities and Office of Alcoholism and Substance Abuse Services. OMIG works closely with the Medicaid Fraud and Control Unit in the Attorney General's Office and with Federal and local law enforcement agencies.

This agency is included in the Health and Mental Hygiene appropriation bill.

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- an increase of \$1,336,000 to support the addition of 75 full time equivalent (FTE) positions, of which 55 would be new auditors and investigators. This would bring total staffing to 753 FTEs;
- an increase of \$8,000,000 to support improved data-mining software and an expansion of the Card Swipe program; and
- a series of statutory reforms to strengthen the State's ability to detect and prevent fraudulent activity in the Medicaid system.

Budget Detail

The Executive requests the following:

- All Funds appropriations totaling \$91,839,000, a decrease of \$6,156,000, or 6.3 percent from SFY 2007-08 levels;
- General Fund appropriations totaling \$36,044,000, an increase of \$3,992,000, or 12.5 percent from SFY 2007-08 levels;
- Special Revenue Fund–Other appropriations totaling \$5,185,000, a decrease of \$72,000, or negative 1.4 percent from SFY 2007-08 levels; and
- Special Revenue Fund–Federal appropriations totaling \$50,610,000, a decrease of \$10,076,000, or 16.6 percent from SFY 2007-08 levels.

State Operations

The Executive requests State Operations appropriations for OMIG totaling \$91,839,000, a decrease of \$6,156,000 or 6.3 percent from SFY 2007-08 levels.

Proposed Increases

The Executive proposes:

- a combined increase of \$1,336,000 in General Fund and Federal funding to support the addition of 75 FTEs to bring total staffing to 753 FTEs. The additional staff would consist of 55 new auditors and investigators; 9 internal control and counsel staff; 8 staff to support front end edits, prepayment reviews and revenue initiatives; and 3 staff to support the expansion of the Card Swipe program;

- a combined increase of \$3,500,000 in General Fund and Federal funding to support upgrades of the current data-mining technology and the purchase of two additional data-mining software products;
- a combined increase of \$4,500,000 in General Fund and Federal funding to support an expansion of the Card Swipe program that allows providers to validate the identity of Medicaid recipients. Currently there are 1,200 providers participating in this program and this funding would provide card swipe terminals to 4,000 additional providers;
- a combined increase of \$9,158,000 in General Fund and Federal funding to support the annualization of the 157 FTEs added as part of the SFY 2007-08 budget; and
- a combined increase of \$4,862,000 in General Fund and Federal funding to support re-estimates of State Operations and fixed costs related to personal and nonpersonal service.

Proposed Decreases

The Executive proposes:

- a combined decrease of \$8,000,000 in General Fund and Federal funding related to the shift of the State University of New York clinical review contract from the OMIG to the Department of Health.

Article VII

The Executive recommends Article VII legislation that would:

- establish civil penalties for the misappropriation of Medicaid funds and enable the OMIG to recoup such funds;
- expand the OMIG's access to provider tax records; and
- require the Office of the Attorney General to provide the OMIG with complaint information and evidence related to False Claims actions.

DEPARTMENT OF MENTAL HYGIENE

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	(150,000,000)	0	150,000,000	0.0%
Special Revenue-Other	150,000,000	671,179,000	521,179,000	347.5%
Total for AGENCY SUMMARY:	0	671,179,000	671,179,000	--

Agency Mission

(Executive Budget: pp. 143)

The Office of Mental Health (OMH), the Office of Mental Retardation and Developmental Disabilities (OMRDD) and the Office of Alcoholism and Substance Abuse Services (OASAS) comprise the Department of Mental Hygiene (DMH). All three agencies, as direct providers of care, are funded in part by Medicaid, Medicare, third-party insurance and private payments. Patient revenues in the Patient Income Account (PIA) are pledged first to the payment of debt service on outstanding Mental Hygiene bonds. Anticipated PIA revenue is appropriated within the budgets of the mental hygiene agencies. During the course of the fiscal year, however, additional, unanticipated revenue may be received or bond refinancing might decrease debt service requirements. Unanticipated revenue is appropriated in the DMH and then allocated in proportion to the appropriate mental hygiene agency.

This Agency is included in the Health and Mental Hygiene appropriation bill.

