

OFFICE FOR THE AGING

	Adjusted Appropriation 2008-09	Executive Request 2009-10	Change	Percent Change
AGENCY SUMMARY				
General Fund	124,977,512	113,716,000	(11,261,512)	-9.0%
Special Revenue-Other	4,051,607	1,230,000	(2,821,607)	-69.6%
Special Revenue-Federal	118,625,000	118,587,000	(38,000)	0.03%
Enterprise	100,000	100,000	0	0.0%
Total for AGENCY SUMMARY:	247,754,119	233,633,000	(14,121,119)	-5.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2008-09	Requested 2009-10	Change
General Fund:	33	33	0
All Other Funds:	100	100	0
TOTAL:	133	133	0

Agency Mission

(Executive Budget: pp. 101-105)

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, if necessary, formal support services. SOFA oversees 59 Area Agencies on Aging, as well as numerous other local programs and providers serving New York senior citizens.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2009-10 Executive Budget proposal includes the following:

- discontinuation of the SFY 2009-10 Human Services cost-of-living adjustment (COLA) for the Expanded In-home Services for the Elderly Program (EISEP), Community Services for the Elderly (CSE) program and the Supplemental Nutrition Assistance Program (SNAP). This would not impact the cost-of-living adjustments in the out-years;
- a proposal for local Area Agencies on Aging and community-based organizations to assist seniors enrolled in the Elderly Pharmaceutical Insurance Coverage (EPIC) Program in selecting appropriate Medicare Part D plans;
- a proposal to reduce funding for the Managed Care Consumer Assistance Program, Congregate Services Initiative, Stony Brook Evaluation of Geriatric In-Home Care, Long Term Care Ombudsman Program and New York Connects;
- a proposal to eliminate funding for the Individual Living Senior Housing Project, Geriatric In-Home Care, Social Workers for Geriatric In-Home Care, Sustainable Transportation, End of Life Care, Enriched Social Adult Day Centers and the Long Term Care Insurance Education and Outreach Program; and
- cost savings initiatives totaling \$64,400,000 in the EPIC Program administered by the Department of Health. These initiatives including: savings of \$49,900,000 related to eliminating coverage for drugs denied by Medicare Part D; savings of \$9,900,000 related to discontinuing the financial exemption from the Medicare Part D mandate; savings of \$3,600,000 from requiring eligible seniors to enroll in Medicare Savings programs; savings of \$900,000 from covering mail order drug purchases; and savings of \$100,000 related to eliminating coverage for "lifestyle" drugs.

Budget Detail

The Executive proposes an All Funds appropriation of \$233,633,000, a net decrease of \$14,121,119 or 5.7 percent below the SFY 2008-09 level. The Executive recommends continued funding support for 133 full-time equivalent (FTE) positions.

The Executive purposes a Deficit Reduction Plan that makes adjustments to agency appropriations, resulting in total agency savings of \$1,347,000 in SFY 2008-09 and \$1,500,000 in SFY 2009-10. In the EPIC Program, the Executive also purposes a savings of \$3,000,000 in SFY 2008-09 related to reducing EPIC reimbursement for brand name drugs from Annual Wholesale Price (AWP) less 16.25 percent to AWP less 17.25 percent.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$14,629,000, a net decrease of \$226,000 or 1.52 percent below the SFY 2008-09 level.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$219,004,000, a net decrease of \$13,895,119 or 5.97 percent below the SFY 2008-09 level.

Proposed Increases

The Executive proposes an increase of \$2,000,000 for local Area Agencies on Aging and community-based organizations to assist seniors enrolled in EPIC to participate in Medicare part D programs.

Proposed Decreases

The Executive proposes:

- a decrease of \$7,100,000 by discontinuing the SFY 2009-10 Human Services cost-of-living adjustment (COLA) for the Expanded In-home for the Elderly Program (EISEP); Community Services for the elderly (CSE) Program and the Supplemental Nutrition Assistance Program (SNAP);
- a decrease of \$4,600,000 by reducing funding for the Managed Care Consumer Assistance Program, Congregate Services Initiative, Stony Brook Evaluation of Geriatric In-Home Care, Long Term Care Ombudsman Program and New York Connects; and
- a decrease of \$10,800,000 by eliminating funding for the Individual Living Senior Housing Project, Geriatric In-Home Care, Social Workers for Geriatric In-Home Care, Sustainable Transportation, End of Life Care, Enriched Social Adult Day Centers and the Long Term Care Insurance Education and Outreach Program.

The Executive also proposes a Deficit Reduction Plan for SFY 2008-09 which includes:

- a one percent reduction in the Human Services cost-of-living adjustment (COLA) for a savings of \$375,000 in SFY 2008-08 and \$1,500,000 in SFY 2009-10; and
- a 50 percent reduction in Legislative adds for a savings of \$972,000 in SFY 2008-09.

Article VII

The Executive recommends Article VII legislation that would:

- repeal the Enriched Social Adult Day Program in the Elder Law;
- repeal the Economically Sustainable Transportation Demonstration Program in the Elder Law;
- repeal the Long Term Care Insurance Education and Outreach Program in the Insurance Law; and
- authorize the elimination of the Human Services COLA for SFY 2009-10 and extend the COLA through March 31, 2013.

The Executive also recommends Article VII legislation related to the EPIC Program that would:

- eliminate life-style drug coverage under EPIC;
- reduce registration fees and cap EPIC drug co-pays;
- authorize EPIC enrollment of out-of-state pharmacies in order to provide mail order reimbursement; and
- require enrollment of eligible EPIC enrollees in a Medicare Savings program.

DEVELOPMENTAL DISABILITIES PLANNING COUNCIL

	Adjusted Appropriation 2008-09	Executive Request 2009-10	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 2008-09	Requested 2009-10	Change
All Other Funds:	18	18	0
TOTAL:	18	18	0

Agency Mission

(Executive Budget: pp. 107-109)

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 State Fiscal Year (SFY) 2008-09. The staffing level will remain constant at 18 full-time equivalent (FTE) positions.

DEPARTMENT OF HEALTH

	Adjusted Appropriation 2008-09	Executive Request 2009-10	Change	Percent Change
AGENCY SUMMARY				
General Fund	13,097,304,222	12,036,535,000	(1,060,769,222)	-8.1%
Special Revenue-Other	6,967,209,626	7,692,409,800	725,200,174	10.4%
Special Revenue-Federal	28,742,414,280	29,604,359,000	861,944,720	3.0%
Enterprise	10,000	10,000	0	0.0%
Capital Projects Fund	182,600,000	232,600,000	50,000,000	27.4%
Capital Projects Fund - Advances	85,000,000	108,000,000	23,000,000	27.1%
Federal Capital Projects Fund	9,980,000	9,980,000	0	0.0%
Fiduciary	1,771,200,000	0	(1,771,200,000)	-100.0%
Total for AGENCY SUMMARY:	50,855,718,128	49,683,893,800	(1,171,824,328)	-2.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2008-09	Requested 2009-10	Change
General Fund:	2,079	2,079	0
All Other Funds:	3,728	3,728	0
TOTAL:	5,807	5,807	0

Agency Mission

(Executive Budget: pp. 111-127)

The Department of Health (DOH) 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. DOH 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, DOH 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) 2009-10 Executive Budget includes the following:

- reductions to overall State share Medicaid and HCRA spending by \$1,838,700,000 in SFY 2009-10, including \$2,192,600,000 in cost reductions and revenue actions offset by \$353,900,000 in new investments;
- spending reductions related to the passage of a Deficit Reduction Plan that would provide \$70,500,000 in additional Medicaid and HCRA decreases for SFY 2008-09 and \$1,669,600,000 in spending reductions for SFY 2009-10;
- increased access to healthcare coverage, such as equalizing eligibility standards for Family Health Plus enrollees ages 19 and 20, moving from a net income standard to a gross income standard for Medicaid and the elimination of face-to-face interview, finger imaging, and asset test requirements;
- modifications to the Medicaid reimbursement rates for hospitals for outpatient and primary care and implementation of a new reimbursement methodology for hospital inpatient services;
- modification of Medicaid reimbursement rates for nursing homes and certified home health agencies by implementing a new reimbursement system based on an average cost methodology, as opposed to the current methodology which is based on individual provider costs, and implementing a nursing home quality incentive pool, which will pay nursing homes that provide better quality care;
- establishment of a long term care nursing scholarship and loan repayment program to provide financial assistance to registered nurses and nurse practitioners that practice in a long term care setting;
- Medicaid savings to local governments in the amount of \$796,638,268 in SFY 2009-10, of which \$349,138,268 reflects the continuation of a cap on local Medicaid expenditures and \$447,500,000 represents projected savings from full state assumption of the local share of Family Health Plus;

- modification of coverage under the Elderly Pharmaceutical Insurance Coverage (EPIC) Program to eliminate coverage for drugs denied by Medicare Part D; discontinuing the financial exemption from the Medicare Part D mandate; requiring eligible seniors to enroll in Medicare Savings programs; and reducing out-of-pocket expenses for low-income seniors;
- an extension 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;
- continued support for stem cell grants for research and development activities that will further scientific discoveries in fields related to stem cell biology; and
- establishment of an 18 percent tax on high-calorie, low nutritional beverages.

