

HANYS' SFY 2021-2022 state budget testimony

Joint legislative hearing of the Senate Finance
and Assembly Ways and Means committees

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President**



Good afternoon Chairs Krueger, Weinstein, Rivera and Gottfried, and committee members. I am Bea Grause, president of the Healthcare Association of New York State, representing not-for-profit hospitals, health systems and post-acute care providers across New York. Thank you for this opportunity to discuss the 2021-2022 executive budget proposal.

By any measure, 2020 was an extraordinarily challenging year, unlike any we have seen in recent history. Responding to the healthcare crisis created by COVID-19 stretched the state's healthcare system nearly to its breaking point. At the same time, the state moved forward with significant Medicaid program restructuring, enacting more than \$2 billion in recurring reductions to healthcare providers.

Throughout this public health crisis, one thing has remained clear: hospitals and health systems, the anchors of their communities, were there for all New Yorkers. The unparalleled, 24/7 dedication of New York's caregivers has never shined brighter. Our hospitals and the dedicated professionals who serve in them proved their hero status every day. They were, and continue to be, the bedrock of our response to this pandemic.

Despite the unprecedented challenges we faced during the highest surges of the virus, we collectively remained united and resolved to ensure that all New Yorkers had access to and received the best care possible. The lessons we have learned will make us stronger for the future. But first and foremost, we must never forget the dedication and bravery of our healthcare workers during this pandemic – and the sacrifices they have made for us all.

We thank you for your continued support of New York's hospitals, health systems and continuing care providers. The partnership of the governor and Legislature has been critical to the healthcare system's response.

As we are all keenly aware, the pandemic response in New York is ongoing and we continue to face serious challenges, including a state budget deficit. We appreciate the Legislature's past commitments to investing in our healthcare providers and protecting against damaging funding reductions. We look forward to continuing our vitally important partnership.

Fiscal challenges facing New York – and our healthcare providers

HANYS and all our members appreciate the difficult financial stresses our state faces, which existed even prior to the COVID-19 pandemic. However, COVID-19 has created unparalleled fiscal challenges during this past year for hospitals in every region of New York state.

Our hospitals and health systems came together to coordinate regional pandemic response efforts and ensure the highest level of public and patient safety – while still learning about the virus. They created surge plans to increase their bed capacity by 50%. Hospitals and post-acute care facilities across the state spent billions of dollars to increase capacity, buy supplies and equipment at higher-than-usual prices and bring in additional staff where needed. At various points over the past year, hospitals have also paused elective surgeries, which has had a substantial negative financial impact.

However, these actions were all taken with an eye on ensuring that every New Yorker had access to critical healthcare services during this unprecedented time.

While federal aid directed to hospitals and health systems has been helpful, for many it has not been enough. Compounding this fiscal stress with new state cuts would only exacerbate the economic damage exacted by the pandemic.

An analysis completed for HANYS by Kaufman, Hall & Associates, LLC estimates that in just a little more than one year (second half of March 2020 through April 2021), hospitals across the state will suffer \$20 billion to \$25 billion in losses and new expenses due the COVID-19 response.

This reflects about 25% to 30% of hospitals' patient service revenue in a year – a devastating blow to any business, but especially harmful to those organizations fighting on the front lines of COVID-19, which must also retain essential healthcare services 24/7.

Given all of this, securing state and local funding support from the federal government is a top HANYS priority. Current federal legislation has us cautiously optimistic; however, the executive budget includes damaging proposals that would not be remedied by the receipt of additional federal funding.

In your review of the budget, we urge you to protect healthcare funding and increase the overall investment in healthcare to ensure the sustainability of our hospitals, health systems and continuing care providers, whose critical importance has likely never been more apparent or more acutely felt by New Yorkers than this year.

HANYS' budget priorities

The remainder of our testimony focuses on HANYS' recommendations and positions regarding healthcare-related provisions of the 2021-2022 executive budget. In making our recommendations, we hold five key principles:

First, do no harm: The challenging and turbulent circumstances our state currently faces present opportunities to advance important healthcare policies. At the same time, we urge careful and measured consideration of healthcare proposals to achieve intended policy goals while avoiding unintended consequences.

Reject cuts: While it is never a good time to cut state support for healthcare, this year it would be devastating. Medicaid already reimburses providers at a level that is less than the cost of providing care. Further deterioration of that support – especially as we work to end and recover from the pandemic – would worsen an already fragile safety net system and put patients at risk.