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

Budget Detail

The Executive proposes a Special Revenue Fund-Other appropriation of \$641,179,000, an increase of \$521,179,000 or 347.5 percent over SFY 2007-08. This increase is primarily due to a proposed Medicaid appropriation restructuring initiative designed to improve budget transparency by shifting fiscal responsibility to the appropriate mental hygiene agencies. Such action is cost neutral to the financial plan. The new appropriations from the Patient Income Account and the new Mental Hygiene Program Fund may be distributed to any of the three agencies in order to access additional revenues made available through a decreased set-aside for debt service resulting from planned debt management actions and employee fringe benefit costs of State agencies.

OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	145,337,000	151,478,000	6,141,000	4.2%
Special Revenue-Other	250,232,000	333,664,000	83,432,000	33.3%
Special Revenue-Federal	141,913,000	141,918,000	5,000	0.00%
Capital Projects Fund	11,260,000	9,290,000	(1,970,000)	-17.5%
Mental Hygiene Capital Improvement Fund-389	108,346,000	112,046,000	3,700,000	3.4%
Total for AGENCY SUMMARY:	657,088,000	748,396,000	91,308,000	13.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
All Other Funds:	990	1,010	20
TOTAL:	990	1,010	20

Agency Mission

(Executive Budget: pp. 145 -150)

The Office of Alcoholism and Substance Abuse Services (OASAS) administers a statewide system of chemical abuse and gambling prevention, early intervention and treatment services. The agency operates 13 addiction treatment centers (ATC) located across the State to provide intermediate term treatment as a complement to the more intensive, short-term treatment provided in community hospitals. OASAS also licenses and regulates over 1,500 chemical dependence and compulsive gambling prevention, treatment and recovery services providers, the largest in the nation. In addition, OASAS licenses 300 providers of community prevention services.

This agency is included in the Health and Mental Hygiene appropriation bill.

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- implementation of the third year of the Cost of Living Adjustment (COLA) and a proposal to extend the COLA through SFY 2011-12;
- a collaborative program with the Office of Mental Health (OMH) and Department of Health (DOH) to coordinate health and behavioral health services for high cost populations having co-occurring disorders;
- a proposal to expand Compulsive Gambling Prevention programs to an additional 18 counties with plans to expand further to another 19 counties to reach state wide saturation;
- a three-year proposal to assist people in recovery with the development of 21 community recovery centers;
- an expansion of the swing bed detoxification program at Kingsboro Addiction Treatment Center to Ward Addiction Treatment Center;
- a proposal to streamline processes and funding associated with substance abuse treatment services for public assistance recipients;
- a collaboration between OASAS and Department of Health (DOH) to redesign the delivery of detoxification services, which includes a restructuring of the Medicaid rate for inpatient hospital detoxification services; and
- a collaboration between OASAS, the Office of the State Medicaid Inspector General and the Department of Health to save \$10,000,000 in wasteful, inappropriate or unnecessary Medicaid spending;

Budget Detail

The Executive proposes an All Funds appropriation of \$748,396,000, an increase of \$91,308,000 or 13.9 percent over the SFY 2007-08 level. The Executive projects a staffing level of 1,010, an increase of 20 full-time equivalent (FTE) positions.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$132,079,000, a net increase of \$70,096,000 or 113.09 percent. This increase is primarily due to a proposed Medicaid appropriation restructuring initiative designed to improve budget transparency by shifting fiscal responsibility to the appropriate mental hygiene agencies. This action is cost neutral to the financial plan.

Proposed Increases

The Executive purposes the following increases:

- \$37,855,00 related to a transfer of State employee fringe benefits from General State Charges to OASAS and other technical adjustment related to the Medicaid appropriation restructuring initiative;
- \$27,837,000 related to a Medicaid appropriation restructuring initiative;
- \$2,000,000 related to research activities and grant development contracts with the Research Foundation for Mental Hygiene;
- \$1,844,000 related to inflationary adjustments, increases in rental property, negotiated salary increases, offset by \$1,100,000 related to an information technology infrastructure upgrade;
- \$300,000 for the expansion of Compulsive Gambling Prevention Programs;
- \$300,000 related to the creation of a compulsive gambling credentialing initiative;
- \$200,000 related to notifications and information sharing associated with incidents and allegations of abuse within mental hygiene facilities, and implementation of Ignition Interlock legislation;
- \$200,000 to expand the swing bed detoxification program to Ward Addiction Treatment Center;
- \$200,000 to enhance clinical services at Addiction Treatment Centers;
- \$200,000 to improve the evaluation and oversight of the chemical dependence service system; and
- \$100,000 related to administering cost associated with the development of new community residential beds.

