

HEALTH & MENTAL HYGIENE

**Summary of Recommended Appropriations
By Agency**

OFFICE FOR THE AGING

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	113,911,400	111,927,600	(1,983,800)	-1.7%
Special Revenue-Other	1,230,000	1,230,000	0	0.0%
Special Revenue-Federal	128,237,000	124,972,000	(3,265,000)	-2.5%
Enterprise	100,000	100,000	0	0.0%
Total for AGENCY SUMMARY:	243,478,400	238,229,600	(5,248,800)	-2.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
General Fund:	23	23	0
All Other Funds:	98	98	0
TOTAL:	121	121	0

Agency Mission

(Executive Budget: pp. 8-12)

The New York State Office for the Aging (SOFA) is responsible for promoting, coordinating, and administering the state, federal, and local programs and services for 3.7 million New Yorkers who are 60 years of age or older. SOFA provides leadership and direction to 59 area agencies on aging, as well as to numerous other local programs and providers that comprise the network of services to older adults.

Programmatic Highlights

The State Fiscal Year (SFY) 2011-12 Executive Budget includes the following:

- A proposal to eliminate discrete funding for eleven programs and replace these programs with a local competitive performance grant program.
- A proposal to delay the planned 1.2 percent Human Services cost-of-living adjustment (COLA) for one year, and extend the COLA for an additional out-year through SFY 2014-15.
- A proposed reduction of \$58,400,000 to the Elderly Pharmaceutical Insurance Coverage (EPIC) Program, including proposals that would modify the EPIC program to provide assistance to only those enrollees in the Medicare Part D coverage gap; eliminate EPIC coverage for Medicare Part D premiums and deductibles; require all EPIC enrollees to enroll in a Medicare Part D plan; eliminate the financial hardship exemption for mandatory enrollment in Medicare Part D; and eliminate the EPIC panel and delegate its responsibilities to the Commissioner of Health.

Budget Detail

The Executive proposes an All Funds appropriation of \$238,229,600, a net decrease of \$5,248,800, or 2.2 percent, from the SFY 2010-11 level. The Executive recommends funding support of 121 full-time equivalent positions, no change over the previous year.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$13,810,600, a decrease of \$539,800 or 3.76 percent from the SFY 2010-11 level.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$224,419,000, a decrease of \$4,709,000, or 2.06 percent, from the SFY 2010-11 level.

Proposed Increases

The Executive proposes an increase of \$1,550,000 related to the creation of a new local competitive performance grant program.

Proposed Decreases

The Executive proposes:

- a reduction of \$806,000 related to the elimination of funding for the Congregate Services Initiative;
- a reduction of \$490,000 related to the elimination of funding for the Elderly Abuse Education and Outreach Program;
- a reduction of \$433,000 related to the elimination of funding for Retired and Senior Volunteer Program;
- a reduction of \$245,000 related to the elimination of funding for the Community Empowerment Initiative;
- a reduction of \$245,000 related to the elimination of funding for the Enriched Social Adult Day Centers Program;
- a reduction of \$237,000 related to the elimination of funding for the EAC/Nassau Respite Program;
- a reduction of \$230,000 related to the elimination of funding for the Regional Caregivers Centers for Excellence;
- a reduction of \$196,000 related to the elimination of funding for the Foster Grandparent Program;
- a reduction of \$172,000 related to the elimination of funding for NY Foundation Home Sharing;
- a reduction of \$142,000 related to the elimination of funding for Long Term Care Senior Respite; and
- a reduction of \$63,000 related to the elimination of funding for the Patients' Rights Hotline and Advocacy.

Article VII

The Executive recommends Article VII legislation that would:

- create a local competitive performance grant program administered by SOFA, with criteria for receiving an award determined by the Office; and

- authorize the elimination of the Human Services cost-of-living adjustment (COLA) for SFY 2011-12 and extend the COLA for an additional year additional year through March 31, 2015.

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

- modify the EPIC program to provide assistance to only those enrollees in the Medicare Part D coverage gap;
- eliminate EPIC coverage for Medicare Part D premiums and deductibles;
- require all EPIC enrollees to enroll in a Medicare Part D plan;
- eliminate the financial hardship exemption for mandatory enrollment in Medicare Part D; and
- eliminate the EPIC panel and delegate its responsibilities to the Commissioner of Health.

Deficiency Request

The Executive requests a total of \$3,000,000 in deficiency appropriations for SOFA. This includes \$1,000,000 in federal appropriation authority for health and human services programs, and \$2,000,000 in federal appropriation authority for the senior community service employment program.

DEVELOPMENTAL DISABILITIES PLANNING COUNCIL

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Federal	4,750,000	4,750,000	0	0.0%
Enterprise	10,000	10,000	0	0.0%
Total for AGENCY SUMMARY:	4,760,000	4,760,000	0	0.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
All Other Funds:	18	18	0
TOTAL:	18	18	0

Agency Mission

(Executive Budget: pp. 58-60)

The New York State Developmental Disabilities Planning Council (DDPC) is fully funded under the Federal Developmental Disabilities Assistance and Bill of Rights Act. The Act, originally signed into law in 1975, authorizes the DDPC to prepare, implement, and monitor a plan for improving the quality of life for people with developmental disabilities. The DDPC monitors contracts with not-for-profit service providers that work with consumers, helping them achieve community integration.