Strengthen healthcare for all: The COVID-19 pandemic has highlighted healthcare issues and disparities that have long needed attention and action. Now is the time to seize opportunities for positive change to strengthen and improve the healthcare system at a critical juncture.

Fix harmful policies enacted last year: Last year's state budget agreement included provisions recommended by the Medicaid Redesign Team II whose ramifications and unintended consequences may not have been fully appreciated until well after enactment of the budget. It is critical those issues be addressed during this current budget process.

Support new investments: The 2021-2022 executive budget proposes important investments in healthcare at a time when additional support for providers is needed more than ever. We urge the Legislature to support those investments and additional opportunities that direct state funding to support healthcare providers.

Specifically, HANYS requests the Legislature's consideration of the following priorities:

Across-the-board cuts: The executive budget proposes a 1% across-the-board cut to the Medicaid program. This cut is additive to a 1.5% across-the-board cut adopted last year. Medicaid already does not cover the cost of care, [reimbursing only 67 cents for each dollar of care provided](#). HANYS urges the Legislature to reject this proposed cut as it would weaken the safety net and threaten patient access to care.

Indigent care pool: The executive budget proposes to eliminate state support for the public indigent care pool. This action puts at risk a critical supportive funding stream to the state's public safety net hospitals. The state must stand by its commitment to the state's public safety net hospitals. HANYS strongly urges the Legislature to reject this cut. Additionally, last year, the Legislature adopted substantial changes to the voluntary indigent care pool that created steep supportive funding "cliffs" for hospitals big and small across the state. We urge the Legislature to adopt HANYS' proposal to create a short-term "glide path" to the newly adopted indigent care pool funding model.

340B Drug Pricing Program: The executive budget continues a policy adopted last year by the Legislature to shift the 340B retail pharmacy benefit from the Medicaid managed care benefit to the fee-for-service side. This action eliminates savings hospitals and other providers achieve under the 340B Drug Pricing Program and are required, by law, to reinvest into their communities. While the executive's proposal would mitigate losses for some providers, it does not go far enough and by proxy prioritizes the elimination of supportive funding to safety net hospitals across the state. HANYS urges the Legislature to reverse this policy. At a minimum, we ask the Legislature to delay implementation of this damaging proposal for providers participating in the 340B Drug Pricing Program.

Essential plan investments: The executive budget proposes to increase premiums for insurers that cover enrollees in the state's Essential Health Plan. The proposal prioritizes increasing reimbursement for providers who provide healthcare services to Essential Plan enrollees while incentivizing improved plan and provider performance. HANYS supports these investments and applauds the governor for including them in the executive budget. We urge the Legislature to continue its work with HANYS to ensure Medicaid investments are balanced to support providers across the state.

Managed care reform: Healthcare providers' number one priority is delivering high-quality patient care. However, unnecessary administrative burdens imposed by health insurers divert precious time and resources away from bedside care. Hospitals devote enormous resources to resolving conflicts over care and payment that are driven by adherence to complex administrative rules. We must continue to build on prior managed care and insurance reforms that seek to reduce hospital operating costs and prohibit health insurance policies from inappropriately denying or delaying claims payments. HANYS will work with state agencies and the Legislature this year to enact sensible reforms, such as clarifying a plan's obligation to pay certain claims prior to requesting the review of clinical documentation ("pay and pursue"), prohibiting the re-adjudication of medical necessity during audits and ensuring claims approval following plans' failure to respond. The goal is to introduce simplicity, equity and fairness in commercial insurance market coverage and payment practices, to the benefit all New Yorkers.

Telehealth reform: During the COVID-19 pandemic, the state has temporarily suspended certain statutory and regulatory provisions to expand the availability of telehealth services. For many patients, telehealth offers the necessary flexibility to remove barriers and increase access to needed healthcare. At the height of the pandemic, providers across the state invested scarce resources into telehealth service delivery models to ensure their patients could continue to receive care safely and without risk of exposure. Many providers continue to see increased use of telehealth services as patients continue to choose telehealth as their preferred model of care delivery. We strongly encourage the Legislature to modernize New York's statute to ensure the sustainability of these gains. We also urge the Legislature to enact telehealth payment parity to require insurers to reimburse network providers for telehealth services at rates equal to those paid for comparable in-person services. Additional patient protections are also needed to ensure unnecessary barriers to telehealth care are removed, a patient's preferred provider and setting choice prevails, and that telehealth services are provided and covered in the same manner as any other in-person covered benefit.