Proposed Decreases

- The Executive proposes savings of \$715,000 related to shared services, energy efficiencies and bulk information technology purchases with other agencies, and vacancy management.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$494,981,000, a net increase of \$19,482,000 or 4.10 percent over the SFY 2007-08 level.

Proposed Increases

The Executive proposes the following:

- \$12,500,000 for the third year of the Cost of Living Adjustment (COLA) for eligible providers;
- \$4,706,000 to support local assistance programs as a result of the Medicaid appropriation restructuring initiative;
- \$3,000,000 to annualize program costs associated with New York/New York III;
- \$2,000,000 for provider debt service payments related to capital costs of pipeline bed development;
- \$1,500,000 for new services for co-occurring populations;
- \$1,000,000 to offset a reduction in Federal Safe and Drug Free Schools and Communities funding;
- \$900,000 for operating costs related to 60 beds for adolescents and women with children;
- \$800,000 for 120 new supported housing beds outside of NYC and Long Island;
- \$500,000 for development of 21 new recovery centers statewide;
- \$400,000 for expansion of compulsive gambling prevention programs to 18 additional counties; and
- \$200,000 for a study of the provider reimbursement system.

Proposed Decreases

The Executive proposes the following:

- savings of \$6,100,000 by eliminating SFY 2007-08 Legislative program adds and initiatives;

- savings of \$1,000,000 due to improvements in provider performance reviews; and
- savings of \$1,000,000 related to efficiencies in managing program development.

Capital Projects

The Executive proposes an All Funds Capital Projects appropriation of \$121,336,000, a net increase of \$1,730,000 or 1.45 percent over SFY 2007-08 levels.

The Executive proposes the following increases in capital funding:

- \$24,000,000 for development of 120 new Community Residential opportunities outside of NYC and Long Island;
- \$29,700,000 related to a multi-year commitment to relocate and to renovate chemical dependence treatment programs; and
- \$2,000,000 for bonded authority to continue a multi-year project to renovate, to rehabilitate and to preserve Addiction Treatment Centers;

The Executive proposes the following decreases in capital funding:

- \$2,000,000 reduction in personal injury and worker's compensation liabilities associated with capital projects, which is offset by \$300,000 to support administrative expenses related to capital projects. This will result in a total savings of \$1,970,000; and
- \$52,000,000 reduction in bonded funding related to SFY 2007-08 plan for 100 new Veterans and 100 new residential treatment beds on Long Island, which is reappropriated.

Article VII

The Executive recommends Article VII legislation that would:

- provide OASAS with permanent responsibility for the treatment and prevention of compulsive gambling;
- authorize OASAS to participate with the State Housing Finance Agency or the State Division of Housing and Community Renewal in financing integrated housing developed by voluntary agencies; and
- authorize OASAS to extend the cost of living adjustment (COLA) through SFY 2011-2012.

OFFICE OF MENTAL HEALTH

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	496,387,000	563,815,000	67,428,000	13.6%
Special Revenue-Other	1,102,456,000	2,616,391,000	1,513,935,000	137.3%
Special Revenue-Federal	39,192,000	45,984,000	6,792,000	17.3%
Enterprise	8,514,000	8,514,000	0	0.0%
Capital Projects Fund	43,010,000	43,010,000	0	0.0%
Mental Hygiene Capital Improvement Fund-389	603,042,000	403,812,000	(199,230,000)	-33.0%
Internal Service Fund	2,620,000	2,620,000	0	0.0%
Total for AGENCY SUMMARY:	2,295,221,000	3,684,146,000	1,388,925,000	60.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	17,096	0	(17,096)
All Other Funds:	523	18,034	17,511
TOTAL:	17,619	18,034	415

Agency Mission

(Executive Budget: pp. 151-157)

The Office of Mental Health (OMH) has oversight of all mental health services in New York State. The agency is a direct provider of medium and long-term care at 16 adult psychiatric centers (PC) and six children's psychiatric centers (CPC). In addition, OMH provides diagnostic and treatment services to persons involved with the criminal justice system at three forensic psychiatric centers

(FPC). Additionally, OMH provides mental health services in 23 sites across the State to inmates incarcerated in Department of Correctional Services' facilities.

