

***HEALTH AND
MENTAL HYGIENE***

OFFICE OF ADVOCATE FOR PERSONS WITH DISABILITIES

MISSION

The primary mission of the Office of Advocate for Persons with Disabilities (APD) is to promote the inclusion of persons with disabilities in all aspects of community life. The Agency ensures that persons with disabilities are afforded the opportunity to exercise the full range of the rights and responsibilities accorded to all residents of New York State. In addition, APD plays an active role in developing innovative opportunities and supports that respond to the needs of New Yorkers with disabilities.

ORGANIZATION AND STAFFING

Headed by the State Advocate who is appointed by the Governor, the Agency is headquartered in Albany. APD will have a workforce of 16 positions for 2003-04. Approximately 75 percent of these positions are paid by State tax dollars from the General Fund and 25 percent are financed by Federal grants and other funding sources.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2003-04 All Funds Executive Budget recommendation of more than \$1.5 million maintains APD's ability to disseminate comprehensive information on services and programs available to persons with disabilities and to collaborate with other agencies, businesses and organizations to increase the effectiveness of public and private sector services.

PROGRAM HIGHLIGHTS

APD operates a statewide clearinghouse through which individuals can access information and obtain referrals to a variety of disability-related services. Key components of the system are a statewide telephone hotline (800-522-4369) and a website (www.advoc4disabled.state.ny.us). It is anticipated that more than 100,000 individuals will utilize these services in 2003-04.

The Agency's federally funded Technology-Related Assistance for Individuals with Disabilities (TRAID) Project supports a statewide system that helps New Yorkers with disabilities access technology devices and services to strengthen their ability to participate in the mainstream workplace and community. This program is coordinated through an Interagency Partnership on Assistive Technology and 12 Regional TRAIID Centers at 15 sites. During 2002, these Regional TRAIID Centers provided awareness training, device demonstrations, information, education, and referrals to over 21,800 persons with disabilities.

APD has received increased Disability and Business Technical Assistance Center grant funding to expand its comprehensive education, public awareness, and technical assistance programs which promote increased voluntary compliance with the Americans with Disabilities Act (ADA). Training activities for 2003-04 will continue to focus on accessibility requirements for local code enforcement personnel, architects, and engineers, in addition to customizing technical assistance for individuals, employers, and State agencies.

ADVOCATE FOR PERSONS WITH DISABILITIES

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	1,585,000	1,593,000	8,000	960,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>1,585,000</u>	<u>1,593,000</u>	<u>8,000</u>	<u>960,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Advocate for the Disabled			
General Fund	12	12	0
Special Revenue Funds - Federal	3	3	0
Fiduciary Funds	1	1	0
Total	<u>16</u>	<u>16</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	965,000	951,000	(14,000)
Special Revenue Funds - Federal	460,000	460,000	0
Enterprise Funds	25,000	25,000	0
Fiduciary Funds	135,000	157,000	22,000
Total	<u>1,585,000</u>	<u>1,593,000</u>	<u>8,000</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2002-03	Recommended 2003-04	Change
Advocate for the Disabled			
General Fund	965,000	951,000	(14,000)
Special Revenue Funds - Federal	460,000	460,000	0
Enterprise Funds	25,000	25,000	0
Fiduciary Funds	135,000	157,000	22,000
Total	<u>1,585,000</u>	<u>1,593,000</u>	<u>8,000</u>

ADVOCATE FOR PERSONS WITH DISABILITIES

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Advocate for the Disabled	842,000	(10,000)	842,000	(4,000)
Total	842,000	(10,000)	842,000	(4,000)
Temporary Service (Nonannual Salaried)				
Program	Amount	Change		
Advocate for the Disabled	0	(6,000)		
Total	0	(6,000)		

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Advocate for the Disabled	109,000	(4,000)	15,000	(3,000)
Total	109,000	(4,000)	15,000	(3,000)
Travel				
Program	Amount	Change	Contractual Services	
Advocate for the Disabled	20,000	(3,000)	72,000	2,100
Total	20,000	(3,000)	72,000	2,100
Equipment				
Program	Amount	Change		
Advocate for the Disabled	2,000	(100)		
Total	2,000	(100)		

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Advocate for the Disabled	642,000	22,000	642,000	22,000
Total	642,000	22,000	642,000	22,000

STATE OFFICE FOR THE AGING

MISSION

The New York State Office for the Aging is responsible for promoting, coordinating and administering State, Federal and local programs and services for 3.2 million New Yorkers aged 60 or older. The Office 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 the aged.

ORGANIZATION AND STAFFING

The State Office for the Aging is headed by a Director and is composed of four divisions: Executive, Finance and Administration, Local Program Operations, and Policy and Program Development. The Office will have a workforce of 137 positions during 2003-04: 125 funded within the agency, and an additional 12 funded by other State agencies. Approximately 34 percent of Office operations are funded by the General Fund and the remaining 66 percent are financed by Federal grants.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2003-04 Executive Budget recommends nearly \$163 million in State and Federal funds for the operations of the Office and support for community-based services for the elderly. Given the unprecedented fiscal challenges facing New York, the Budget achieves workforce efficiencies, eliminates funding for several programs — specifically the Naturally Occurring Retirement Communities, Foster Grandparents, Retired Senior Volunteer Program and the Congregate Services Initiative — and consolidates and restructures the financing of the Community Services for the Elderly (CSE) and Expanded In-home Services for the Elderly programs (EISEP).

Within the aging system, State support is used to match Older Americans Act and other Federal funding and establish a service-delivery network that attracts a variety of other public and private contributions. When combined, this results in total network spending of over \$380 million, excluding the value of volunteer labor, which has been estimated at upwards of \$35 million.