Budget Detail

State Operations

The Executive proposes an All Funds appropriation of \$4,760,000, which is unchanged from the State Fiscal Year 2010-11 level. The staffing level will remain constant at 18 full-time equivalent positions.

DEPARTMENT OF HEALTH

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	12,839,610,440	15,401,572,290	2,561,961,850	20.0%
Special Revenue-Other	7,161,964,437	7,062,431,100	(99,533,337)	-1.4%
Special Revenue-Federal	38,039,076,200	33,665,840,000	(4,373,236,200)	-11.5%
Enterprise	10,000	0	(10,000)	-100.0%
Capital Projects Fund	232,600,000	15,600,000	(217,000,000)	-93.3%
Capital Projects Fund - Advances	108,000,000	0	(108,000,000)	-100.0%
Federal Capital Projects Fund	157,183,000	74,833,000	(82,350,000)	-52.4%
Total for AGENCY SUMMARY:	58,538,444,077	56,220,276,390	(2,318,167,687)	-4.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
General Fund:	1,777	1,914	137
All Other Funds:	3,278	3,278	0
TOTAL:	5,055	5,192	137

Agency Mission

(Executive Budget: pp. 141-153)

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 directing a variety of emergency preparedness initiatives. 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.

Programmatic Highlights

The SFY 2011-12 Executive Budget includes the following:

- A reduction of \$2.85 billion in state share Medicaid spending to be determined by the Governor's Medicaid Redesign Team.
- A three year extension of the Health Care Reform Act.
- A delay in the implementation of nursing home rebasing until July 2011.
- A modification of the Elderly Pharmaceutical Insurance Coverage Program to provide coverage to only enrollees in Medicare coverage gap.
- A proposal to allocate up to \$391 million of uncommitted Health Care Efficiency and Affordability Law of New York funding for capital improvements.
- A competitive grant program for various public health programs.

Budget Detail

The Executive proposes All Funds appropriations of \$56,220,276,390, a net decrease of \$2,318,167,687 or 4.0 percent, below SFY 2010-11 appropriation levels.

The Executive requests the following:

- General Fund appropriations totaling \$15,401,572,290, an increase of \$2,561,961,850 or 20.0 percent over SFY 2010-11 levels;
- Special Revenue Fund-Other appropriations totaling \$7,062,431,100 a decrease of \$99,533,337 or 1.4 percent below SFY 2010-11 levels;
- Special Revenue Fund-Federal appropriations totaling \$33,665,840,000, a decrease of \$4,373,236,200 or 11.5 percent from SFY 2010-11 levels.

The Executive recommends funding support of 5,192 full-time equivalent positions, an increase of 137 positions. The workforce increase is primarily attributable to the in-sourcing of technology projects.

State Operations

The Executive proposes All Funds State Operations appropriations of \$2,244,123,100, an increase of \$84,044,813 or 3.9 percent, over SFY 2010-11 levels.

Proposed Increases

The Executive proposal includes:

- an increase of \$96.8 million in federal funding related to the design, development and replacement of both the Medicaid Management Information System and the Data Warehouse; and
- an increase of \$49.1 million in federal appropriations for the planning and implementation of healthcare and insurance reform initiatives authorized by the Patient Protection and Affordable Care Act.

Proposed Decreases

A reduction of \$48.3 million in General Fund spending to reflect a 10 percent across-the-board reductions in State Operations.

The Executive proposal includes a consolidation of the administrative component of all DOH State Operations within DOH into a single Administration Program. This proposal intends to provide the Commissioner with greater flexibility in administering the following programs:

- AIDS Institute
- Center for Community Health
- Center for Environmental Health
- Health Care Financing Program
- Office of Health Insurance Programs (includes Medicaid)
- Office of Health Systems Management
- Office of Long Term Care
- Wadsworth Center for Laboratories and Research
- Division of Managed Care and Program Evaluation

Aid to Localities

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

The Executive Budget proposal includes All Funds Medicaid spending of \$52,808,636,000, a decrease of \$982,234,000 from SFY 2010-11. DOH is projected to comprise \$39,051,741,000 of overall Medicaid spending, consisting of \$15,108,665,000 in state share spending and 23,943,085,000 in federal support representing a decrease of \$1,230,144,000, or 3.1 percent in DOH spending from SFY 2010-11.

The Executive proposal includes a single negative appropriation to reduce state share Medicaid spending by an aggregate \$2,850,000,000 in SFY 2011-12. No specific reductions are made to appropriations for Medicaid's individual service categories, such as hospitals or nursing homes. Instead, the Executive proposes language to authorize the Commissioner of Health to implement the recommendations submitted by the Medicaid Redesign Team (MRT), which was established pursuant to Executive Order. The MRT's recommendations must be submitted by March 1, 2011. To the extent the MRT recommendations would not achieve savings \$2,850,000,000, the Commissioner of Health, in consultation, with other state officials, must develop a plan to achieve additional savings needed to meet this target.

Under the Executive's construct, the Commissioner of Health may modify or suspend reimbursement methods, modify or discontinue Medicaid program benefits, seek all necessary Federal approvals and suspend time frames for notice of rate adjustment in order to realize \$2,850,000,000 in state share reductions in the SFY 2011-12.