Research staff at the New York State Psychiatric Institute and the Nathan S. Kline Institute for Psychiatric Research conduct basic and applied research into the causes and treatment of psychiatric disorders, supported by State funds and grants from outside sources. OMH licenses and regulates more than 2,500 not-for-profits, government-operated and proprietary mental health agencies that serve 600,000 persons each year receiving inpatient, outpatient, emergency, residential and family care, and community support services.

This agency is included in the Health and Mental Hygiene appropriation bill.

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- a proposal to restructure outpatient clinic reimbursement rates;
- implementation of the third year of the Cost of Living Adjustment (COLA) and a proposal to extend the COLA through SFY 2011-12;
- addition of 1,500 new Supported Housing beds and 500 Single Room Occupancy (SRO) beds;
- a collaboration with the Department of Health (DOH) and Commission on Quality of Care and Advocacy For Persons with Disabilities (CQCAPD) to purchase and to convert adult homes into OMH housing;
- an expansion of the Clinic Plus Program to include Family Services;
- a proposal to remove barriers to specialty mental health treatment for children in New York City enrolled in Medicaid managed care plans;
- an expansion of the Rural Tele-psychiatry program;
- an enhancement of employment services in the Personalized Recovery Oriented Services (PROS) program;
- a collaborative managed care demonstration program to coordinate the health and behavioral health needs of high cost populations;

- a collaborative program with DOH and the Office of Alcoholism and Substance Abuse Services (OASAS) to provide services to persons with co-occurring mental health and substance abuse problems; and
- removal of the exemption for anti-depressants in the Medicaid Preferred Drug Program.

Budget Detail

The Executive proposes an All Funds appropriation of \$3,684,146,000, an increase of \$1,388,925,000 or 60.5 percent. This increase is primarily due to a proposed Medicaid appropriation restructuring initiative, designed to improve budgeting transparency by shifting fiscal responsibility to the appropriate Mental Hygiene agency. Such action is cost neutral to the financial plan. The Executive projects a staffing level of 18,034, an increase of 415 full-time equivalent (FTE) positions.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$1,935,877,000, a net increase of \$1,361,609,000 or 237.10 percent over the SFY 2007-08 level.

Proposed Increases

The Executive proposes the following:

- \$1,328,736 related to the Medicaid appropriation restructuring initiative designed to improve budgeting transparency;
- \$21,000,000 related to the State match for Medicaid (\$3,700,000), cash flow flexibility and other financial integrity initiatives;
- \$17,200,000 related to costs associated with the Sex Offender Management and Treatment Act (SOMTA);
- \$4,500,000 related to treatment services for mentally ill prison inmates in Special Housing Units (SHU);
- \$4,000,000 related to improvements in the psychiatric treatment of New York State prison inmates with mental illness as part of the Disabilities Advocates, Inc (DAI) Settlement;
- \$3,300,000 to address gaps in acute and intermediate care;
- \$2,300,000 related to workforce salary enhancements;

- \$1,500,000 related to notifications and information sharing associated with incidents and allegations of abuse within mental hygiene facilities;
- \$1,000,000 related to costs associated with the Psychiatric Clinical Knowledge Enhancement System (PSYCKES);
- \$7,500,000 for negotiated salary increases; and
- \$15,600,000 for inflationary increases and other State Operations adjustments.

Proposed Decreases

The Executive proposes:

- savings of \$29,949,000 related to personal service costs associated with SOMTA, reduced overtime, reduction in pharmaceutical and energy cost, controlled phase in of initiatives and reduced use of contracts; and
- savings of \$15,107,000 related to personal service costs associated with collective bargaining agreements.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$1,301,447,000, a net increase of \$226,546,000, or 21.08 percent over the SFY 2007-08 levels.