Budget Detail

The Executive requests the following:

- All Funds appropriations totaling \$49,683,893,800, a decrease of \$1,171,824,328 or 2.3 percent from SFY 2008-09 levels;
- General Fund appropriations totaling \$12,036,535,000, an decrease of \$1,060,769,222 or 8.1 percent from SFY 2008-09 levels;
- Special Revenue Fund–Other appropriations totaling \$7,692,409,800, an increase \$725,200,174 or 10.4 percent from SFY 2008-09 levels; and
- Special Revenue Fund–Federal appropriations totaling \$29,604,359,000, a decrease of \$861,944,720 or 3.0 percent from SFY 2008-09 levels.

In the SFY 2008-09 Executive Budget, the Governor proposes no increase in the number of full-time equivalent (FTE) positions for DOH, and maintains a total workforce of 5,807 FTEs.

The Executive recommends a Deficit Reduction Plan that makes adjustments to agency appropriations resulting in total agency spending reductions of \$70,500,000 for SFY 2008-09 and \$1,669,600,000 in spending reductions in SFY 2010-11. To realize an additional \$429,500,000 in spending reductions in SFY 2008-09, the Executive proposes to postpone a payment to the City of New York associated with the operations of the City University of New York (CUNY) until SFY 2009-10. The Executive proposes using the SFY 2009-10 Deficit Reduction Plan spending reductions in the health area to finance this cost in the upcoming fiscal year.

State Operations

The Executive proposes an All Funds appropriation of \$2,090,072,500, an increase of \$48,304,500 or 2.4 percent from SFY 2008-09.

Proposed Decreases

The Executive proposal includes:

- a decrease of \$6,000,000 related to a \$400 increase in the biennial Physician Registration Fee from \$600 to \$1,000, which is used to support the oversight of medical conduct and physician profiling activities;
- a decrease of \$3,400,000 related to personal services efficiencies;
- a decrease of \$3,300,000 related to non-personal services efficiencies; and
- a decrease of \$1,700,000 related to the implementation of a new registration fee on Early Intervention providers, assessed at \$270 for an individual provider and \$345 for agency providers. These fees would be used to offset provider recertification costs.

Aid to Localities

The Executive proposes an All Funds Aids to Localities appropriations totaling \$47,243,241,300, a decrease of \$1,293,128,828 or 2.7 percent from SFY 2008-09 levels.

Proposed Increases

The Executive proposes:

- an increase of \$4,400,000 to support additional funding for food banks;
- an increase of \$3,200,000 to support the improvement of cancer screening programs;
- an increase of \$2,500,000 to support an enhanced lead poisoning prevention program;
- an increase of \$1,200,000 related to maintaining pharmaceutical supplies and medical equipment in the event of an emergency; and
- an increase of \$1,000,000 to support community coalitions for obesity prevention.

Proposed Decreases

The Executive proposes:

- a reduction of \$16,700,000 related to the elimination of the SFY 2009-10 cost of living adjustment (COLA) for direct care workers in various public health programs;
- a reduction of \$16,000,000 of General Public Health Works (Article 6) funding related to the elimination of reimbursement for certain optional services, including emergency medical services, non-specified laboratory services, medical examiners, long-term home health care, hospice services and the administration of the pre-school special education program;
- a reconciliation of \$15,000,000 related to overpayment made to New York City related to the General Public Health Works (Article 6) program;
- a reconciliation of \$9,000,000 related to overpayment made to New York City for Early Intervention services;
- a reduction of \$1,600,000 in funding for American Red Cross emergency preparedness activities;
- a reduction of \$500,000 related to the elimination of funding for Dor Yeshorim genetic counseling;
- a reduction of \$300,000 related to the elimination of the Adelphi University Breast Cancer Hotline; and
- changes to the Early Intervention program that would establish parental fees, modify eligibility standards and require health insurers to contract with Early Intervention providers. These proposals would not have any impact in SFY 2009-10 but would generate savings of \$29,700,000 in SFY 2010-11.

Medical Assistance (Medicaid) Program and Health Care Reform Act (HCRA)

The Executive Budget includes total Medicaid spending of \$45,444,000,000, an increase of \$432,000,000 over SFY 2008-09. Of total Medicaid spending, DOH is projected to comprise \$32,276,000,000 consisting of \$12,969,000,000 in State spending and \$19,307,000,000 in federal spending. This represents an increase of \$390,000,000, or 3.1 percent in State Share Medicaid spending from SFY 2008-09.

The Health Care Reform Act (HCRA) was extended through March 31, 2011 as part of the SFY 2008-09 budget. In SFY 2009-10, HCRA receipts are projected to total \$5,794,000,000, an

increase of \$1,287,000,000 from SFY 2008-09. HCRA disbursements are also projected to total \$5,794,000,000, an increase of \$690,000,000 from SFY 2008-09. The Executive's Deficit Reduction Plan includes \$88,000,000 in actions for SFY 2008-09 that would be used to avoid a HCRA shortfall. These spending reductions include \$60,000,000 in various program reductions and a \$28,000,000 reduction in Medicaid costs financed by HCRA. In addition, the Executive Budget includes actions that would generate \$315,000,000 in reductions to HCRA in SFY 2009-10.

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 \$349,138,268 in SFY 2009-10. As of January 1, 2006, the State also assumed the full local share of Family Health Plus (FHP) expenditures, saving counties a projected \$447,500,000 in SFY 2009-10. These two actions are projected to yield \$796,638,268 in spending reductions to local governments in SFY 2009-10, with a corresponding increase in cost to the State.

The Executive continues funding support for the Empire State Stem Cell Board within DOH 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 proposal advances the second of ten \$50,000,000 annual installments to support this program. This proposed funding would bring total appropriation levels to \$200,000,000 out of the \$600,000,000 commitment. 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 in SFY 2009-10.

The Executive proposes actions in the Deficit Reduction Plan and the Executive Budget that are expected to reduce State share Medicaid and HCRA spending by \$70,500,000 in SFY 2008-09 and \$3,508,300,000 in SFY 2009-10. The Deficit Reduction Plan actions would provide \$70,500,000 in spending reductions for SFY 2008-09 and \$1,669,600,000 in spending reductions for SFY 2009-10. The Executive Budget actions would generate an additional \$1,838,700,000 in net spending reductions for SFY 2009-10, consisting of \$2,192,600,000 in actions offset by \$353,900,000 in new investments.

Hospitals/Ambulatory Care

The Governor proposes actions that would provide total state share savings for hospital and ambulatory care of \$50,600,000 in SFY 2008-09 and \$698,400,000 in SFY 2009-10.

The Executive's Deficit Reduction Plan would be comprised of \$50,600,000 in SFY 2008-09 spending reductions and \$534,000,000 in SFY 2009-10. These proposals would:

- institute a 0.7 percent assessment on hospital inpatient revenue - \$316,400,000 in spending reductions in SFY 2009-10;
- reduce funding for public hospital recruitment and retention - \$9,000,000 in SFY 2008-09 spending reductions and \$12,000,000 in SFY 2009-10 spending reductions;
- eliminate non-public hospital grants related to disproportionate share hospital (DSH) payments - \$11,200,000 in SFY 2008-09 spending reductions and \$7,400,000 in SFY 2009-10 spending reductions;
- eliminate the worker retraining program - \$7,000,000 in SFY 2008-09 spending reductions and \$21,000,000 in SFY 2009-10 spending reductions;
- reduce HCRA Graduate Medical Education (GME) funding by 20 percent - \$23,400,000 in SFY 2008-09 spending reductions and \$23,400,000 in SFY 2009-10 spending reductions;
- reduce hospital rates for all facilities by eight percent in SFY 2008-09 and two percent thereafter - \$66,100,000 in spending reductions in SFY 2009-10;
- discontinue the remaining 2008 hospital trend factor - \$36,800,000 in spending reductions in SFY 2009-10; and
- discontinue the 2009 hospital trend factor - \$50,800,000 in spending reductions in SFY 2009-10.