Community reinvestment: HANYS believes that for-profit health insurers in New York should do more to invest in the communities they serve. Given the strong financial position of for-profit health insurers nationally, the state could pursue a series of options to achieve the state's budget/Medicaid spending goals while securing justified community reinvestments. These can include leveraging existing tax structures (i.e., the corporate franchise tax) and implementing existing models, such as the California Organized Investment Network, that inspire collaboration between the state, insurance industry, community affordable housing and economic development organizations and community advocates.

Nursing home revenue: The executive budget was recently amended to include proposals to substantively change the operation and oversight of nursing homes. Chief among those proposals is a measure seeking to establish a minimum threshold of nursing home revenues that must be spent on costs related to resident care and staff who work directly with residents. As not-for-profit healthcare facilities, our members are bound to and guided

by their charitable missions. All of HANYS' nursing home members have a fiscal and legal responsibility to redistribute all revenue back into the facility's operations where these funds support the residents who live there and the workforce providing their care. HANYS urges caution in hastily advancing overly broad policies that would have significant impacts across the spectrum of post-acute care. Improving reimbursement for New York's struggling nonprofit nursing homes would be a better way to ensure that resident care and staff are not shortchanged.

Conclusion

No one wants to experience ever again the unprecedented challenges and heartbreaking losses we have faced during the COVID-19 pandemic. However, there is a powerful lesson from this crisis that we have all witnessed: this pandemic has proven time and again, in every region of our state, that our hospitals, health systems, post-acute care providers and frontline and support staff are there for all New Yorkers 24/7. And they will be there, ready to run toward danger, when the next public health crisis hits. We know you share our respect and gratitude for these healthcare institutions and the thousands of individuals working in them.

HANYS is committed to working with state government and all healthcare stakeholders as we pursue our common goal: ensuring that the highest quality care is accessible and affordable to all New Yorkers. We appreciate the support of the Legislature and governor and look forward to continuing the progress we have made together.

Attached is HANYS' summary chart outlining key healthcare provisions of the proposed executive budget for 2021-2022.

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HANY'S Detailed Overview of the State Fiscal Year 2021-2022 Executive Budget (*Note: Does not reflect 30-day amendments.*)

Issue/topic	Governor's budget proposal	HANY'S comments
Global funding provisions		
Federal funding contingency provisions	<p>Provides broad contingency language authorizing the Division of the Budget to adjust proposed spending levels and related policies depending on the amount and timing of federal aid New York may receive:</p> <ul style="list-style-type: none"> • Authorizes DOB to reverse or modify certain spending reductions if New York receives \$15 billion or more in unrestricted federal aid by Aug. 31, 2021. A portion (\$5.25 billion) of the federal aid may be made available for operating expenses or as state aid to municipalities, school districts, public authorities and eligible nonprofit organizations consistent with a predetermined schedule. • If federal aid is not approved by Aug. 31, 2021 or is approved at an amount less than the amount budgeted in the Financial Plan (\$6 billion for SFY 2021-2022 and SFY 2022-2023), DOB is authorized to make across-the board reductions to Medicaid spending in SFY 2021-2022 and SFY 2022-2023. This policy would reduce Medicaid spending by approximately \$900 million (gross Medicaid) over the two fiscal years. 	<p>HANYS strongly supports reversing proposed spending reductions in the event the state receives unrestricted federal aid above projections. However, the federal funding dedicated to DOH and other public health organizations is disproportionately lower than the healthcare cuts proposed. Additionally, HANYS urges the prioritization of healthcare spending when appropriating additional federal aid.</p>
1% across-the-board Medicaid payment cut	<p>Imposes a 1.0% across-the-board reduction in fee-for-service Medicaid rates. This policy would reduce Medicaid spending by approximately \$188 million (gross Medicaid) in each fiscal year. This reduction would be in addition to the 1.5% ATB reduction enacted as part of the SFY 2020-2021 budget.</p>	<p>HANYS strongly opposes across-the-board cuts to Medicaid payments as a means of generating state savings in the Medicaid program.</p>
Minimum wage	<p>Includes nearly \$2.0 billion for the SFY 2021-2022 minimum wage increases for healthcare workers who provide Medicaid services reimbursed by DOH.</p>	<p>HANYS notes that while this funding is made available outside the Medicaid global cap, it is considered Medicaid funding and is a significant driver of Medicaid spending increases.</p>
Global cap and commissioner's superpowers	<p>Extends the commissioner of health's "superpowers" for monitoring and adjusting Medicaid global cap spending through SFY 2022-2023.</p>	<p>HANYS opposes the unilateral reassessment and redirection of funds.</p>