Proposed Increases

The Executive proposes the following:

- \$30,119,000 to fund the third year of a Cost of Living Adjustment (COLA) for eligible providers;
- \$29,057,000 to annualize program costs associated with property and debt service costs for community beds, residential treatment facility adjustments, Home and Community Based Services (HCBS) Waiver, and other adjustments;
- \$18,678,000 for the third year operating cost associated with the New York/ New York III Housing Agreement and the second year of enhancements for the Community Residence and Family-Based Treatment model;
- \$5,000,000 for interim rationalization of outpatient clinic funding;

- \$4,300,000 for the enhancement of community-based services including, expansion of Child and Family Clinic Plus, employment opportunities within the Personalized Recovery Oriented Services (PROS) program, managing the care of high cost populations, and a co-occurring disorder pilot project with the Office of Alcoholism and Substance Abuse Services;
- \$1,100,000 for operating costs associated with the development of 1,500 new Supported Housing beds;
- \$1,500,000 for operating costs associated with the development of 500 new Single Room Occupancy (SRO) beds; and
- \$130,000,000 related to realignment of SFY 2007-08 fourth quarter commitments, due to the Medicaid restructuring initiative.

Proposed Decreases

- The Executive proposes the elimination of \$3,900,000 in legislative initiatives.

Capital Projects

The Executive proposes an All Funds Capital Projects appropriation of \$446,822,000, a net decrease of \$199,230,000 or 30.84 percent below SFY 2007-08 levels.

The Executive proposes the following increases in capital funding:

- \$125,000,000 for 500 new SRO beds; and
- \$20,000,000 for the purchase of closed adult homes which would be converted into 100 new OMH beds.

The Executive proposes the following decreases in capital funding:

- \$60,230,000 in reduced bonding associated with the multi-year project to construct a new state-of-the-art Bronx children's inpatient facility and an adult facility and transitional residence on the Bronx campus. A one-time capital appropriation of \$102,500,000 was made in the SFY 2007-08 budget;
- a \$200,000,000 reduction is related to the SFY 2007-08 plan for 1,000 new capital beds. However, the initiative receives continued funding through a reappropriation in SFY 2008-09; and

- a \$84,000,000 reduction is related to the SFY 2007-08 appropriation authority to complete development of beds in the pipeline. However, the initiative receives continued funding through a reappropriation in SFY 2008-09.

Article VII

The Executive recommends Article VII legislation that would:

- authorize Medicaid to reimburse providers of licensed OMH outpatient programs at the higher level of the Medicare co-pay or up to the Medicaid rate for mental health services provided to consumers that are eligible for both Medicare and Medicaid;
- extend the statutory authority for the Comprehensive Psychiatric Emergency Program (CPEP) until July 1, 2012;
- clarify that mental health outpatient services provided by general hospitals dually licensed under Article 28 of the Public Health Law and Article 31 of the Mental Hygiene Law do not constitute specialized services under Section 2807 of the Public Health Law;
- authorize OMH to participate with the State Housing Finance Agency of the State Division of Housing and Community Renewal in financing integrated housing development by voluntary agencies; and
- authorize OMH to extend the cost of living adjustment (COLA) through SFY 2011-12.

OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,380,877,500	1,425,927,000	45,049,500	3.3%
Special Revenue-Other	1,678,185,000	2,808,550,000	1,130,365,000	67.4%
Special Revenue-Federal	3,495,000	630,000	(2,865,000)	-82.0%
Enterprise	2,406,000	2,456,000	50,000	2.1%
Capital Projects Fund	61,515,000	69,965,000	8,450,000	13.7%
Mental Hygiene Capital Improvement Fund-389	76,840,000	122,455,000	45,615,000	59.4%
Internal Service Fund	350,000	350,000	0	0.0%
Total for AGENCY SUMMARY:	3,203,668,500	4,430,333,000	1,226,664,500	38.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
All Other Funds:	23,520	23,703	183
TOTAL:	23,520	23,703	183

Agency Mission

(Executive Budget: pp. 159-166)

The Office of Mental Retardation and Developmental Disabilities (OMRDD) administers a statewide network of services to persons with developmental disabilities and their families through 14 Developmental Disabilities Services Offices (DDSO). OMRDD's mission is to help people with developmental disabilities live richer lives. The agency's vision is to assure that people with developmental disabilities enjoy meaningful relationships with family, friends and others in their lives; experience personal health and growth; and live in homes and fully participate in the communities of their choice.