The Executive's SFY 2009-10 Executive Budget proposes hospital sector savings initiatives totaling \$238,200,000 to be offset by \$73,800,000 in new spending, resulting in a net decrease of \$164,400,000 in State share spending in SFY 2009-10. The Governor proposes the following actions to result in spending reductions:

- reallocate existing HCRA GME funding to support a new Hospital Indigent Care Pool for teaching hospitals. This change would allow the State to generate a federal match to these payments - \$141,300,000 in spending reductions in SFY 2009-10;
- rebase inpatient hospital rates from 1981 to 2005 and fully implementing a new hospital reimbursement methodology effective July 1, 2009 - \$76,200,000 in spending reductions in SFY 2009-10;
- accelerate the phase in of new detoxification rates from a four year phase in to a two year phase in - \$16,300,000 in spending reductions in SFY 2009-10;

- reduce medically supervised detoxification reimbursement - \$2,100,000 in spending reductions in SFY 2009-10;
- review inpatient admissions for medical necessity - \$1,400,000 in spending reductions in SFY 2009-10; and
- implement a new All Patient Refined Diagnosis Related Group (APR-DRG) methodology for hospital reimbursement that would reimburse providers based on the severity of the case - \$900,000 in spending reductions in SFY 2009-10.

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

- an increase of \$29,600,000 to support increased reimbursement for outpatient hospital care;
- an increase of \$9,100,000 to support Medical Home and Primary Care Standards initiatives;
- an increase of \$6,400,000 to support increased physician reimbursement in a hospital setting;
- an increase of \$3,800,000 to support outpatient clinics operated by the Office of Mental Health (OMH) and the Office of Alcoholism and Substance Abuse Services (OASAS);
- an increase of \$10,900,000 to support a new program to provide crisis intervention services to help individuals avoid psychiatric hospitalizations;
- an increase of \$11,400,000 to support increased reimbursement for non-hospital clinic services;
- an increase of \$700,000 to support increased reimbursement for non-hospital physicians; and
- an increase of \$1,900,000 related to additional investments in community-based detoxification services.

Nursing Homes

The Governor's proposal includes actions that would provide total nursing home sector State share reductions of \$4,200,000 in SFY 2008-09 and \$420,200,000 in SFY 2009-10.

The Executive's Deficit Reduction Plan would represent \$4,200,000 of SFY 2008-09 spending reductions and \$252,400,000 of SFY 2009-10 savings. These proposals include:

- the delay of the full implementation nursing home rebasing from January 1, 2009 to April 1, 2009 - \$22,000,000 in spending reductions in SFY 2009-10;
- a reduction of nursing home rates for all facilities by eight percent in SFY 2008-09 and two percent thereafter - \$94,700,000 in spending reductions in SFY 2009-10;
- a reduction of funding for public nursing home recruitment and retention - \$4,200,000 in SFY 2008-09 spending reductions;
- a reduction of adult day health care transportation rates to match costs - \$11,000,000 in spending reductions in SFY 2009-10;
- a discontinuance of the remaining 2008 nursing home trend factor - \$50,500,000 in spending reductions in SFY 2009-10; and
- a discontinuance of the 2009 nursing home trend factor - \$74,200,000 in spending reductions in SFY 2009-10.

The Executive's SFY 2009-10 Executive budget proposes nursing home sector initiatives totaling \$380,100,000, to be offset by \$212,300,000 in new spending, resulting in a net decrease of \$167,800,000 in State share spending in SFY 2009-10. The Governor proposes the following actions:

- elimination of the rebasing of nursing home rates from a 1983 base year to a 2002 base year enacted as part of the SFY 2006-07 budget - \$325,000,000 in spending reductions in SFY 2009-10;
- the phase-out of 6,000 nursing home beds over five years - \$7,800,000 in spending reductions in SFY 2009-10;
- elimination of the occupancy adjustment for AIDS nursing homes - \$5,000,000 in spending reductions in SFY 2009-10;
- improvement of the patient assessment tool used for the assisted living program - \$1,700,000 in spending reductions in SFY 2009-10;
- reduction in the payments made to nursing homes for bed holds from 100 percent to 75 percent - \$10,800,000 in spending reductions in SFY 2009-10;
- reduction in payment for lower acuity patients - \$5,300,000 in spending reductions in SFY 2009-10; and

- additional savings from the implementation of a Medicaid-only case mix scheduled to take effect April 1, 2009 - \$24,500,000 in spending reductions in SFY 2009-10.

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

- an increase of \$136,200,000 to support a new regional pricing methodology for nursing home reimbursement;
- an increase of \$37,500,000 to support transitional payments to assist nursing home in converting to the new regional pricing methodology;
- an increase of \$25,000,000 to support a new Nursing Home Quality Incentive Pool;
- an increase of \$5,000,000 in support for financially distressed nursing homes.
- an increase of \$3,000,000 to support a nursing home rate increase for hard to serve patients;
- an increase of \$2,800,000 to support the addition of 6,000 new assisted living program beds over five years;
- an increase of \$2,500,000 to support a Long Term Care Scholarship and Loan Repayment program to support the training of geriatric nurses; and
- an increase of \$300,000 to support a new fall prevention initiative.

Pharmacy

The Governor's proposes actions that would provide total pharmacy sector State share savings of \$101,400,000 in SFY 2009-10.

The Executive's Deficit Reduction Plan accounts for \$25,200,000 of these spending reductions in SFY 2009-10. These proposals include:

- an elimination of the exemption of anti-depressants from the Preferred Drug Program (PDP) - \$3,300,000 in spending reductions in SFY 2009-10;
- the reduction of Medicaid reimbursement for brand name drugs from the current Average Wholesale Price (AWP) less 16.25 percent to a new standard of AWP less 17.25 percent - \$18,900,000 in spending reductions in SFY 2009-10; and
- the reduction of Elderly Pharmaceutical Insurance Coverage (EPIC) Program reimbursement for brand name drugs from AWP less 16.25 percent to AWP less 17.25 percent - \$3,000,000 in spending reductions in SFY 2009-10.

The Executive's SFY 2009-10 Executive budget proposes pharmacy sector savings initiatives totaling \$86,200,000, to be offset by \$10,000,000 in new spending, resulting in a net decrease of \$76,200,000 in State share spending in SFY 2009-10. The Governor proposes the following actions:

- modification of the Supplemental Rebate Program to allow the State to directly negotiate rebates from drug manufacturers - \$1,800,000 in spending reductions in SFY 2009-10;
- a requirement of step therapy for certain drugs - \$600,000 in spending reductions in SFY 2009-10;
- a limitation of the quantity, frequency and duration of the prescriptions - \$9,400,000 in spending reductions in SFY 2009-10;
- the establishment of a drug utilization review for mental health drugs - \$1,800,000 in spending reductions in SFY 2009-10;
- elimination of physician prevails provisions from the Clinical Drug Review Program (CDRP) - \$2,000,000 in spending reductions in SFY 2009-10;
- requiring the use of brand name drugs if they are less costly than their generic equivalent - \$1,800,000 in spending reductions in SFY 2009-10;
- provision of an incentive for providers to use electronic prescriptions - \$1,300,000 in spending reductions in SFY 2009-10;
- elimination of preferred reimbursement rates for specialty HIV pharmacies - \$300,000 in spending reductions in SFY 2009-10;
- elimination of limited Medicaid coverage for certain drugs not covered by Medicare Part D - \$2,800,000 in spending reductions in SFY 2009-10;
- elimination of EPIC coverage for drugs not covered by Medicare Part D - \$49,900,000 in spending reductions in SFY 2009-10;
- requiring EPIC enrollees to enroll in Medicare Part D even if it would be more costly to the individual - \$9,900,000 in spending reductions in SFY 2009-10;
- requiring qualifying EPIC enrollees to enroll in Medicare Savings Plans - \$3,600,000 in spending reductions in SFY 2009-10;

- eliminating EPIC coverage for “lifestyle” drugs - \$100,000 in spending reductions in SFY 2009-10; and
- authorizing EPIC to cover mail order prescriptions - \$900,000 in spending reductions in SFY 2009-10.

These actions will be offset by a \$10,000,000 increase related to a reduction in the cost sharing requirement under EPIC, including the elimination of enrollment fees for individuals under 150 percent of the Federal Poverty Level (FPL) and the reduction of co-payment for top tier drugs from the present \$20 to \$15.

Home Care

The Governor’s proposes actions that would provide total home care sector State share spending reductions of \$189,400,000 in SFY 2009-10.