HANYS' Detailed Overview of the State Fiscal Year 2021-2022 Executive Budget

Issue/topic	Governor's budget proposal	HANYS' comments
Capital funding	Does not include new capital funding to support continued investment in the Statewide Health Care Facility Transformation Program but continues DOH's spending authority from prior years.	HANYS appreciates past support from the governor and legislature. However, tremendous unmet need remains.
Hospitals		
Elimination of the Indigent Care Pool for public hospitals	Eliminates the \$139 million ICP pool for major public hospitals.	HANYS opposes the elimination of this pool, which results in shifting from the state to localities the burden to provide matching funding necessary to draw down federal Disproportionate Share Hospital funds. This shift could jeopardize critical funding support for major public hospitals.
Distressed and other supportive funding programs for hospitals and health systems	<p>Largely continues various support funding streams, including:</p> <ul style="list-style-type: none"> • Vital Access Provider (VAP) funding for Critical Access Hospitals; • VAP funding for essential community providers (rural hospitals); • Distressed hospital funding via the Value-Based Payment Quality Improvement Program (VBP-QIP) and Vital Access Provider Assurance Program (VAPAP). However, the executive budget proposal does propose the following reductions to VAPAP: \$250 million in the current fiscal year and \$99 million in SFY 2021-2022. <p>Does not restore funding eliminated in the SFY 2020-21 budget for:</p> <ul style="list-style-type: none"> • hospital quality pool (all hospitals); • Enhanced safety net program (hospitals with a high volume of Medicaid and uninsured patients, operated by SUNY or a public entity, CAHs and Sole Community Hospitals); • SCH add-on. 	HANYS supports the maintenance of the distressed and other supportive funding programs.

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Hospital capital reimbursement	Reduces both the Medicaid budgeted and reconciled actual capital-related expense rate add-on by an additional 5% effective on or after April 1, 2021. This reduction would be in addition to the 5% reduction enacted in SFY 2020-2021. The proposal would reduce Medicaid gross spending by \$17 million in SFY 2021-2022.	HANYS opposes this proposal. Additional decreases to reimbursement for capital costs will further discourage needed improvements and innovations in care delivery.
340B reimbursement fund	Establishes a supplemental payment pool of \$102 million to reinvest savings associated with the 340B pharmacy benefit carve-out from Medicaid managed care. This fund would help offset revenue losses for voluntary non-profit or publicly sponsored, licensed diagnostic and treatment centers that provide comprehensive health services and were enrolled in the federal 340B program during calendar year 2020. Hospitals are not eligible to be reimbursed under this proposal.	HANYS continues to have significant concerns about the policy enacted in the SFY 2020-21 budget to transition the Medicaid pharmacy benefit to the fee-for-service program and the resulting impact on hospitals participating in the 340B program. HANYS strongly supports reversing or delaying this policy, and at a minimum, carving out 340B hospitals and other impacted providers from the policy.
Hospital resident compliance audits	Repeals provisions requiring DOH to annually audit hospitals regarding their compliance with regulations governing the conditions and limits on the number of working hours for hospital residents.	HANYS supports this provision. The Joint Commission provides extensive oversight and auditing of resident hours. The proposal recognizes the duplicative nature of state audits.
Distressed provider assistance account	Continues funding to support a "Distressed Provider Assistance Account," which was established in the SFY 2020-21 budget to provide up to \$250 million in grants to financially distressed general hospitals and nursing homes designated as critical safety net providers.	HANYS supports this fund, which recognizes the importance of ensuring the fiscal stability of critical safety net hospitals and nursing homes. Additional information regarding the methodology by which these funds will be distributed is necessary.
Telehealth		
Telehealth originating sites	Removes all telehealth originating site limitations. Under this proposal, a telehealth originating site would simply be the site at which a patient is located at the time telehealth services are delivered, with no setting-based restrictions.	HANYS supports removing originating site restrictions to allow patients to receive telehealth services regardless of their location.