The Executive Budget's significant increase in state share Medicaid spending is related to the loss of federal support made available through the American Recovery and Reinvestment Act (ARRA) of 2009. Under ARRA, each state's Federal Medical Assistance Percentage (FMAP), which determines the federal share of Medicaid costs, was increased in a manner that corresponds with rates of unemployment. This FMAP increase provided DOH with additional federal Medicaid funds totaling \$1,092,000,000 in SFY 2008-2009, \$3,040,000,000 in SFY 2009-10, \$3,948,000,000 in SFY 2010-11 and only \$353,000,000 in SFY 2011-12. The enhanced FMAP is set to expire at the end of the first quarter of SFY 2011-12.

Authorization for HCRA is scheduled to expire on March 31, 2011. The Executive Budget recommends a three-year extension of HCRA providing a continued offset to General Fund health care costs. HCRA receipts and disbursements are projected to total \$5,375,000,000 in SYF 2011-12, increases of \$360,000,000 and \$334,000,000 respectively. \$1,665,000,000 in projected disbursements would offset General Fund Medicaid spending.

On January 1, 2006, the State implemented a cap on the local share of Medicaid expenditures, and assumed the full local share of Family Health Plus (FHP) 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 each year thereafter.

The Executive projects the cap will save counties a total of approximately \$1,945,000,000 in SFY 2011-12. FHP savings to counties are projected at \$441,000,000. These two actions are projected to yield \$2,386,000,000 in spending reductions to local governments in SFY 2011-12, with a corresponding increase in costs to the State.

Proposed Decreases

Public Health Program Reductions

The SFY 2011-12 Executive Budget proposes \$112,400,000 in reductions to the Elderly Pharmaceutical Insurance Coverage Program, Early Intervention, General Public Health Works, and various public health programs.

Elderly Pharmaceutical Insurance Coverage (EPIC)

The SFY 2011-12 Executive Budget proposes \$58,400,000 in reductions to the EPIC Program to be achieved by:

- requiring all EPIC enrollees to enroll in a Medicare Part D plan;
- modifying the EPIC program to provide assistance to only those enrollees in the Medicare Part D coverage gap;
- eliminating EPIC coverage for Medicare Part D premiums and deductibles;
- eliminating the financial hardship exemption for mandatory enrollment in Medicare Part D; and
- eliminating the EPIC panel and delegating its responsibilities to the Commissioner of Health.

General Public Health Works (GPHW)

The SFY 2011-12 budget purposes a \$10,500,000 reduction to the GPHW Program attributable to the elimination of state reimbursement for public health services provided at the discretion of municipalities.

Early Intervention (EI)

The SFY 2011-12 Executive Budget proposes reductions to the EI Program of \$9,000,000, resulting in the following actions:

- a 10 percent rate reduction, yielding \$11,100,000 in savings;
- a reduction of \$6,200,000 resulting from the recovery of overpayments to counties for EI transportation costs;
- a reduction of \$1,600,000 from the implementation of a per-visit reimbursement methodology that is based on 15 minute billing intervals;
- a reduction of \$900,000 from incorporating wage and transportation factors into EI rates;
- a reduction of \$500,000 from requiring certain providers to bill Medicaid directly; and
- a reduction of \$300,000 from the implementation of capitated rate methodology for EI service coordination.

In addition, the Executive proposes legislation to maximize commercial reimbursement for EI services. A state savings of \$24,600,000 is associated with this proposal but will not be realized until SFY 2012-13.

Funding Consolidation

The SFY 2011-12 Executive Budget would consolidate State support for a number of public health programs into a single appropriation of \$7,743,000 to be awarded competitively. This reduction would achieve a state savings of \$4,700,000. Discrete appropriations for the following programs would be eliminated:

- Infertility Program \$4,050,000;
- Audit Resident Teaching Programs \$2,200,000;
- Medicaid Collaborative Studies \$1,390,000;
- Cardiac Services \$1,380,000;
- Health Promotion Initiatives \$1,140,000;
- Maternity and Early Childhood Foundation \$600,000;

- Public Health Management Leaders of Tomorrow \$550,000;
- Office of Minority Health \$530,000;
- Brain Trauma Foundation \$490,000;
- Workforce Studies Program \$390,000;
- Quality Improvement \$370,000;
- Falls Prevention Program \$300,000;
- Racial Disparities Study \$300,000;
- Eating Disorders Program \$250,000;
- Public Awareness Campaign for Donor Registry Letter \$250,000;
- Minority Participation in Medical Education Program at CUNY Gateway Institute \$220,000;
- Interim Lead Safe Housing Program \$200,000;
- Tick-Borne Disease Program \$150,000;
- Maternal Mortality Review and Safe Motherhood Initiative \$140,000;
- Cost of Living Adjustment \$120,000;
- Statewide Health Broadcasts \$80,000;
- Latino Outreach Program \$70,000;
- Long-Term Care Community Coalition \$70,000;
- Osteoporosis Prevention \$60,000;
- Minority Male Wellness Program \$50,000;
- Public Health Genomics Program \$50,000;

- Sudden Infant Death Syndrome \$40,000; and
- Minority Participation in Medical Education Program at SUNY Upstate \$40,000.

The Executive proposal would appropriate \$7,743,000 for a competitive grant for public health programs.