The Executive’s Deficit Reduction Plan would provide \$142,300,000 of State share home care sector savings in SFY 2009-10. These proposals include:

- a reduction in the administrative and general cost cap for large Certified Home Health Agencies (CHHA) and limiting reimbursement to 100 percent of the regional average - \$30,300,000 in spending reductions in SFY 2009-10;
- a reduction in the administrative and general cost cap for large Long Term Home Health Care Programs (LTHHCP) and limiting reimbursement to 100 percent of the regional average - \$18,400,000 in spending reductions in SFY 2009-10;
- discontinuance of the remaining 2008 home care trend factor - \$14,100,000 in spending reductions in SFY 2009-10;
- discontinuance of the 2009 home care trend factor - \$17,800,000 in spending reductions in SFY 2009-10;
- discontinuance of the remaining 2008 personal care trend factor - \$18,900,000 in spending reductions in SFY 2009-10;
- discontinuance of the 2009 personal care trend factor - \$21,100,000 in spending reductions in SFY 2009-10;
- a reduction in home care rates for all providers by one percent - \$10,000,000 in spending reductions in SFY 2009-10; and
- a reduction in personal care rates for all providers by one percent - \$11,700,000 in spending reductions in SFY 2009-10.

The Executive's SFY 2009-10 Executive budget proposes home care sector initiatives totaling \$56,600,000, to be offset by \$9,500,000 in new spending, resulting in a net decrease of \$47,100,000 in State share spending in SFY 2009-10. The Executive Budget proposes the following actions:

- implementation of a new prospective payment system for CHHA's using a statewide average episodic payment methodology - \$6,100,000 in spending reductions in SFY 2009-10;
- reduction of CHHA rates for all providers by 3.5 percent - \$14,400,000 in spending reductions in SFY 2009-10;
- reduction of personal care rates for all providers by 1.5 percent - \$12,400,000 in spending reductions in SFY 2009-10;
- reduction of LTHHCP rates for all providers by 1.5 percent - \$4,600,000 in spending reductions in SFY 2009-10; and
- implementation of a 0.7 percent assessment on personal care, CHHA, and LTHHCP revenues - \$19,100,000 in spending reductions in SFY 2009-10.

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

- an increase of \$2,500,000 to support the establishment of a home care quality program;
- an increase of \$1,000,000 to support the establishment of a long term care assessment center;
- an increase of \$5,000,000 to support the implementation of a uniform assessment tool for home care services; and
- an increase of \$1,000,000 to support a cash and counseling demonstration program.

Utilization Management

The Executive's SFY 2009-10 Executive Budget proposes a series of utilization management initiatives resulting in a net decrease of \$24,000,000 in State share spending in SFY 2009-10. The Executive Budget proposes the following actions to result in spending reductions:

- establishing transportation managers for non-emergency transportation services - \$9,300,000 in spending reductions in SFY 2009-10; and

- enacting controls to prevent inappropriate payments for practitioners, laboratory providers and durable medical equipment - \$5,900,000 in spending reductions in SFY 2009-10.
- limiting care management services to one service per enrollee - \$3,300,000 in spending reductions in SFY 2009-10;
- requiring hospital and clinic claims to contain accurate patient-specific diagnosis and procedure codes - \$2,900,000 in spending reductions in SFY 2009-10;
- requiring prior approval for high cost radiological procedures - \$2,600,000 in spending reductions in SFY 2009-10;

Managed Care

The Executive's SFY 2009-10 Executive budget proposes managed care initiatives resulting in a net decrease of \$83,700,000 in State share spending in SFY 2009-10. The Governor proposes the following actions:

- maximization of federal funding for family planning services provided by managed care plans - \$10,300,000 in spending reductions in SFY 2009-10;
- a cap on Managed Long Term Care administrative costs - \$8,300,000 in spending reductions in SFY 2009-10;
- a cap on marketing expenses for Medicaid Managed Care, Family Health Plus and Child Health Plus - \$18,500,000 in spending reductions in SFY 2009-10;
- a shift of Child Health Plus rate setting authority from the Insurance Department to DOH - \$26,100,000 in spending reductions in SFY 2009-10;
- maximization of enrollment of dual-eligible individuals in Medicaid Managed Care plans - \$3,000,000 in spending reductions in SFY 2009-10;
- inclusion of personal care services in Medicaid managed care - \$900,000 in spending reductions in SFY 2009-10;
- an increase in the monthly family contribution for Child Health Plus - \$16,300,000 in spending reductions in SFY 2009-10; and
- establishment of cost sharing premiums for the working disable in the Medicaid Buy-in program - \$300,000 in spending reductions in SFY 2009-10.

Insurance Department Shifts

The Governor proposes actions that would produce State share reductions of \$371,400,000 in SFY 2009-10 resulting from shifting certain programs to the Insurance Department.

The Executive's Deficit Reduction Plan provides for most of these shifts to the Insurance Department totaling \$278,800,000 in SFY 2009-10. These proposals include:

- shift of certain public health programs from DOH to the Insurance Department - \$99,800,000 in spending reductions in SFY 2009-10; and
- a shift of Timothy's Law small business assistance financing to the Insurance Department assessment - \$179,000,000 in spending reductions in SFY 2009-10.

The SFY 2009-10 Executive Budget proposes shifts to the Insurance Department initiatives resulting in a net decrease of \$92,600,000 in State share spending in SFY 2009-10 comprised of the following:

- a shift of anti-tobacco programs financing from the DOH to the Insurance Department - \$70,900,000 in spending reductions in SFY 2009-10; and
- a shift of Early Intervention medical cost financing from DOH to the Insurance Department - \$21,700,000 in spending reductions in SFY 2009-10.

Other Savings Proposals

The Governor proposes other actions that would provide State share savings of \$15,700,000 in SFY 2008-09 and \$682,200,000 in SFY 2009-10.

The Executive's Deficit Reduction Plan provides \$15,700,000 in SFY 2008-09 actions and \$70,900,000 in SFY 2009-10. These proposals include:

- the recouping of Early Intervention overpayments from New York City - \$11,100,000 in spending reductions in SFY 2008-09;
- elimination of the Adirondack Cancer Center - \$4,600,000 in spending reductions in SFY 2008-09;
- elimination of the retroactive reconciliation of the 2008 for hospital, nursing home, home care and personal care provider - \$69,600,000 in spending reductions in SFY 2009-10;

- elimination of the Individual Subsidy program - \$1,300,000 in spending reductions in SFY 2009-10;

The Executive's SFY 2009-10 Executive budget proposes other initiatives resulting in a net decrease of \$611,300,000 in State share spending in SFY 2009-10. The Governor proposes the following actions:

- increasing audit collections related to Medicaid fraud from \$695,000,000 to \$820,000,000 - \$125,000,000 in spending reductions in SFY 2009-10;
- delaying a Medicaid cycle payment from SFY 2009-10 to SFY 2011-12 - \$400,000,000 in spending reductions in SFY 2009-10;
- utilizing non-HCRA funding for the AIDS Drug Assistance Program - \$65,000,000 in spending reductions in SFY 2009-10;
- eliminating anti-tobacco funding for cancer research at Roswell Park Cancer Institute - \$14,500,000 in spending reductions in SFY 2009-10;
- eliminating the telemedicine demonstration program - \$2,000,000 in spending reductions in SFY 2009-10;
- reducing long term care restructuring funding by 50 percent - \$4,300,000 in spending reductions in SFY 2009-10; and
- capping the amount that a supplemental trust can retain if an individual is deceased and they have an outstanding Medicaid liability - \$500,000 in spending reductions in SFY 2009-10.

Other New Initiatives

The SFY 2009-10 Executive Budget proposes \$36,000,000 in other new initiatives, including:

- an increase of \$31,000,000 to support the HCRA funded portion of the HEAL NY program; and
- an increase of \$6,000,000 to support various initiatives that would improve access to Medicaid, such as equalizing eligibility standards for Family Health Plus enrollees ages 19 and 20, moving from a net income standard to a gross income standard for Medicaid and eliminating the face-to-face interview, finger imaging, and asset test requirements.

New Revenue

The Governor's proposes actions that would generate \$906,400,000 in new revenue in SFY 2009-10.

The Executive's Deficit Reduction Plan would provide \$366,000,000 in new revenue in SFY 2009-10. These proposals include:

- increasing the Covered Lives assessment from \$920,000,000 to \$1,040,000,000, an increase of \$240,000,000 in revenue in SFY 2009-10; and
- increasing HCRA payee surcharges from 8.95 percent to 9.63 percent for commercial payors and from 6.54 percent to 7.04 percent for governmental payors, an increase of \$126,000,000 in revenue in SFY 2009-10.