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SHIN-NY consent form	Establishes a single statewide consent form for the Statewide Health Information Network for New York and requires qualified entities to allow all SHIN-NY participants to access all of a patient's information after consent is obtained through such form.	HANYYS supports improving the interoperability of health information via the SHIN-NY and streamlining the consent process for telehealth providers.
Regional licensure reciprocity	Requires the State Education Department, in consultation with other state agencies, to issue regulations creating an interstate licensure program that authorizes practitioners licensed by contiguous states or states in the Northeast region to provide telehealth services to patients located in New York. This program would be required to consider the need for specialty practice areas with historical access issues. Such regulations are required to be promulgated on a final basis by March 31, 2022.	HANYYS supports regional flexibility for cross-state licensure with contiguous states. This proposal would grant frequent interstate travelers additional flexibility to access the telehealth providers of their choice and increase access to specialty providers in high demand.
Telehealth network adequacy	Requires commercial health insurers to ensure they provide an adequate telehealth network to meet the telehealth needs of covered individuals, when medically appropriate.	HANYYS supports ensuring plans provide adequate coverage of telehealth services to their enrollees. Additionally, HANYYS urges the inclusion of language to ensure patients have the right to receive telehealth services from the provider(s) of their choice within the plan's network.
Telehealth service disclosure	Requires hospitals, healthcare professionals, group practices and diagnostic and treatment centers to publicly disclose whether they offer telehealth services.	HANYYS has no position on this provision.

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<p>Additional telehealth-related administrative proposals</p>	<p>The Governor's SFY 2022 Executive Budget Briefing Book provides several administrative proposals aimed at increasing access to telehealth services, including:</p> <ul style="list-style-type: none"> • allowing certain unlicensed staff (e.g., credentialed alcoholism and substance abuse counselor trainees) to deliver substance use disorder telehealth services; • expanding covered telehealth providers; • expanding reimbursement for patient monitoring; • increasing telehealth training and education opportunities for providers; • establishing a pilot program to facilitate telehealth for vulnerable populations; • requiring insurers to offer e-triage and virtual emergency department platforms; • allowing insurers to satisfy contractual care management requirements by utilizing emerging telehealth solutions that enhance care management efforts and integrated multidisciplinary teams. 	<p>HANYS supports proposals aimed at achieving long-term telehealth flexibility in New York in light of the effectiveness of modifications provided via Executive Order during the declared emergency.</p>
<p>Broadband access</p>	<p>Requires broadband service providers to offer high-speed broadband services to low-income consumers at a cost of no more than \$15 per month and limit future rate increases to no more than 2% every five years.</p>	<p>HANYS supports this proposal. The lack of internet access is increasingly recognized as a social determinant of health and barrier to telehealth services.</p>

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Issue/topic	Governor's budget proposal	HANYS' comments
Insurance/managed care		
Essential plan investments	<p>Provides for several investments within the Essential Plan, including:</p> <ul style="list-style-type: none"> • providing \$420 million in increased payment rates to insurers who cover EP enrollees; this rate increase would enhance provider reimbursement; • establishing a \$200 million Essential Plan Quality Pool to incentivize providers based on performance. <p>Additionally, the budget proposes to eliminate premiums for EP coverage for more than 400,000 New Yorkers and is expected to lead to coverage for an additional 100,000 enrollees who are currently uninsured.</p>	<p>HANYS supports investments in EP rates for the purpose of increasing reimbursement for providers and incentivizing improved performance. HANYS also supports efforts that achieve greater affordability in the health insurance market and increase the number of insured New Yorkers.</p>
New York State of Health marketplace federal waiver authorization	<p>Authorizes DOH, in cooperation with DFS, and with the approval of DOB, to apply for federal waivers when such action is necessary to help promote the New York State of Health marketplace.</p>	<p>HANYS supports efforts aimed at promoting health insurance coverage through NYSOH. However, additional information is needed to better understand the waivers that would be requested under this proposal.</p>
Medical malpractice		
Physician Excess Medical Malpractice program	<p>Restructures and modifies the Physicians Excess Medical Malpractice program in several ways:</p> <ul style="list-style-type: none"> • reduces total funding available in the hospital excess liability pool by 50% for the program year beginning on July 1, 2021 (total available funding is \$51.05 million); • requires covered providers to pay 50% of the premium cost during the policy period and authorizes DFS and DOH to pay half of the remaining 50% at the end of the policy period and the other half of the remaining 50% one year later; • extends the program for an additional year until June 30, 2022. 	<p>HANYS opposes the reduction in funding of this program and is concerned about the impact these reductions will have on coverage and participation.</p>