Other Public Health/Aging Actions:

The Executive proposal also includes:

- a reduction of \$9,250,000 from the delay of the human service cost of living adjustment;
- a reduction of \$320,000 for cancer services programs that do not provide direct care; and
- a reduction of \$950,000 from the elimination of NY Connects.

Capital Projects

The Executive provides capital appropriations totaling \$90,433,000, reflecting a reduction of \$407,350,000 from SFY 2010-11 levels. The SFY 2011-12 Executive Budget would reduce funding for capital projects by \$82,350,000, to reflect the loss of federal ARRA funds for the Safe Drinking Water program.

The Executive proposal includes a reduction of \$325,000,000 to reflect the fact that multi-year appropriations for the Health Care Efficiency and Affordability Law of New York (HEAL) were enacted in SFY 2010-11 and not required in SFY 2011-12.

The Executive proposal includes Article VII language to allow the Commissioner to allocate unspent Health Care Efficiency and Affordability Law of New York (HEAL NY) funding to support grants to facilitate the closure, merger, and restructuring of hospitals and nursing homes.

Article VII

Part A - Public Health Services

The Executive recommends Article VII legislation that would:

- eliminate Medicare Part D premium assistance payments and deductible credits currently provided by EPIC;

- provide for EPIC coverage only while a participant is in the Medicare Part D coverage gap and eliminate transitional assistance, financial hardship exemptions, the EPIC panel, the EPIC registration fee, and catastrophic drug coverage;
- provide for a 10 percent across-the-board reduction in rates for the EI program;
- require EI providers who receive more than \$500,000 annually from Medicaid to seek reimbursement directly from Medicaid prior to seeking payment from municipalities for these services;
- prohibit insurance companies from denying claims for medical services normally covered under the terms of a policy based on prior authorization requirements, the location where services are provided, the duration of the condition, the likelihood of significant improvement, or the network status of the service provider;
- eliminate the requirement that a child's parents and an EI official agree on the child's initial Individualized Family Service Plan before the EI official can authorize EI services;
- eliminate reimbursement for certain services under the GPHW program;
- establish a Local Competitive Performance Grant program for priority public health initiative;
- establish a Local Competitive Performance Grant program for priority initiatives in aging;
- de-link the funding for the Empire State Stem Cell Fund from any potential health plan conversion proceeds;
- update and clarify the cost components of the methodology used to determine fees that support DOH's oversight system for clinical laboratories and blood banks;
- authorize the Commissioner of Health to distribute funds available under HEAL-NY to general hospitals and nursing homes to facilitate closures, mergers and restructuring of such facilities for the purpose of promoting access to essential health care services;
- make permanent an increase in monetary penalties for violations of the Public Health Law or its associated regulations and the continued dedication of revenue to the support of the Patient Safety Center;
- extend for two years a provision allowing the use of Office of Professional Medical Conduct funds to support patient safety initiatives;
- provide a three year extension of the health occupation development and work place demonstration programs;

- make permanent the statute authorizing a streamlined process for contracts for the purchase of goods and services for state hospitals operated by DOH; and
- make permanent a statute to permit the Dormitory Authority of the State of New York to bundle Primary Care Development Corporation projects and refinance them at lower cost.

Part B – Medicaid Cost Containment

The Executive recommends Article VII legislation that would:

- authorize supplemental Medicaid payments for professional services provided by physicians, nurse practitioners, and physician assistants participating in practice plans affiliated with SUNY hospitals;
- require hospitals to submit additional data to the Department of Health for the purpose of calculating provider-specific disproportionate share hospital caps;
- suspend implementation of the nursing home rebasing methodology until July 1, 2011;
- extend the \$210 million gross annual cap on nursing home rate increases through March 31, 2012;
- authorize Medicaid payments for nursing homes with discrete units for treating patients with Huntington's disease;
- authorize prior year Medicaid payments to adult day health care providers treating patients with AIDS;
- permanently extend authorization to collect nursing home gross receipts assessments; and
- provide that the State shall not take any administrative or statutory action that would cause the state share of Medicaid spending to grow at an annual rate that exceeds the 10-year rolling average of the medical component of the Consumer Price Index.

Part C – Extend the HCRA for three years.

The Executive recommends Article VII legislation that would:

- extend HCRA through March 31, 2014 and amend provisions in order to maximize the use of available revenue sources;
- amend effective dates of HCRA financing components through March 31, 2014;

- provide continued funding for various administrative costs of the Department of Health to assist in the implementation of HCRA programs;
- extend authorization for the collection of the Covered Lives Assessment;
- extend the Health Care Initiatives and Tobacco Control and Insurance Initiatives Pools;
- modify and extend the authority to transfer funds from HCRA to the General Fund to subsidize HEAL-NY capital grants and debt service costs;
- extend an array of miscellaneous provisions historically extended with HCRA;
- extend provisions regarding funding for the Rural Health Network and Access Development Programs;
- extend the Physician's Excess Medical Malpractice Program through June 30, 2014;
- amend various provisions to extend the Primary Care Case Management Program, the Upstate Personal Care and Home Care Workforce Recruitment and Retention Programs, and the Entertainment Industry Worker Insurance Demonstration Program through March 31, 2014;
- extend the authorization for Area Health Education Centers, the Empire Clinical Research Investigator Program and the Doctors Across New York program;
- extend authorization for state-only grant payments for clinic bad debt and charity care;
- extend hospital indigent care payments through December 31, 2014; and
- clarify language to ensure private practice physicians who bill discretely in a hospital or clinic are not required to pay HCRA surcharges.