This agency is included in the Health and Mental Hygiene appropriation bill.

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- a proposal, over the next three years, to increase not-for-profit residential opportunities that will reduce OMRDD's developmental center census by 500 persons;
- a proposal to close the Western New York Developmental Center in SFY 2010-11;
- a proposal, over the next four years, to develop State-operated beds for hard-to-serve populations both in institutional settings, including nursing homes, and within the community;
- support for innovative residential opportunities that are focused on person-centered services;
- an expansion of Family Support Services to 3,000 new families;
- new and enhanced services to approximately 1,300 individuals with Autism or Autism Spectrum Disorder;
- a proposal over the next two years, to expand the Home and Community Based Services (HCBS) Waiver Respite Program by 1,600 new slots;
- an expansion of Competitive and Supported Employment work opportunities and At-Home Residential Rehabilitation Services;
- an expansion of the Self Advocacy Internship Program by 128 slots;
- implementation of the third year of the Cost of Living Adjustment (COLA) and a proposal to extend the COLA through SFY 2011-12;
- an increase of 3.52 percent in the Medicaid trend factor;
- support for 186 new residential opportunities either to repatriate children placed out-of-state or to mitigate such placements;
- support for 140 new beds for consumers aging out of other human services or educational environments; and
- continued expansion of the New York State Creating Alternatives in Residential Environments and Services (NYS-CARES) Program.

Budget Detail

The Executive proposes an All Funds appropriation of \$4,430,333,000, an increase of \$1,226,664,500 or 38.3 percent over the SFY 2007-08 level.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$1,976,645,000, a net increase of \$983,590,000 or 99.05 percent. This increase is primarily due to a proposed Medicaid appropriation restructuring initiative, designed to improve budgeting transparency by shifting fiscal responsibility to the appropriate Mental Hygiene agency. Such action is cost neutral to the financial plan. The Executive projects a staffing level of 23,703, an increase of 183 full-time equivalent (FTE) positions.

Proposed Increases

The Executive proposes the following:

- \$975,323,000 related to a proposed Medicaid appropriation restructuring initiative designed to improve budgeting transparency;
- \$12,700,000 for negotiated salary increases;
- \$22,000,000 for inflationary increases, updating computer systems and initiatives to improve time management.
- \$4,200,000 related to services for 48 new beds for difficult to service populations;
- \$1,560,000 for the Self-Advocacy Internship Program; and
- \$1,400,000 related to notifications and information sharing associated with incidents and allegations of abuse within mental hygiene facilities, and implementation of initiatives to protect employees in the workplace.

Proposed Decreases

The Executive proposes:

- a reduction of \$6,239,000 related to federal adjustments to the provider tax assessment, which reduced the reimbursable rate from 6 percent to 5.5 percent;
- savings of \$21,912,000 related to efficiencies in overtime reduction, non-personal services reductions and capital cost reductions;

- a savings of \$2,800,000 related to a non-recurring component of a collective bargaining agreement; and
- a reduction of \$2,715,000 due to adjustments in the Federal Real Choice grant.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$2,261,268,000, a net increase of \$189,009,500 or 9.12 percent over the SFY 2007-08 level.

Proposed Increases

The Executive proposes the following:

- \$60,000,000 to increase New York State Options for People Through Services (NYS-OPTS) conversions;
- \$52,500,000 for the 3.52 percent trend factor increase for eligible Medicaid programs;
- \$35,000,000 for Home and Community Based Services (HCBS) Waiver day services;
- \$13,000,000 for 186 new beds to reduce out-of-state placements and to repatriate children presently placed outside of the State;
- \$13,200,000 to annualize prior year program costs associated with the New York State- Creating Alternatives in Residential Environments and Services II (NYS-CARES II) program;
- \$12,000,000 related to the development of 200 new beds and 480 residential habilitation opportunities in the NYS-CARES III program;
- \$7,700,000 to annualize prior year program costs associated with 140 beds for mandated populations;
- \$7,700,000 related to 140 new beds for mandated populations;
- \$6,700,000 to support the third year of a Cost of Living Adjustment (COLA) for eligible providers;
- \$6,000,000 for Family Support Services expansion including respite services, crisis intervention and Autism supports;
- \$2,400,000 for development of 75 new community beds;

- \$800,000 for Supported Employment and At-Home Residential Rehabilitation price enhancements; and
- \$600,000 related to the conversion of Joint Venture clinics to Article 16 clinics.