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Medical Indemnity Fund	Reinstates the appropriation to support the New York State Medical Indemnity Fund for neurologically impaired infants in the amount of \$52 million. The budget also extends the MIF enhanced rate until Dec. 31, 2022.	HANYS supports this program and the continued funding as appropriated.
Interest rate on court judgments and accrued claims	Eliminates the requirement of a 9% interest rate on judgments and accrued claims and sets a new interest rate equal to the "one-year United States treasury bill rate," defined as the weekly average one-year constant maturity treasury yield, published by the Federal Reserve, for the calendar week preceding the date of the judgment. As of Jan. 25, 2021, the one-year constant maturity treasury yield was 0.10%, and in the past 12 months has ranged from 0.09% to 1.55%.	HANYS strongly supports this more reasonable and commonly used standard.
Post-acute and continuing care		
Nursing home staffing	<p>The Executive Budget Briefing Book includes the following administrative proposals related to staffing in nursing homes:</p> <ul style="list-style-type: none"> • directing DOH to increase the existing Nursing Home Quality Pool with an emphasis on rewarding quality-based staffing practices; • directing DOH to promulgate regulations governing the review and approval of any contracted staffing arrangements between nursing homes and staffing agencies that provide or arrange for direct care staff; • clarifying that Medicaid reimbursement rates will include only staffing costs related to staffing contract arrangements that comply with regulatory requirements and only to the extent that such costs are determined by DOH to be consistent with the rates paid for comparable employed clinical staff and/or consistent with fair market value and commercial reasonableness. 	HANYS supports rewarding providers for using best practices but has concerns about the negative impact regulations promulgated under this proposal could have on Medicaid reimbursement for nursing homes.

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<p>Workforce recruitment and retention funding</p>	<p>Reduces workforce recruitment and retention program funding by \$45 million (gross Medicaid). These reductions include:</p> <ul style="list-style-type: none"> • \$25 million, down from \$50 million, from certified home health agencies, long-term home healthcare programs, AIDS home care programs, hospice programs and Managed Long Term Care plans; • 50% reduction to the R&R rate add-on for CHHAs serving medically complex and fragile children, adolescents and young disabled adults under a CHHA pilot program, LTHHCPs and AIDS home care programs; • 1.5% reduction to the R&R rate add-on for hospice. 	<p>HANYS opposes reductions to recruitment and retention funding for home care and other long-term care providers. New York is currently experiencing a shortage in long-term care professionals and this proposal has the potential to exacerbate this challenging issue.</p>
<p>Workforce</p>		
<p>Pharmacist authorizations</p>	<p>Advances several proposals to expand the role of pharmacists, including authorizing pharmacists to:</p> <ul style="list-style-type: none"> • direct limited services laboratories and order lab tests pursuant to a Clinical Laboratory Improvement Amendment waiver; • act as a referring healthcare provider for diabetes and asthma self-management training services and ensure commercial and Medicaid coverage for such services when order by a pharmacist; • administer to adults any immunization recommended by the CDC and makes permanent the current authority of pharmacists to administer certain vaccines. 	<p>HANYS recognizes the important role of pharmacists in healthcare service delivery and supports these provisions.</p>