Part D – Extension of Previously Enacted Medicaid Savings Initiatives

The Executive recommends Article VII legislation that would:

- permanently extend authorization for up to \$300 million in nursing home upper payment limit payments for non-state operated public nursing homes;
- permanently extend unconsolidated law to authorizing intergovernmental transfer payments to non-New York City disproportionate share hospitals;
- extend authorization for bad debt and charity care allowances for certified home health agencies through 2013;

- permanently extend provisions relating to Medicaid capital cost reimbursement and remove references to Medicare that are no longer relevant;
- permanently continue the exclusion of the 1996-97 trend factor from nursing home and inpatient rates;
- permanently continue the 0.25 percent trend factor reduction for hospitals and nursing homes;
- extend the requirement that nursing homes, hospitals, certified home health care and long term home health care providers maximize Medicare revenues through February 1, 2013;
- remove a reconciliation limit for the certified home health care agency administrative and general expense cap;
- extend the requirement that parties to a contract between a hospital and a managed care organization continue to abide by the terms of the contract for two months from the effective date of contract termination or non-renewal, unless certain circumstances are met, through June 30, 2013;
- permanently extend a limitation on the reimbursement of the long term home health care program administrative and general costs to a statewide average;
- permanently extend certain income and benefit expansions relating to Child Health Plus and facilitated enrollment;
- permanently extend authorization for partially capitated managed care plans to provide primary care and preventive services to Medicaid recipients as well as HIV special needs plans;
- extend authorization for the Commissioner of Health to establish utilization thresholds for Medicaid services through July 1, 2014;
- permanently extend authorization for the Medicaid program, subject to the availability of federal financial participation, to cover Medicaid Managed Care (MMC) premiums for the six-month period beginning with enrollment in a MMC plan, even if the enrollee loses eligibility for Medicaid before the end of such period;
- continue the statutory requirement that establishes limited licensed home care service agencies in adult homes or enriched housing programs as providers of personal care and limited medical services;
- extend the managed care pharmacy carve-out through March 31, 2014;

- permanently extend the Medicaid managed care program; and
- permanently extend Medicaid co-payments.

Deficiency Request

The adjusted appropriation would increase the General Public Health Works program appropriations by \$6,250,000 to provide reimbursement to local health departments for medical examiner programs.

An appropriation for the EPIC program would be amended to provide payments to pharmacists to cover drug costs.

MEDICAID INSPECTOR GENERAL, OFFICE OF THE

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	33,274,000	29,577,000	(3,697,000)	-11.1%
Special Revenue-Other	4,083,000	3,700,000	(383,000)	-9.4%
Special Revenue-Federal	50,804,000	47,076,000	(3,728,000)	-7.3%
Total for AGENCY SUMMARY:	88,161,000	80,353,000	(7,808,000)	-8.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
General Fund:	330	331	1
All Other Funds:	332	331	(1)
TOTAL:	662	662	0

Agency Mission

(Executive Budget: pp. 154-156)

The Office of the Medicaid Inspector General (OMIG) was created as an independent entity within the Department of Health (DOH) 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, OMIG conducts and supervises all prevention, detection, audit and investigation efforts and coordinates such activities with DOH, the Office for Mental Health, the Office for People With Developmental Disabilities and the Office of Alcoholism and Substance Abuse Services. OMIG also works closely with the Medicaid Fraud and Control Unit in the Attorney General's Office and with federal and local law enforcement agencies.

Budget Detail

The Executive request includes an All Funds appropriation of \$80,353,000, a decrease of 7,808,000 or 8.9 percent from the State Fiscal Year (SFY) 2010-11 budget. The Executive provides funding support for 662 full-time equivalent positions, maintaining staffing at SFY 2010-11 levels.

State Operations

The Executive requests an All Funds State Operations appropriation of \$80,353,000, a decrease of 7,808,000 of 8.9 percent from SFY 2010-11 levels. This decrease would be achieved by negotiated workforce savings and other administrative efficiencies.

DEPARTMENT OF MENTAL HYGIENE

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	600,000,000	600,000,000	0	0.0%
Total for AGENCY SUMMARY:	600,000,000	600,000,000	0	0.0%

Agency Mission

(Executive Budget: p. 211)

The Department of Mental Hygiene (DMH) operates through three independent agencies – the Office of Mental Health, the Office for People with Developmental Disabilities, and the Office of Alcoholism and Substance Abuse Services. 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 to the DMH and then allocated in proportion to the appropriate mental hygiene agency.

Budget Detail

State Operations

The Executive proposes a Special Revenue Fund-Other appropriation of \$600,000,000, reflecting no change from State Fiscal Year (SFY) 2010-11.

OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	39,000,000	36,878,500	(2,121,500)	-5.4%
Special Revenue-Other	422,384,000	394,725,900	(27,658,100)	-6.5%
Special Revenue-Federal	146,560,000	141,530,000	(5,030,000)	-3.4%
Capital Projects Fund	10,888,000	9,560,000	(1,328,000)	-12.2%
Mental Hygiene Capital Improvement Fund-389	98,046,000	88,046,000	(10,000,000)	-10.2%
Total for AGENCY SUMMARY:	716,878,000	670,740,400	(46,137,600)	-6.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
All Other Funds:	842	817	(25)
TOTAL:	842	817	(25)

Agency Mission

(Executive Budget: pp. 212-215)

The Office of Alcoholism and Substance Abuse Services (OASAS) is responsible for the development and management of the state system of addiction services for prevention, treatment, and recovery. OASAS exercises these responsibilities directly as a provider of treatment services through a statewide system of Addiction Treatment Centers through the regulation and oversight of over 1,550 chemical dependence and problem gambling prevention, treatment, and recovery service providers and as a conduit for federal and state financial assistance.

Programmatic Highlights

The State Fiscal Year (SFY) 2011-12 Executive Budget includes the following:

- a proposal to limit funding for drug law reform to prior year levels, which would maintain funding for 250 new beds opened in SFY 2010-11, but forgoing additional development in SFY 2011-12;
- a proposal to reduce support for programs that fail to meet established performance indicators established by the agency;
- a proposal to reduce and restructure existing gambling education, assessment, and referral programs;
- a proposal to delay the development of five gambling prevention programs and three recovery community centers; and
- a proposal to delay the planned 1.2 percent Human Services cost-of-living adjustment (COLA) for one year, and extend the COLA, for an additional year, through SFY 2014-15.

Budget Detail

The Executive proposes an All Funds appropriation of \$670,740,400, a net decrease of \$46,137,600, or 6.4 percent, from the SFY 2010-11 levels. The Executive recommends funding support of 817 full-time equivalent positions, a decrease of 25 positions.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$119,013,400, a decrease of \$11,696,600, or 8.95 percent, from the SFY 2010-11 levels.

Proposed Decreases

The Executive proposes the following reductions:

- a decrease of \$11,422,000 related to a 10 percent reduction in non-federally supported State Operations programs, to be achieved through administrative efficiencies and negotiated workforce savings; and
- a decrease of \$275,000 as a result of a reduction in federal grant funds.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$454,121,000, a net decrease of \$23,113,000, or 4.84 percent, from the SFY 2010-11 levels.

Proposed Increases

The Executive proposes an increase of \$35,236,000 over the prior year appropriation level related to service expansions implemented in SFY 2010-11, including the creation of new residential units related to drug law reform and increases related to case management and outpatient treatment slots.

Proposed Decreases

The Executive proposes:

- a decrease of \$27,272,000 related to a reduction in funding for programs that fail to meet established performance indicators; a reduction and restructuring of existing gambling education, assessment, and referral programs; a delay in the development of five gambling prevention programs and three Recovery Community Centers; an elimination of the planned funding for additional re-entry services; and a continuation of the 1.1 percent reduction in local payments enacted in SFY 2010-11;
- a decrease of \$19,818,000 related to a delay in scheduled increases related to the implementation of drug law reform. The Executive would continue funding at the SFY 2010-11 level, including the maintenance of 250 residential beds opened in SFY 2010-11; and
- a decrease of \$5,369,000 related to the deferral of the SFY 2011-12 COLA for human services programs.

Capital Projects

The Executive proposes a Capital appropriation of \$97,606,000, a net decrease of \$11,328,000 or 10.4 percent, below the SFY 2010-11 levels. This includes an additional \$4.0 million to fund necessary alcohol treatment center rehabilitation projects, and a decrease of approximately \$14 million related to the elimination of additional funding for new treatment capacity under drug law reform.

Article VII

The Executive recommends Article VII legislation that would authorize the elimination of the Human Services COLA for SFY 2011-12 and would extend the COLA for an additional year through March 31, 2015.

OFFICE OF MENTAL HEALTH

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	421,782,000	421,782,000	0	0.0%
Special Revenue-Other	2,949,385,000	2,863,210,000	(86,175,000)	-2.9%
Special Revenue-Federal	48,845,000	53,452,000	4,607,000	9.4%
Enterprise	8,606,000	8,606,000	0	0.0%
Capital Projects Fund	37,600,000	37,600,000	0	0.0%
Mental Hygiene Capital Improvement Fund-389	196,691,000	183,274,000	(13,417,000)	-6.8%
Internal Service Fund	2,810,000	2,610,000	(200,000)	-7.1%
Total for AGENCY SUMMARY:	3,665,719,000	3,570,534,000	(95,185,000)	-2.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
All Other Funds:	15,760	15,660	(100)
TOTAL:	15,760	15,660	(100)

Agency Mission

(Executive Budget: pp. 216-221)

The Office of Mental Health (OMH) works to promote the mental health of all New Yorkers, with a particular focus on providing treatment and recovery services for adults and children with serious mental illness or emotional disturbances. The agency oversees all mental health services in New York State by acting as a direct provider of medium and long-term care at state-run psychiatric centers for both adults and children, by providing diagnostic and treatment services to persons involved in the criminal justice system at state-run forensic psychiatric centers, and by providing

funding, oversight, and certification to community programs operated by local governments, not-for-profit providers, and proprietary providers.