The SFY 2009-10 Executive Budget proposes several new revenue initiatives resulting in \$540,400,000 in new revenue in SFY 2009-10. The Governor proposes the following Executive actions:

- extending the Covered Lives assessment to out-of-state insurers which would provide \$5,000,000 in revenue in SFY 2009-10;
- establishing a \$1 per claim processing fee on claims over \$20 for third party administrators of self-funded health insurance plans, which would provide \$63,100,000 in revenue in SFY 2009-10;
- extending the HCRA surcharge to certain services performed in ambulatory surgery centers, physicians offices, and urgent care settings, which would provide \$49,800,000 in revenue in SFY 2009-10;
- establishing an 18 percent sales tax on high calorie, low nutritional beverages, which would provide \$404,000,000 in revenue in SFY 2009-10; and
- raising retail tobacco fees on retailers from a \$100 annual fee to a graduated fee ranging from \$100 to \$5,000 based on total sales, which would provide \$18,500,000 in revenue in SFY 2009-10.

Capital Projects

The HEAL NY program provides funding to help enhance the efficiency of New York's health care system and funds for this program are used to support health care technology improvements, as well as facility upgrades, reconfigurations, and consolidations. The Executive extends the HEAL NY program for two additional years and proposes \$325,000,000 in additional funding for

SFY 2009-10 and SFY 2010-11. The Governor continues to allocate \$25,000,000 for capital improvements at the Roswell Park Cancer Institute.

Deficit Reduction Plan Article VII

Part F: Reduce Human Services Cost of Living Adjustment (COLA)

The Executive recommends Article VII legislation that would reduce the SFY 2008-09 human services cost of living adjustment (COLA) by 1 percent effective January 1, 2009.

Part G: Health Care Savings

The Executive recommends Article VII legislation that would:

- modify the Preferred Drug Program to eliminate the exemption for anti-depressants (anti-psychotic, anti-retroviral and anti-rejection drugs remain exempt);
- reduce pharmacy reimbursement levels for brand name prescription drugs from Average Wholesale Price (AWP) less 16.25 percent to AWP less 17.25 percent;
- reduce EPIC pharmacy reimbursement levels for brand name prescription drugs from AWP less 16.25 percent to AWP less 17.25 percent;
- reinstitute the 0.7 percent hospital assessment;
- implement across the board reduction in hospital rates;
- discontinue the remaining trend factors for calendar year 2008 and eliminate the trend factor for calendar year 2009 for general hospitals, nursing homes, home care and personal care providers;
- delay nursing home rebasing until April 2009;
- implement an across the board reductions in nursing home, home care and personal care reimbursement rates;
- implement administrative efficiencies for certified home health agencies (CHHAs) and Long Term Home Health Care Programs (LTHHCPs);
- increase the amount collected through the Health Care Reform Act (HCRA) Covered Lives Assessment;

- eliminate HCRA funding for public hospital and public nursing home recruitment and retention grants, non-public hospital grants, and the regional pilot program individual subsidy;
- shift certain public health care costs and certain HCRA costs to insurance assessments;
- reduce Graduate Medical Education Professional Education Pool funding;
- eliminate unspent worker retraining funding;
- increase the HCRA assessments charged to insurers;
- reduce supplemental emergency transportation funding;
- reduce nursing home recruitment and retention grants;
- reduce clinic transition payments;
- reduce rural home care payments; and
- conform to federal requirements regarding Long Term Care Waiver provisions on spousal impoverishment.

Executive Budget Article VII

Part A: Public Health Programs

The Executive recommends Article VII legislation that would:

- exempt children with certain speech-only delays from Early Intervention (EI) eligibility;
- consolidate DOH's authority with respect to EI development of standards, monitoring and approval of providers;
- require DOH to develop an EI assessment instrument preferred list to be used by providers; revise the provider approval and re-approval process and establish a needs-based approval process;
- establish provider and parental fees for participation in the EI program;
- modify the EI municipality reimbursement process;
- create the EI Program Account to deposit collected fees;

- eliminate duplicative State Education Department (SED) approval of EI providers;
- specify that health insurance policies that cover EI services cannot apply such payments against maximum annual or lifetime monetary limits;
- modify the General Public Health Work (GPHW) Program by eliminating reimbursement for certain optional services;
- restructure the clinical laboratory fee collection, from a flat fee based on DOH's costs to administer the clinical laboratory program, to a 1 percent assessment on each laboratory's clinical annual gross revenue;
- impose an annual assessment of 1 percent on the gross receipts of tissue banks and storage facilities;
- increase physician biennial registration fees from \$570 to \$970;
- eliminate certain DOH programs: Water System Backflow, Food Worker Certification, Temporary Home Inspection; and
- modify and enhance the Lead Poisoning Prevention program by enabling better access to lead level data and making certain changes to lead level collection and reporting procedures.

Part B: Other Medicaid and HCRA

The Executive recommends Article VII legislation that would:

- reinstitute the 0.7 percent assessment on home care and personal care providers;
- merge the Office of the Welfare Inspector General (OWIG) with the Office of the Medicaid Inspector General (OMIG);
- allow payments to certain programs to be altered in the case of loss of federal funding;
- continue prior year cost containment provisions for hospitals, nursing homes, ambulatory care, clinics and home and personal care services; and
- extend various expiring laws and programmatic provisions.

Part C: Health Care Improvement Act

The Executive recommends Article VII legislation that would:

- modify the Medicaid hospital inpatient reimbursement system;
- eliminate funding for certain hospital rate programs: workforce recruitment and retention, priority restoration pool, high need Medicaid rate adjustments, and adjustments to rural hospitals;
- accelerate the inpatient detoxification reimbursement reform;
- implement new psychiatric inpatient per diems;
- implement a new methodology for reimbursement of inpatient exempt unit rates;
- continue outpatient reimbursement reform by investing in hospital outpatient, diagnostic, substance abuse and mental health clinic Ambulatory Patient Group (APG) reimbursement reform;
- provide APG flexibility for non-conforming services and include mental health services in the APG system;
- remove clinic psychotherapy from the APG system and add smoking cessation to the APGs;
- invest in medically mental hygiene APGs and medically supervised detox;
- create the Statewide Health Care Home program to improve care continuity and health care service coordination;
- establish the Adirondack Medical Home pilot program;
- enhance smoking cessation, cardiac rehabilitation and the Screening, Brief Intervention and Referral to Treatment (SBIRT) programs;
- provide contingency language for hospital investments;
- establish a statewide transportation manager;
- expand primary case management programs for Medicaid recipients;
- authorize HEAL-NY use to provide hospitals with access to capital markets to improve operations and efficiency and provide funding for HEAL-NY;
- authorize direct State negotiations with drug manufacturers to realize additional drug rebates;

- require step therapy for certain drugs to encourage the use of less expensive drugs and to limit the quantity, frequency and duration of drug therapy through an integrated, prior authorization process;
- eliminate Medicare Part D wraparound coverage;
- eliminate the HIV Specialty Pharmacy designation and the associated higher drug reimbursement rates;
- allow the Commissioner of Health to deny Clinical Drug Review Program (CDRP) prior authorization requests when clinical criteria is not met and the prescriber fails to demonstrate medical necessity;
- require the use of certain brand drugs when the net cost after rebates is less than the generic equivalent;
- provide incentives for e-prescribing to reduce medication errors;
- enact several pharmacy reform provisions related to the prohibition of certain payments to prescribers and the disclosure of certain information by prescribers, organizers of continuing medical education programs and pharmacy benefit managers;
- eliminate the asset test and face-to-face interview for Medicaid and Family Health Plus (FHP);
- eliminate finger imaging for Medicaid;
- adopt Medicaid gross income standard;
- authorize IGT-DSH diversion to expand FHP to 200 percent of the Federal Poverty Level (FPL);
- authorize enrollment of public employees in FHP;
- increase premiums for the Child Health Plus (CHP) program;
- implement provisions to facilitate Medicaid recovery of pooled trust funds;
- modify contributions for beneficiaries of the Medicaid Buy-In for the Working Disabled;
- provide language related to Medicaid's lien for recovery against a personal injury/medical malpractice settlement;
- cap CHP health plan marketing costs;

- shift CHP rate setting authority to DOH;
- institute Certificate of Need (CON) reform and fees;
- discontinue the Professional Education Pool and create a Bad Debt and Charity Care (BDCC) pool for teaching hospitals;
- modify BDCC distributions for general hospitals;
- provide language to seek federal financial participation for BDCC payments to clinics and free-standing mental health clinics;
- exclude certain non-occurring income for eligibility consideration under EPIC;
- eliminate life style drug coverage under EPIC;
- eliminate financial exemptions for enrollment in Medicare Part D;
- eliminate Medicare Part D wrap;
- lower registration fees and caps EPIC drug co-pays;
- authorize EPIC enrollment of out-of-state pharmacies in order to provide mail order reimbursement;
- require enrollment of eligible EPIC enrollees in a Medicare Savings program;
- establish a fee on selected physician office-based procedures;
- extend certain HCRA assessments to out-of-state insurers;
- shift anti-tobacco funding to the State Insurance Department;
- mandate health insurers or other parties that are legally responsible for payment of a Medicaid claim to provide the State with information as required by the Federal Deficit Reduction Act;
- extend assessments to out-of-state insurers;
- eliminate funding for the telemedicine demonstration program;
- impose a fee on registered claims adjusters;

- provide technical changes related to certain HCRA administration and Medicaid provisions; and
- increase the application fees and related civil penalties for cigarette and tobacco product retail dealers and vending machine owners and operators.