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<p>Collaborative Drug Therapy Management program</p>	<p>Makes several modifications to the CDTM program, including:</p> <ul style="list-style-type: none"> • making it permanent; • expanding the types of providers that can participate in CDTM by allowing collaborative agreements to be established between pharmacists and nurse practitioners; • authorizing pharmacists to prescribe in order to adjust or manage drug therapy; • modifying the criteria for pharmacists to be authorized to participate in CDTM; • expanding the settings in which CDTM may be utilized to include all Article 28 licensed settings and any other entity providing direct patient care under the direction of a medical director. 	<p>HANYS supports the expansion and permanency of this program.</p>
<p>Physician oversight and licensure</p>	<p>Makes numerous modifications governing the licensure and oversight of physicians, and the availability of related information for the public:</p> <ul style="list-style-type: none"> • eliminates the indefinite licensure for physicians by requiring physicians to regularly register with the State Education Department and requires a fingerprint-based criminal history record check prior to licensure; • modifies several aspects of the investigatory process of DOH's Office of Professional Medical Conduct, including requiring hospitals to report to DOH when they inform a third-party contractor that an individual should not be assigned due to quality of care concerns; and • modifies the types of information collected and made publicly available through DOH's Physician Profile website. 	<p>HANYS has concerns about the feasibility and impact of some of these proposals, including the proposed hospital reporting requirement.</p>

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Workforce training and research program elimination	<p>Prohibits the issuance of new grants after April 1, 2021 for the following research and training programs and accordingly sets the date of repeal for two programs:</p> <ul style="list-style-type: none"> • Spinal Cord Injury Research Board, repealed as of Dec. 31, 2024; • Empire State Stem Cell Board, repealed as of Dec. 31, 2025. 	<p>HANYS opposes the elimination of programs that provide research and workforce education opportunities. Assessment of the full impact of these programs on HANYS members is ongoing.</p>
Empire Clinical Research Investigator Program elimination	<p>Eliminates the ECRIP program, which supports teaching hospitals that promote training of physicians in clinical research in order to advance biomedical research in New York state. This represents the elimination of \$3.45 million in funding.</p>	<p>HANYS opposes the elimination of this program as it would limit innovation and research funding opportunities that require a state investment for eligibility purposes.</p>
Doctors Across New York	<p>Provides \$7.25 million to support the physician loan repayment and physician practice support programs, which is a 20% reduction from the previous year.</p>	<p>HANYS strongly supports the program and a full restoration of funding to last year's level of \$9.065 million.</p>
Rural healthcare access and network development	<p>Provides \$6.24 million to support rural health programs that aim to increase access to care and improve coordination of services and resources for patients and providers. The proposal reduces funding by 41% from the previous year.</p>	<p>HANYS strongly supports the program and a full restoration of funding last year's total funding level of \$10.5 million.</p>
Diversity in Medicine Program	<p>Provides \$995,000 to support programs providing academic enrichment and support to students from educationally and/or economically underserved backgrounds. The proposal reduces funding by 20% from the previous year.</p>	<p>HANYS supports the continuation of this program and full restoration of funding to last year's level of \$1.24 million.</p>
Healthcare Workforce Program Funding	<p>Fails to restore funding for several programs aimed at supporting and building the healthcare workforce, including:</p> <ul style="list-style-type: none"> • Health Workforce Retraining Initiative; • Ambulatory Care Training program; and • Area Health Education Center program. 	<p>HANYS opposes the elimination of these programs and urges a restoration of funding.</p>

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Issue/topic	Governor's budget proposal	HANYS' comments
Behavioral health		
OMH penalties and application fees	Eliminates the maximum daily fine for violations of Mental Hygiene Law and instead authorizes the commissioner of OMH to develop a schedule for the purpose of imposing sanctions for such violations. Additionally, the executive budget authorizes the commissioner of OMH to develop a fee schedule associated with processing applications for operating certificates and directs all collected fees to the general fund.	HANYS opposes the establishment of a fee schedule for operating certificates unless all revenue is reinvested back into the programs.
Crisis stabilization centers	Authorizes OMH and OASAS to create and jointly license crisis stabilization centers to provide emergency services for individuals with psychiatric and/or substance use disorder in need of stabilization. Grants law enforcement, the court or directors of community services the ability to order or take individuals to such crisis stabilization centers. The commissioners must develop guidelines for materials to educate local healthcare and law enforcement partners on interacting with the individuals who will be referred to these centers.	HANYS supports the establishment of these centers.
Involuntary commitment standard	Expands the current definition of "likelihood/likely to result in serious harm" to include "a substantial risk of physical harm to the person arising from such complete neglect of basic needs for food, clothing, shelter or personal safety as to render serious accident, illness or death is [sic] highly probable if care by another is not taken."	Additional discussion is necessary to evaluate both the intended and possible unintended consequences associated with the proposed expanded definition.
Office of Addiction and Mental Health Services (OAMHS)	Creates the Office of Addiction and Mental Health Services by consolidating OMH and OASAS into one entity and requires an annual report beginning Oct. 1, 2021.	HANYS supports this consolidation as it would help to streamline funding and programmatic efforts.
Comprehensive Outpatient Treatment Centers	Authorizes the commissioners of DOH, OMH and OASAS to establish a framework for the licensing, regulation and oversight of comprehensive outpatient services centers, which would provide integrated physical health, mental health and addiction services at a single location.	HANYS supports this consolidation as it would help to streamline funding and programmatic efforts.