Programmatic Highlights

The State Fiscal Year (SFY) 2011-12 Executive Budget includes the following:

- a proposal to eliminate the one-year notification requirement for closures of state run facilities run by OMH; to allow OMH to make service reductions to state run facilities notwithstanding the Community Mental Health Support and Workforce Reinvestment Act in SFY 2011-12; and to convert the Brooklyn Children's Psychiatric Center to a community based program for children with serious emotional disturbances;
- a recommendation to fully fund 1,500 new supported housing units and requisite support services for individuals residing in certain adult homes in New York City as part of a court-ordered remediation plan;
- a proposal to freeze community residential development for one year, to eliminate funding for family-based treatment beds over the next two years, and other savings actions in residential development;
- a proposal to reduce support for non-residential programs and certain community support programs, and to encourage the use of Personalized Recovery Oriented Services (PROS) as an alternative;
- a proposal to maintain existing rates for residential treatment facilities, community residences, and family based treatment programs; and
- a proposal to delay the planned 1.2 percent Human Services cost-of-living adjustment (COLA) for one year, and extend the COLA for an additional out-year through SFY 2014-15.

Budget Detail

The Executive proposes an All Funds appropriation of \$3,570,534,000, a net decrease of \$95,185,000, or 2.6 percent, from the SFY 2010-11 levels. The Executive recommends funding support of 15,660 full-time equivalent (FTE) positions, a decrease of 100 positions.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$2,051,226,000, a net decrease of \$105,019,000, or 4.87 percent, from the SFY 2010-11 levels.

Proposed Increases

The Executive proposes an addition of \$375,000 to support oversight of a court-ordered adult home remediation plan.

Proposed Decreases

The Executive proposes:

- a decrease of \$105,194,000 related to a 10 percent reduction in non-federally supported State Operations programs, to be achieved through administrative efficiencies, negotiated workforce savings and reductions in OMH inpatient capacity. The Executive would eliminate the one-year notification requirement for the closure of state-run facilities operated by OMH and would permit OMH to make service reductions to state run facilities without reinvesting the savings in community based services; and
- a reduction of \$200,000 as a result of the early retirement incentive enacted in SFY 2010-11.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$1,298,434,000, a net increase of \$23,251,000, or 1.82 percent, over the SFY 2010-11 levels.

Proposed Increases

The Executive proposes the following increases:

- an addition of \$40,800,000 related to the first year of a court-ordered adult home remediation plan pertaining to providing supported housing and other support services to certain individuals living in adult homes in New York City;
- an addition of \$29,569,000 related to prior year initiatives, including community residence programs, ambulatory care restructuring, PROS, residential treatment facilities and children's case management services; and
- an addition of \$4,607,000 related to federal grants for employment programs.

Proposed Decreases

The Executive proposes the following decreases:

- a reduction of \$25,457,000 related to a freeze on the development of all new OMH community residential programs for one year; a reduction in aid to providers funded above the regional per-bed models for supported housing; a conversion of residential pipeline units into lower cost alternatives; and a diversion of 250 planned supported housing beds to help meet the requirements of adult home litigation;
- a reduction of \$16,705,000 related to the elimination of planned rate adjustments for community residences, family based treatment programs and residential treatment facilities;
- a reduction of \$13,100,000 related to the deferral of the SFY 2011-12 cost-of-living adjustment (COLA) for human services programs; and
- a reduction of \$9,563,000 related to expanding the use of PROS as an alternative to other non-residential programs, including Continuing Day Treatment; reducing certain community support programs, including children's Clinic-Plus and non-direct training and education; and continuing the 1.1 percent reduction in local aid that was enacted in SFY 2010-11.

Capital Projects

The Executive proposes a Capital Funds appropriation of \$220,874,000, a net decrease of \$13,417,000, or 5.73 percent, from SFY 2010-11. This decrease is related to a planned decline in bonded appropriations.

Article VII

The Executive recommends Article VII legislation that would:

- allow OMH to suspend, rather than terminate, Medicaid eligibility for individuals who enter a psychiatric hospital, or other facilities classified by the federal government as Institutions for Mental Disease (IMD);
- eliminate the one-year notification requirement for closures of state-run facilities operated by OMH;
- permit OMH to make service reductions to state run facilities in SFY 2011-12 notwithstanding the Community Mental Health Support Workforce Reinvestment Act;

- convert Brooklyn Children's Psychiatric Center from a children's psychiatric hospital to a community based program for children with serious emotional disturbances; and
- authorize the elimination of the Human Services cost-of-living adjustment (COLA) for SFY 2011-12 and extend the COLA for an additional year through March 31, 2015.

OFFICE FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,472,023,000	1,430,364,800	(41,658,200)	-2.8%
Special Revenue-Other	3,151,793,000	3,013,588,400	(138,204,600)	-4.4%
Special Revenue-Federal	751,000	751,000	0	0.0%
Enterprise	2,668,000	2,668,000	0	0.0%
Capital Projects Fund	57,025,000	62,140,000	5,115,000	9.0%
Mental Hygiene Capital Improvement Fund-389	82,535,000	89,855,000	7,320,000	8.9%
Internal Service Fund	350,000	350,000	0	0.0%
Total for AGENCY SUMMARY:	4,767,145,000	4,599,717,200	(167,427,800)	-3.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
All Other Funds:	21,349	21,174	(175)
TOTAL:	21,349	21,174	(175)

Agency Mission

(Executive Budget: pp. 222-227)

The Office for People With Developmental Disabilities (OPWDD) aims to help people with developmental disabilities live richer lives by assisting these individuals in enjoying meaningful relationships with family, friends, and others in their lives; experiencing personal health and growth; and living in homes and fully participating in the communities of their choice. OPWDD currently operates through 13 district offices called Developmental Disabilities Services Offices (DDSOs), which are overseen through the central office. OPWDD also operates the Institute for Basic Research in Developmental Disabilities (IBR) on Staten Island. OPWDD serves

approximately 37,000 individuals with developmental disabilities residing in community settings, an additional 300 individuals living in developmental centers, and 1,000 individuals in special units.