Part D: Long Term Care Reform Act

The Executive recommends Article VII legislation that would:

- implement a new regional pricing system for nursing homes to replace the existing provider-specific cost-based system;
- increase funding for financially distressed nursing homes and modify the distribution of this funding;
- discontinue nursing home worker recruitment and retention funding;
- prohibit nursing homes from withdrawing or transferring assets in an amount that is more than three percent of a facility's Medicaid revenues;
- eliminate the occupancy adjustment for AIDS specialty nursing home beds;
- provide for a five-year phase-out of 6,000 nursing home beds and a corresponding phase-in of 6,000 Assisted Living Program (ALP) beds;
- allow AIDS Adult Day Health Care providers to receive inflationary trend adjustments;
- replace the current Certified Home Health Care Agency (CHHA) reimbursement methodology with a pricing methodology based on patient conditions and episodes of care;
- modify the CHHA bad debt and charity care program to require community service plans and annual performance reviews to improve access to underserved;
- modify the Long Term Home Health Care Program (LTHHCP) expenditure caps to authorize monthly expenditures of up to 100 percent of nursing home services in the district for AIDS home care program participants;
- include personal care services in the managed care benefit package to improve care coordination and continuity for members;
- clarify the role of the State Insurance Department in the oversight of Managed Long Term Care plans;

- establish a Long Term Care Assessment Center for the purpose of assessing recipients accessing home care services;
- reduce payments to CHHAs by 3.5 percent, LTHHC providers by 1.5 percent and Personal Care by 1.5 percent;
- establish a nursing home quality incentive pool to reward facilities for quality and efficiency improvements;
- establish a home care quality incentive pool to reward providers for quality and efficiency improvements;
- establish the Long Term Care Nursing Initiative Demonstration Project to provide educational incentives in the form of scholarships and loan forgiveness programs to address the geriatric nursing shortage;
- establish the Cash and Counseling Demonstration Program to provide flexible monthly allowances to Medicaid eligible recipients to hire, train and direct their own personal care and other community-based services;
- provide for CHHA Accountability Initiatives to ensure that home health care services are provided directly by CHHA, LTHHCP or AIDS home care providers and not sub-contracted; and
- authorize eligibility for Medicaid extended coverage under the Partnership for Long Term Care Program based on income standard.

Part L: Cost of Living Adjustment (COLA)

The Executive recommends Article VII legislation that would eliminate the 2009-10 COLA for designated Human Services programs under the auspices of several State agencies, including the Office of Mental Retardation and Developmental Disabilities, Office of Mental Health, Office of Alcoholism and Substance Abuse Services, the Department of Health, the State Office for the Aging and the Office of Children and Family Services.

MEDICAID INSPECTOR GENERAL, OFFICE OF THE

	Adjusted Appropriation 2008-09	Executive Request 2009-10	Change	Percent Change
AGENCY SUMMARY				
General Fund	35,514,000	35,187,000	(327,000)	0.9%
Special Revenue-Other	6,488,000	5,274,000	(1,214,000)	-18.7%
Special Revenue-Federal	52,348,000	52,284,000	(64,000)	0.1%
Total for AGENCY SUMMARY:	94,350,000	92,745,000	(1,605,000)	-1.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2008-09	Requested 2009-10	Change
General Fund:	329	375	46
All Other Funds:	360	385	25
TOTAL:	689	760	71

Agency Mission

(Executive Budget: pp. 129-133)

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/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 (DOH), 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) 2009-10 Executive Budget includes the following:

- the merger of the Office of the Welfare Inspector General (OWIG) with the OMIG and the elimination of the Welfare Inspector General's prosecutorial authority.

Budget Detail

The Executive request includes an All Funds appropriation of \$92,745,000, a decrease of \$1,605,000, or 1.7 percent from SFY 2008-09 levels. The Executive recommends funding support for 760 full-time equivalent (FTE) positions, including an increase of 71 FTE positions and the transfer of 10 FTE positions from the OWIG.

The Executive's Budget proposes a consolidation of the OMIG with OWIG. The OWIG is responsible for preventing, investigating public assistance fraud and abuse, and illegal acts involving social services programs at both the State and local level. The OWIG works closely with the Office of Temporary and Disability Assistance and DOH in investigating potential fraudulent activities.

State Operations

The Executive requests an All Funds State Operations appropriations of \$92,745,000, a decrease of \$1,605,000 or 1.7 percent from SFY 2008-09 levels.

Proposed Increases

The Executive proposes an increase of \$1,655,000 in personal service appropriation authority related to the consolidation of the OWIG and the OMIG, and the transfer of 10 FTEs.

Proposed Decreases

The Executive proposes reductions including:

- a decrease of \$1,300,000 related to contracts that are no longer necessary due to increased staffing levels;
- a decrease of \$800,000 related to the elimination of funding sub-allocated to the Department of Law for litigation services; and

- a decrease of \$500,000 related to ending outside contracts for expert witness and forensic consultants that are no longer necessary due to increased staffing levels.

Article VII

The Executive recommends Article VII legislation that would merge the OWIG with the OMIG and eliminate Welfare Inspector General's prosecutorial authority.

DEPARTMENT OF MENTAL HYGIENE

	Adjusted Appropriation 2008-09	Executive Request 2009-10	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	833,179,000	600,000,000	(233,179,000)	-28.0%
Total for AGENCY SUMMARY:	833,179,000	600,000,000	(233,179,000)	-28.0%

Agency Mission

(Executive Budget: pp.133)

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.

Budget Detail

The Executive proposes a Special Revenue Fund-Other appropriation of \$600,000,000, a decrease of \$233,179,000 or 27.99% below SFY 2008-09. This decrease is primarily due to the one-time adjustment enacted in SFY 2008-09 to restructure Medicaid appropriations within the Mental Hygiene Agencies. The restructuring initiative was designed to improve budget transparency by shifting fiscal responsibility to the appropriate mental hygiene agencies. This action was cost neutral to the financial plan.

OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

	Adjusted Appropriation 2008-09	Executive Request 2009-10	Change	Percent Change
AGENCY SUMMARY				
General Fund	144,886,774	141,780,000	(3,106,774)	-2.1%
Special Revenue-Other	362,993,500	312,350,000	(50,643,500)	-14.0%
Special Revenue-Federal	142,669,000	141,918,000	(751,000)	0.5%
Capital Projects Fund	9,290,000	10,837,000	1,547,000	16.7%
Mental Hygiene Capital Improvement Fund-389	112,046,000	88,046,000	(24,000,000)	-21.4%
Total for AGENCY SUMMARY:	771,885,274	694,931,000	(76,954,274)	-10.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2008-09	Requested 2009-10	Change
All Other Funds:	991	944	(47)
TOTAL:	991	944	(47)

Agency Mission

(Executive Budget: pp. 135-139)

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 most 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) 2009-10 Executive Budget includes the following proposals:

- to direct parole violators and criminal offenders into OASAS regulated drug treatment and prevention programs;
- to annualize funding for community-based chemical dependence and compulsive gambling services;
- to eliminate the SFY 2009-10 cost-of-living (COLA) adjustment for eligible community-based providers;
- to restructure school based prevention services in New York City;
- to close the Manhattan Addiction Treatment Center;
- to restructure rates for hospital inpatient and community based detoxification services by the Department of Health; and
- to reduce the Personal Needs Allowance for Safety Net Assistance recipients who are residing in chemical dependence treatment facilities regulated by the Office of Alcohol and Substance Abuse Services (OASAS) from \$142 per month to \$45 per month.

Budget Detail

The Executive proposes an All Funds appropriation of \$694,931,000, a net decrease of \$76,954,274 or 10 percent below the SFY 2008-09 level. The Executive recommends funding support of 944 full-time equivalent (FTE) positions, a decrease of 47 positions.

The Executive recommends a Deficit Reduction Plan that makes adjustments to agency appropriations, resulting in total agency savings of \$3,675,000 for SFY 2008-09 and \$7,050,000 in savings in SFY 2009-10.