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Prescription drugs		
Pharmacy benefit managers	Provides for the regulation of pharmacy benefit managers through registration, licensure, examination, oversight and disclosure requirements. Costs associated with implementing these regulations would be supported by assessments collected from PBMs.	HANYS supports this provision as it would provide a critical consumer protection and prohibit practices that inflate the cost of prescription drugs.
Electronic prescribing exemption elimination	<p>Eliminates prescriber exemptions to mandatory e-prescribing requirements, including those for veterinarians and for practitioners who have received waivers from the requirement due to economic hardship, technological limitations not reasonably within the control of the practitioner or other exceptional circumstances demonstrated by the practitioner.</p> <p>The proposal preserves the remaining exemptions, including for instances of temporary technological or electrical failure, when a practitioner determines that obtaining the prescription is impractical and a delay would cause an adverse impact to the patient's medical condition (emergency department prescriptions), and exceptional circumstances determined by the commissioner.</p>	HANYS is further evaluating this proposal to better understand the intent and potential operational impacts.
Additional provisions		
Population Health Improvement Program	Eliminates the Population Health Improvement Program, which uses a regional approach to convene stakeholders to assist in identifying and implementing best practices and strategies to promote population health initiatives and reduce healthcare disparities across the state. The elimination represents a loss of \$15.5 million.	HANYS opposes the elimination of funding for this program and urges its restoration.
School-based health centers	Provides funding for school-based health centers at previous year spending levels.	HANYS supports the full funding of these programs and the vital services they provide in the community.
Delivery System Reform Incentive Payment program waiver authority	Extends until April 1, 2024, the authority of DOH, OMH, OPWDD and OASAS to waive any regulatory requirement necessary to allow providers involved in DSRIP projects or replication or scaling activities to avoid duplication of requirements and allow efficient scaling and	HANYS supports the proposal and urges making such authority permanent.

HANYS' Detailed Overview of the State Fiscal Year 2021-2022 Executive Budget

Issue/topic	Governor's budget proposal	HANYS' comments
	replication of DSRIP promising practices. The current authority is set to expire March 31, 2021.	
New York Data Accountability and Transparency Act	Requires companies that collect information on large numbers of individuals to disclose the purposes of any data collection and collect only data needed for those purposes. Protects sensitive categories of information, including health, biometric and location data. Creates enforcement mechanisms to hold covered entities accountable for the illegal use of consumer data.	HANYS continues to evaluate this proposal to better understand the potential impacts.
Paid leave for COVID-19 vaccination	Provides up to four hours of paid time off to an employee for the purposes of obtaining a COVID-19 vaccination and protects employees from retaliatory actions by employers. An employer may require employees to provide documentation of proof of vaccination to utilize this leave. However, should an employer provide access to a vaccination at the worksite, only the time required to obtain the vaccination is required.	HANYS supports efforts to increase vaccination rates and administration and does not anticipate this proposal having an impact on hospitals and nursing homes.
Medical respite program	Authorizes DOH to implement medical respite pilot programs to provide a lower-intensity care setting for individuals who would otherwise require a hospital stay or who lack a safe option for discharge and recovery. Requires a medical respite program to be considered a form of emergency or temporary shelter for purposes of determining a recipient's eligibility for housing programs or benefits administered by the state or local social services district.	HANYS supports efforts to address long delays in discharging patients who have complex needs and are unable to be easily placed into non-hospital settings. However, additional information is needed to determine how the state plans to achieve \$1.3 million through lower hospitalization costs.
Recreational marijuana	Proposes to legalize, regulate and tax adult-use cannabis for individuals over 21 years of age and to allow counties and cities with a population over 100,000 to opt out of the recreational use program.	Should this provision be included in the final budget agreement, HANYS firmly believes there needs to be a significant focus and a direct funding allocation to support public health education, addiction and treatment programs.