Programmatic Highlights

The State Fiscal Year (SFY) 2011-12 Executive Budget includes the following:

- A proposal to delay additional development of community residential beds and to maintain these beds at the current capacity, while developing 2,300 more cost effective residential and non-residential alternatives.
- A proposal to reduce support for various programs including residential and non-residential service providers; workshops, day training, and other day services; and transportation and residential habilitation services delivered in supervised Individualized Residential Alternative programs.
- A proposal to delay the planned 1.2 percent Human Services cost-of-living adjustment (COLA) for one year, and extend the COLA for an additional out-year through SFY 2014-15.

Budget Detail

The Executive proposes an All Funds appropriation of \$4,599,717,200, a decrease of \$167,427,000, or 3.5 percent, from the SFY 2010-11 level. The Executive recommends funding support of 21,174 full-time equivalent (FTE) positions, a decrease of 175 positions from SFY 2010-11.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$2,150,820,700, a decrease of \$112,968,300, or 5.0 percent, from the SFY 2010-11 level.

Proposed Decreases

The Executive proposes a decrease of \$112,968,000 related to a ten percent reduction in non-federally supported State Operations programs, to be achieved through administrative efficiencies and negotiated workforce savings.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$2,296,901,500, a decrease of \$66,894,500, or 2.8 percent, from the SFY 2010-11 level.

Proposed Increases

The Executive proposes an increase of \$78,543,000 related to prior year increases to local assistance programs, including residential bed development under the NY/NY III agreement and the development of supported housing units.

Proposed Decreases

The Executive proposes the following reductions:

- a decrease of \$98,073,000 related to reduced support for residential and non-residential service providers; workshops, day training, and other day services; and transportation and residential habilitation services delivered in supervised Individualized Residential Alternative programs;
- a reduction of \$40,102,000 related to a delay in the development of new community adult and children's residential beds; an addition of 2,300 lower-cost residential or non-residential alternatives; and a continuation of the 1.1 percent reduction in local aid that was enacted in SFY 2010-11; and
- a reduction of \$3,149,000 related to the deferral of the SFY 2011-12 cost-of-living adjustment (COLA) for human services programs.

Capital Projects

The Executive proposes a Capital Projects appropriation of \$151,995,000, an increase of \$12,435,000 over the SFY 2010-11 level. This increase reflects an increase of \$4,815,000 in hard dollar funding to support critical health and safety related rehabilitation projects; a \$7,030,000 increase in bonded funding to support additional community service capacity; and an increase of \$590,000 in to support priority health and safety maintenance projects for not-for-profit programs.

Article VII

The Executive recommends Article VII legislation that would authorize the elimination of the Human Services cost-of-living adjustment (COLA) for SFY 2011-12 and would extend the COLA for an additional year through March 31, 2015.

COMMISSION ON QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	5,636,000	5,092,000	(544,000)	-9.7%
Special Revenue-Other	4,663,000	4,663,000	0	0.0%
Special Revenue-Federal	8,345,000	8,345,000	0	0.0%
Enterprise	45,000	45,000	0	0.0%
Total for AGENCY SUMMARY:	18,689,000	18,145,000	(544,000)	-2.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
General Fund:	33	33	0
All Other Funds:	58	58	0
TOTAL:	91	91	0

Agency Mission

(Executive Budget: pp. 273-278)

The Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD) provides support and advocacy for individuals with disabilities by working to protect their rights and by promoting the interests and agenda of New Yorkers with disabilities. The Commission provides community outreach, information, referral, and advocacy services, and administers the Surrogate Decision-Making Committee program, which acts on behalf of individuals in the mental hygiene system who are deemed unable to make medical care decisions independently. Additionally, CQCAPD is responsible for exercising independent oversight of the three mental hygiene agencies: the Office of Mental Health (OMH), the Office for People with Developmental

Disabilities (OPWDD), and the Office for Alcoholism and Substance Abuse Services (OASAS). CQCAPD also conducts investigations of allegations of abuse or neglect and any reports of injuries or deaths of persons served within the mental hygiene system.

Budget Detail

The Executive proposes All Funds appropriations of \$18,145,000, a net decrease of \$544,000 from the State Fiscal Year (SFY) 2010-11 level. The Executive recommends funding support of 91 full-time equivalent (FTE) positions, reflecting no change over the previous year.

State Operations

The Executive proposes All Funds State Operations appropriations of \$17,497,000, a decrease of \$544,000 from the SFY 2010-11 level.

Proposed Decreases

The Executive proposes a decrease of \$544,000 related to a 10 percent reduction in General Fund State Operations appropriations, to be achieved through administrative efficiencies and negotiated workforce savings.

Aid to Localities

The Executive proposes All Funds Aid to Localities appropriations of \$648,000, reflecting no change from SFY 2010-11.