State Operations

The Executive proposes an All Funds State Operation appropriation of \$134,716,000, a net decrease of \$7,754,000 or 5.44 percent below the SFY 2008-09 level.

Proposed Increases

The Executive recommends an increase of \$7,550,000 related to inflationary adjustments and negotiated salary increases.

Proposed Decreases

The Executive proposes:

- savings of \$4,640,000 related to the closure of the Manhattan Addiction Treatment Center; and
- savings of \$2,106,000 related to efficiencies in personal and non-personal service.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$461,332,000, a net decrease of \$46,747,274 or 9.2 percent below the SFY 2008-09 level.

Proposed Increases

The Executive recommends:

- an increase of \$9,902,000 to annualize prior-year initiatives for compulsive gambling services, prevention and recovery programs, and housing services; and
- an addition of \$6,000,000 to support drug treatment diversion programs for criminal offenders and relapse prevention services for parolees.

Proposed Decreases

The Executive proposes:

- savings of \$23,000,000 by eliminating the SFY 2009-10 cost-of-living adjustment (COLA); and
- savings of \$2,000,000 by redirecting prevention programs from New York City schools to evidenced based models utilized by community-based organizations.

The Executive further recommends a Deficit Reduction Plan for SFY 2008-09 which proposes:

- a one percent reduction in the cost-of-living adjustment (COLA) for savings of \$200,000 in SFY 2008-09 and \$3,900,000 in SFY 2009-10;
- a reduction in funding for New York City school based prevention programs for savings of \$3,100,000 in SFY 2008-09 and \$3,100,000 in SFY 2009-10;
- the elimination of enriched Unified Services funding for savings of \$3,000 in SFY 2008-09 and \$50,000 in SFY-2009-10; and
- a 50 percent reduction in various Legislative additions for savings of \$372,000 in SFY 2008-09.

Capital Projects

The Executive proposes an All Funds Capital Projects appropriation of \$98,883,000, a decrease of \$22,453,000 or 18.5 percent below the SFY 2008-09 level.

The Executive proposes \$23,000,000 in savings related to the delay of prior-year pipeline bed initiatives and deferral of preservation projects, including the rehabilitation of several Addiction Treatment Centers and community- based treatment facilities.

Article VII

The Executive recommends Article VII legislation that would:

- extend current social worker and mental health professional licensing exemptions for programs operated, regulated or funded by OASAS;
- authorize the closure of Manhattan Addiction Treatment Center;
- authorize the elimination of the Human Services cost-of-living (COLA) for SFY 2009-10, maintain the COLA for the remaining out years and extend the COLA through March 31, 2013;
- extend the authority of Article 28 hospitals to replace state aid grants provided by OASAS with federal Disproportionate Share (DSH) funds; and
- authorize the transfer of the Alcohol and Drug Rehabilitation Program from the Department of Motor Vehicles to OASAS.

OFFICE OF MENTAL HEALTH

	Adjusted Appropriation 2008-09	Executive Request 2009-10	Change	Percent Change
AGENCY SUMMARY				
General Fund	559,327,327	557,292,000	(2,035,327)	0.4%
Special Revenue-Other	2,712,006,838	2,620,378,000	(91,628,838)	-3.4%
Special Revenue-Federal	45,984,000	45,197,000	(787,000)	-1.7%
Enterprise	8,553,000	8,578,000	25,000	0.3%
Capital Projects Fund	43,010,000	38,010,000	(5,000,000)	-11.6%
Mental Hygiene Capital Improvement Fund-389	403,812,000	538,533,000	134,721,000	33.4%
Internal Service Fund	2,723,000	2,782,000	59,000	2.2%
Total for AGENCY SUMMARY:	3,775,416,165	3,810,770,000	35,353,835	0.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2008-09	Requested 2009-10	Change
All Other Funds:	17,071	17,127	56
TOTAL:	17,071	17,127	56

Agency Mission

(Executive Budget: pp. 141-146)

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 and six children's psychiatric centers. In addition, OMH provides diagnostic and treatment services to persons involved with the criminal justice system at three forensic psychiatric centers. 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) 2009-10 Executive Budget includes proposals:

- to continue the restructuring of outpatient clinic reimbursement rates;
- to restructure rates for Continuing Day Treatment Programs;
- to continue support of New York/New York III agreements and other housing opportunities already under construction;
- to implement a Comprehensive Children's Plan that restructures the children's service delivery system across multiple state agencies;
- to improve employment opportunities for individuals with mental illness;
- to reduce adult inpatient beds and reinvest savings in community-based services;
- to restructure the Sex Offender Management and Treatment Act (SOMTA) services; and
- removal of the exemption for anti-depressants in the Medicaid Preferred Drug Program as part of the Deficit Reduction Plan.

Budget Detail

The Executive proposes an All Funds appropriation of \$3,810,770,000, a net increase of \$35,353,835 or 0.9 percent over the SFY 2008-09 level. The Executive recommends funding support of 17,127 full-time equivalent positions, an increase of 56 positions.

The Executive recommends a Deficit Reduction Plan that makes adjustments to agency appropriations resulting in total agency savings of \$2,171,000 for SFY 2008-09 and \$10,500,000 in savings in SFY 2009-10.

State Operations

The Executive proposes an All Funds State Operation appropriation of \$2,045,858,000, a net increase of \$1,795,000 or 0.09 percent over the SFY 2008-09 level.

Proposed Increases

The Executive proposes an increase of \$43,372,000 related to inflationary adjustments, negotiated salary increases and annualizations from prior year initiatives, including \$21,300,000 related to growth in SOMTA services.

Proposed Decreases

The Executive proposes:

- a decrease of \$15,200,000 related to staffing reductions in Management and SOMTA services;
- a decrease of \$8,600,000 related to staffing reductions associated with implementation of the Special Housing Unit legislation;
- a decrease of \$6,100,000 related to a statewide reduction of 450 adult inpatient beds; and
- a decrease of \$8,644,000 related to efficiencies in central office attrition, workforce investment reductions, outpatient pharmacy use, lease of unused space, and other initiatives.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$1,188,369,000, a net decrease of \$96,162,165 or 7.49 percent below the SFY 2008-09 level.

Proposed Increases

The Executive proposes:

- an increase of \$32,000,000 for operating funds related to New York/New York III agreements and beds already under construction;
- an increase of \$16,000,000 related to the restructuring of outpatient clinic reimbursement rates and continuing day treatment programs;
- an increase of \$6,000,000 related to a new Federal grant for employment services;

- an increase of \$4,244,000 related to annualization of Vocational and Educational Services for Individuals with Disabilities slots and utilization growth in the Comprehensive Psychiatric Emergency Program; and
- an increase of \$1,700,000 related to the implementation of the Comprehensive Children's Plan.

Proposed Decreases

The Executive proposes:

- a decrease of \$30,000,000 related to the elimination of the SFY 2009-10 cost-of-living adjustment (COLA);
- a decrease of \$11,147,000 related to the delay of Community Residential and Family-Based Treatment model enhancements; and
- a decrease of \$8,525,000 related to reductions in various programs including co-occurring disorders, managed care demonstrations, family care provider enhancements, and family support services for clinic plus.

The Executive further recommends a Deficit Reduction Plan for SFY 2008-09 which proposes:

- a one percent reduction in the COLA for a savings of \$1,200,000 in SFY 2008-09 and \$9,500,000 in SFY 2009-10;
- the elimination of enriched Unified Services funding for a savings of \$258,000 in SFY 2008-09 and \$1,000,000 in SFY 2009-10; and
- a 50 percent reduction in Legislative additions for a savings of \$713,000 in SFY 2008-09.

Capital Projects

The Executive proposes an All Funds Capital Projects appropriation of \$576,543,000, an increase of \$129,721,000 or 29.03 percent over the SFY 2008-09 level.

The Executive proposes the following increases in capital funding:

- an increase of \$185,000,000 for construction of a new inpatient forensic building at Mid-Hudson Psychiatric Center;

- an increase of \$112,000,000 to construct a new Bronx Psychiatric Center adult inpatient building; and
- an increase of \$45,700,000 to replace outdated power plants at Rockland Psychiatric Center and Manhattan Psychiatric Center.

The Executive proposes the following decreases in capital funding:

- a decrease of \$167,925,000 related to adjustments in community bed development;
- a decrease of \$40,054,000 related to a statewide reduction in capital for planned construction and renovation projects; and
- a decrease of \$5,000,000 related to a reduction in capital to finance the Joint New York City/New York State Criminal Justice Taskforce.