Proposed Decreases

The Executive proposes the following:

- savings of \$20,000,000 related to conversion of planned residential and day service opportunities to NYS-OPTS;
- savings of \$7,000,000 by maximizing consumer enrollment into the HCBS Waiver and Medicare; and
- savings of \$5,000,000 related to reforming and rationalizing provider reimbursement rates.

Capital Projects

The Executive proposes an All Funds Capital Projects appropriation of \$192,420,000, a net increase of \$54,065,000 or 39.08 percent.

The Executive proposes the following increases in capital funding:

- \$39,000,000 related to increased bonding for the relocation of the Bernard Fineson Developmental Center;
- \$2,500,000 for pilot projects related to environmentally friendly renovations to State operated residential homes, and \$2,200,000 for additional administrative expenses related to managing capital projects;
- \$2,400,000 for increased residential community development, and \$3,300,000 for additional administrative expenses related to managing capital projects;
- \$1,600,000 for minor rehabilitation projects at OMRDD Development Centers and community homes;
- \$1,600,000 for not-for-profit providers to pilot projects related to environmentally friendly renovations of residential homes; and
- \$600,000 for rehabilitation of existing not-for-profit community residences.

Article VII

The Executive recommends Article VII legislation that would:

- authorize OMRDD to participate with the State Housing Finance Agency or the State Division of Housing and Community Renewal in financing integrated housing development by voluntary agencies; and
- authorize OMRDD to extend the cost of living adjustment (COLA) through SFY 2011-12.

COMMISSION ON QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	4,609,000	5,481,000	872,000	18.9%
Special Revenue-Other	4,253,000	4,134,000	(119,000)	-2.8%
Special Revenue-Federal	6,990,000	7,260,000	270,000	3.9%
Enterprise	45,000	45,000	0	0.0%
Total for AGENCY SUMMARY:	15,897,000	16,920,000	1,023,000	6.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	47	65	18
All Other Funds:	59	59	0
TOTAL:	106	124	18

Agency Mission

(Executive Budget: pp.167-173)

The Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD) was created by the merger of the Commission on Quality of Care for the Mentally Disabled with the Office of Advocate for Persons with Disabilities on April 1, 2005. The Commission promotes community outreach, provides information, referral and advocacy services, and administers the Surrogate Decision Making Committee Program which acts on behalf of persons in the mental hygiene system who are not competent to make medical care decisions for themselves. In addition, CQCAPD provides independent oversight of the three mental hygiene agencies: The Office of Mental Health (OMH), the Office of Mental Retardation and Developmental Disabilities (OMRDD) and the Office of Alcoholism and Substance Abuse Services (OASAS). It also investigates allegations of abuse or mistreatment and any reports of injuries or deaths of persons served within the mental hygiene system.

The agency is included in the Health and Mental Hygiene appropriation bill.

Budget Detail

The Executive proposes an All Funds appropriation of \$16,920,000, a net increase of \$1,023,000 or 6.4 percent over SFY 2007-08. The Executive projects a staffing level of 124, an increase of 18 full time equivalent (FTE) positions.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$16,149,000, a net increase of \$1,023,000 or 6.76 percent over SFY 2007-08 funding levels.

Proposed Increases

The Executive proposes the following:

- \$974,000 to annualize prior year initiatives, including implementation of Special Housing Unit legislation, Jonathan's Law, and the Interagency Council for Services to Persons who are Deaf, Deaf-Blind or Hard of Hearing;
- \$85,000 for negotiated salary increases, nonpersonal service inflationary and other adjustment; and
- \$270,000 for adjustments to SFY 2008-09 Federal grant awards.

Proposed Decreases

The Executive proposes the following:

- savings of \$187,000 due to a reduction in nonpersonal service cost related to the relocation of a CQCAPD office; and
- savings of \$119,000 related the Technology Expo, Federal Salary Sharing fringe and indirect cost rate adjustments, and discontinuation of the Federal Telework Administration grant.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$771,000 consistent with the SFY 2007-08 level.