

SFY 2005-06 Subcommittee on Health, Medicaid and Aging

TO: Senate Majority Leader Joseph L. Bruno, Co-Chair
Assembly Speaker Sheldon Silver, Co-Chair
Joint General Conference Committee

FROM: Senator Kemp Hannon, Co-Chair
Assemblyman Richard N. Gottfried, Co-Chair
Joint Conference Committee on Health, Medicaid and Aging

SUBJECT: Detailed Report of the Subcommittee on Health, Medicaid and Aging

DATE: March 24, 2005

On March 24, 2005, the Health Subcommittee completed its work and presented a general report to the General Conference Committee. We are pleased to present this report which provides details on all the budget changes agreed to by the subcommittee, including the specific allocation of the Subcommittee's target of \$695 million.

The subcommittee allocated the \$695 million General Fund Target to provide restorations in the following areas:

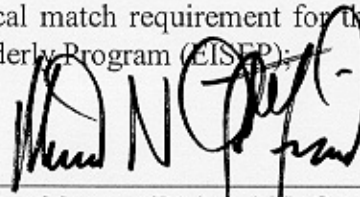
• Preferred Drug and Clinical Drug Review Program, with amendments	\$14.7 million
• Limit GME Reimbursement to Actual Cost - Reject	\$ 23.3 million
• 0.7 Percent Assessment on Hospitals - Reduce to .35 percent	\$124.3 million
• Eliminate the Two Percent Trend Factor on Hospitals - Reject	\$41.4 million
• Recoup GME Overpayment for Medicaid HMO Recipients - Recalculate	\$15.3 million
• Eliminate "Specialty Rates" for MH Out patient Programs - Reject	\$2.1 million
• Reduce Hospital Inpatient Detox Rates - reject	\$44.5 million
• Regional Pricing Reimbursement System for Nursing Home - Reject	\$67.9 million
• Medicaid Only Case Mix for Nursing Home Rates - Reject	\$57.8 million
• Eliminate the Two Percent Trend Factor for Nursing Homes - Reject	\$48.8 million
• Increase the Assessment on Nursing Home to Six Percent - Reject	\$39.5 million
• Reduce Family Health Benefits to the Healthy New York Program - Reject	\$136.8 million
• Eliminate Adult Other Practitioners - Reject	\$12.5 million
• Eliminate Non Emergency Adult Dental/Vision - Reject	\$52.6 million
• Changes in Family Health Plus Eligibility- Reject	\$29.6 million
• Changes Long Term Care Eligibility - Reject	\$26.8 million
• Podiatry not Billable as Clinic Visit - Reject	\$800,000
• Eliminate Facilitated enrollment for Family Health Plus Program - Reject	\$5 million
• Increased Recovery Actions by the Attorney General - Reject	\$5.6 million
• Article VI General Public Health Works Program Capped Allocation - Reject	\$10.4 million
• Aging Initiatives	\$2 million
• Public Health Initiatives	\$17.7 million

The Subcommittee also recommends the following savings for Health and Medicaid:

- Delay Home Care Demonstration Funding \$2.2 million
 - Increased Savings from the 340-B Drug Discount Program \$10 million
 - Improved Pharmacy Rebate Collections \$20 million
 - Administrative Savings \$20 million
 - Enhanced Fraud Enforcement \$32.2 million
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- The Subcommittee continues work on establishing provisions for the enactment of a Preferred Drug Program and a Clinical Drug Review Program that would include physicians having final determinations and additional consumer protections;
 - The Subcommittee agrees to extend the Health Care Reform Act until June 30, 2007 and to expand the Disease Management Program;
 - The Subcommittee agrees to extend the Excess Medical Malpractice Program for two years;
 - The Subcommittee rejects the Executive's proposal to reduce and restructure the State reimbursement for Article VI - General Public Health Works Program;
 - The Subcommittee acknowledges that both houses have proposals to implement a cap on local Medicaid expenditures and recommends that a final decision be made by the General Conference Committee. The subcommittee also recommends to the General Conference Committee that it accept the Executive's proposal to accelerate the full State takeover of the local expenditures of the Family Health Plus Program;
 - The Subcommittee agrees with the Executive's plan to implement and to fund the HEAL-NY capital improvement program that is designed to make technological advances and restructure the health care system in New York State;
 - The Subcommittee agrees to the creation of a restructuring commission that includes regional representation; and
 - The Subcommittee agrees to waive the 25 percent local match requirement for the \$10 million in increased funding for the Expanded Services for the Elderly Program (ESEP);



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