Article VII

The Executive recommends Article VII legislation that would:

- extend current social worker and mental health professional licensing exemptions for programs operated, regulated or funded by OMH;
- authorize the elimination of the Human Services COLA for SFY 2009-10 and extend the COLA through March 31, 2013;
- extend the authority of Article 28 hospitals to replace state aid grants provided by OMH with federal Disproportionate Share funds;
- authorize the OMH reduction of adult inpatient psychiatric beds and notwithstanding notification and reinvestment provisions of the Mental Hygiene Law;
- authorize alternative facility options and courtroom procedures for SOMTA respondents;
- authorize facility directors to receive Federal benefits as representative payees and provide that such facility directors must use funds received as representative payees in accordance with federal laws and regulations;
- modify and/or eliminate a variety of reporting requirements related to the provision of community mental health services; and
- extend the lease of the Manhattan Psychiatric Center and Kirby Forensic Psychiatric Center.

OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

	Adjusted Appropriation 2008-09	Executive Request 2009-10	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,424,487,923	1,491,249,000	66,761,077	4.7%
Special Revenue-Other	2,908,607,976	2,897,403,000	(11,204,976)	0.4%
Special Revenue-Federal	751,000	751,000	0	0.0%
Enterprise	2,469,000	2,669,000	200,000	8.1%
Capital Projects Fund	69,965,000	65,040,000	(4,925,000)	-7.0%
Mental Hygiene Capital Improvement Fund-389	122,455,000	62,275,000	(60,180,000)	-49.1%
Internal Service Fund	350,000	350,000	0	0.0%
Total for AGENCY SUMMARY:	4,529,085,899	4,519,737,000	(9,348,899)	0.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2008-09	Requested 2009-10	Change
All Other Funds:	22,485	22,432	(53)
TOTAL:	22,485	22,432	(53)

Agency Mission

(Executive Budget: pp. 147-155)

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) 2009-10 Executive Budget includes the following:

- a proposal to streamline and consolidate various central office and Developmental Disability Service Office (DDSO) administrative functions;
- a proposal to eliminate the SFY 2009-10 cost-of-living adjustment (COLA) for direct care workers in not-for-profit agencies serving the OMRDD population;
- a proposal to eliminate Enriched Unified Services Funding;
- a proposal to restructure not-for-profit provider reimbursements;
- a proposal to restructure services for out-of-state placements; and
- a proposal to annualize funding for residential opportunities, community-based services and family support services.

Budget Detail

The Executive proposes an All Funds appropriation of \$4,519,737,000, a net decrease of \$9,348,899 or 0.2 percent below the SFY 2008-09 level. The Executive recommends funding support of 22,432 full-time equivalent (FTE) positions, a decrease of 53 positions.

The Executive recommends a Deficit Reduction Plan that makes adjustments to agency appropriations, resulting in total agency reductions of \$1,340,000 for SFY 2008-09 and \$3,800,000 in savings in SFY 2009-10.

State Operations

The Executive proposes an All Funds State Operation appropriation of \$2,171,410,000, a net increase of \$69,128,000 or 3.29 percent over the SFY 2008-09 level.

Proposed Increases

The Executive proposes an increase of \$82,478,000 related to inflationary adjustments, negotiated salary increases and annualizations from prior year initiatives.

Proposed Decreases

The Executive proposes:

- a reduction of \$13,500,000 in State spending related to an increase in federal Food Stamp benefits for eligible consumers of OMRDD services;
- a decrease of \$5,500,000 related to Central Office restructuring and staff vacancy management;
- a decrease of \$1,800,000 related to consolidation of DDSO business office and human resource activities, including consolidation of administrative functions at Valley Ridge Center for Intensive Treatment with the Broome DDSO;
- a decrease of \$1,600,000 related to a statewide reduction in safety and security officers;
- a decrease of \$900,000 related to the closure of the Bernard Fineson DDSO's Howard Park campus and the Taconic DDSO's Multiple Disabled Unit; and
- a decrease of \$900,000 related to staffing reductions at the Institute for Basic Research.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$2,221,012,000, a net decrease of \$13,371,899 or 0.6 percent below the SFY 2008-09 level.

Proposed Increases

The Executive proposes:

- an increase of \$63,200,000 related to a healthcare initiative to offset health care costs for direct care workers in eligible not-for-profit agencies;
- an increase of \$47,800,000 related to 250 new contracts in the New York State Options for People Through Services (NYS-OPTS);
- an increase of \$22,200,000 related to 530 new beds in the New York State Creating Alternatives in Residential Environments and Services (NYS-CARES) program;
- an increase of \$11,600,000 related to conversion of Article 28 clinics to Article 16 clinics;

- an increase of \$6,600,000 related to 90 new beds for mandated populations; and
- an increase of \$5,100,000 related to 138 new beds to reduce out-of-state placements and repatriate children presently placed outside the State (Billy's law).

Proposed Decreases

The Executive proposes:

- a reduction of \$25,000,000 in State spending related to an increase in federal Food Stamp benefits for consumers of OMRDD services;
- a reduction of \$15,800,000 related to increased utilization of Home and Community Based Waiver programs;
- a decrease of \$15,200,000 related to restructuring of not-for-profit provider reimbursement rates; and
- a reduction of \$3,300,000 related to transitioning 88 out-of-state placements back to New York State.

The Executive further recommends a Deficit Reduction Plan for SFY 2008-09 which proposes:

- a one percent reduction in the Human Services COLA for direct care workers for a savings of \$473,000 in SFY 2008-09 and \$2,100,000 in SFY 2009-10;
- the elimination of Enriched Unified Services funding for a savings of \$425,000 in SFY 2008-09 and \$1,700,000 in SFY 2009-10; and
- a 50 percent reduction in legislative additions for a savings of \$442,000 in SFY 2008-09.

Capital Projects

The Executive proposes an All Funds Capital Projects appropriation of \$127,315,000, a net decrease of \$65,105,000 or 33.83 percent below the SFY 2008-09 level.

The Executive proposes a \$9,100,000 increase related to the renovation of the Metro New York DDSO located at 75 Morton Street which the agency has determined not to sell at this time.

The Executive proposes the following decreases in capital funding:

- a decrease of \$60,230,000 related to bonds for the renovation of the Howard Park campus which will be closed in SFY 2009-10; and
- a decrease of \$13,975,000 related to limiting minor maintenance funding to essential health and safety projects at not-for-profit facilities.

Article VII

The Executive recommends Article VII legislation that would:

- extend current social worker and mental health professional licensing exemptions for programs operated, regulated or funded by OMRDD;
- authorize the elimination of the Human Services cost-of-living (COLA) for SFY 2009-10 and extend the COLA through March 31, 2013;
- extend the authority of Article 28 hospitals to replace state aid grants provided by OMRDD with federal Disproportionate Share (DSH) funds;
- authorize facility directors to receive federal benefits as representative payees and provide that such facility directors must use funds received as representative payees in accordance with federal laws and regulations;
- authorize the consolidation of administrative functions of the Broome DDSO with the Valley Ridge Center for Intensive Treatment; and
- authorize the elimination of exempt income in Long- Term Sheltered Employment (LTSE) programs.

COMMISSION ON QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

	Adjusted Appropriation 2008-09	Executive Request 2009-10	Change	Percent Change
AGENCY SUMMARY				
General Fund	5,738,000	5,873,000	135,000	2.4%
Special Revenue-Other	4,381,000	4,438,000	57,000	1.3%
Special Revenue-Federal	7,434,000	7,274,000	(160,000)	-2.2%
Enterprise	45,000	45,000	0	0.0%
Total for AGENCY SUMMARY:	17,598,000	17,630,000	32,000	0.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2008-09	Requested 2009-10	Change
General Fund:	57	58	1
All Other Funds:	59	60	1
TOTAL:	116	118	2

Agency Mission

(Executive Budget: pp. 157-164)

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.

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

Budget Detail

The Executive proposes an All Funds appropriation of \$17,630,000, a net increase of \$32,000 or 0.2 percent from State Fiscal Year (SFY) 2008-09. The Executive projects a staffing level of 118, an increase of 2 full-time equivalent (FTE) positions.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$16,859,000, a net increase of \$32,000 or 0.2 percent over SFY 2008-09 funding levels.

Proposed Increases

The Executive proposes the following:

- an increase of \$363,000 for negotiated salary increases, costs of inflation for nonpersonal service and other adjustments; and
- an increase of \$140,000 for implementation of new Child Abuse Reporting and Investigation requirements.

Proposed Decreases

The Executive proposes a decrease of \$226,000 related to staff reductions in the implementation of Special Housing Unit legislation.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$771,000, consistent with the SFY 2008-09 funding level.