PROGRAM HIGHLIGHTS

The full array of programs offered through the Office for the Aging are aimed at keeping seniors independent as long as possible with the assistance of family and other informal caregivers, as well as through the limited use of formal support services. These community-based services help keep people healthy and in their homes and out of hospitals and nursing homes.

STATEWIDE COMMUNITY-BASED ASSISTANCE

The Community Services for the Elderly (CSE) program currently serves over 85,000 elderly statewide and supports a locally coordinated continuum of support services designed to assist the elderly, their families and informal caregivers. The goal of the program is to maximize independence and reduce unnecessary reliance on institutional care. Services available to seniors under this program include case management, nutrition/meals, housekeeping/chore services, personal care, home health aide services, adult day services, transportation, minor renovations or the purchase of equipment for congregate facilities and other individualized support services. CSE affords Area Agencies on Aging maximum

AGING

flexibility in selecting which services to offer and/or expand. Strongly linked to local planning efforts, CSE provides a comprehensive array of services that will allow the State to continue to meet the changing needs of our growing elderly population.

The Expanded In-home Services for the Elderly Program (EISEP) provides non-medical in-home services, case management, respite and ancillary services to the frail elderly, most of whom are low income but not eligible for Medicaid. Recipients are required to cost-share, based on their annual income level, for received EISEP program services. More than 34,000 persons are served under this program.

The 2003-04 Executive Budget recommendation consolidates CSE and EISEP into a single program and eliminates various reporting and planning mandates that exist under the current program structures, reducing the administrative burden on local governments and allowing more of the fiscal resources to be dedicated to the provision of services. Accordingly, the financing of the single program is restructured, with local governments' funding responsibility increasing from 25 percent to 30 percent of program costs.

NUTRITION SERVICES

Through a combination of State tax dollars and Federal grants, the State annually provides over 25.3 million congregate and home-delivered meals as well as other nutritional services to non-institutionalized frail elderly clients. These seniors are at risk of malnutrition because they are no longer able to obtain an adequate diet without assistance. The Office receives over \$40 million in appropriation authority from Federal grants in support of congregate and home-delivered meals and another \$16 million to support the purchase of food. The State counterpart to these Federal programs, the Supplemental Nutrition Assistance Program (SNAP), provides another \$17 million.

ASSISTANCE TO CAREGIVERS

An estimated 80 percent of the long-term care provided to older New Yorkers is provided by family members and other informal caregivers; sustaining this cost-effective, individualized support system for seniors is a key objective of the aging service system. The State Office for the Aging's 17 Caregiver Resource Centers assist caregivers through training programs, support groups, counseling and linkages to other community services. The \$10.6 million Federal Caregivers Program provides respite, training and counseling for caregivers, as well as other services that support an elderly person's ability to maximize their independence.

VOLUNTEER ADVOCACY

The Long-Term Care Ombudsman Program (LTCOP) supports the statewide advocacy of more than 750 trained volunteers on the behalf of the approximately 150,000 residents of New York State's nursing homes and adult care facilities. Under this program, the State Office for the Aging and community agencies receive, investigate and resolve a wide range of concerns and complaints regarding conditions and treatment in long-term care facilities, with the goal of ensuring the quality of life for residents.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	13,187,000	13,579,000	392,000	7,742,000
Aid To Localities	177,905,808	164,330,400	(13,575,408)	105,763,276
Capital Projects	0	0	0	0
Total	191,092,808	177,909,400	(13,183,408)	113,505,276

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Full-Time Equivalent Positions (FTE)

Program	2002-03	2003-04	FTE Change
	Estimated FTEs 03/31/03	Estimated FTEs 03/31/04	
Administration and Grants Management			
General Fund	41	34	(7)
Special Revenue Funds - Federal	103	101	(2)
Special Revenue Funds - Other	1	1	0
Community Services			
General Fund	0	1	1
Total	<u>145</u>	<u>137</u>	<u>(8)</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available	Recommended	Change
	2002-03	2003-04	
General Fund	2,587,000	2,979,000	392,000
Special Revenue Funds - Federal	10,250,000	10,250,000	0
Enterprise Funds	100,000	100,000	0
Fiduciary Funds	250,000	250,000	0
Total	<u>13,187,000</u>	<u>13,579,000</u>	<u>392,000</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available	Recommended	Change
	2002-03	2003-04	
Administration and Grants Management			
General Fund	2,587,000	2,291,000	(296,000)
Special Revenue Funds - Federal	10,250,000	10,250,000	0
Enterprise Funds	100,000	100,000	0
Fiduciary Funds	250,000	250,000	0
Community Services			
General Fund	0	688,000	688,000
Total	<u>13,187,000</u>	<u>13,579,000</u>	<u>392,000</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Grants Management	1,973,000	(296,000)	1,959,500	(301,500)
Total	<u>1,973,000</u>	<u>(296,000)</u>	<u>1,959,500</u>	<u>(301,500)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Grants Management	0	(2,000)	13,500	7,500
Total	<u>0</u>	<u>(2,000)</u>	<u>13,500</u>	<u>7,500</u>

AGING

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Grants Management	318,000	0	33,000	0
Community Services	688,000	688,000	0	0
Total	1,006,000	688,000	33,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Grants Management	60,000	0	218,000	0
Community Services	0	0	0	0
Total	60,000	0	218,000	0

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Grants Management	7,000	0	0	0
Community Services	0	0	688,000	688,000
Total	7,000	0	688,000	688,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Grants Management	10,600,000	0	7,700,000	0
Total	10,600,000	0	7,700,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Grants Management	2,550,000	0	350,000	0
Total	2,550,000	0	350,000	0

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	71,305,808	58,230,400	(13,075,408)
Special Revenue Funds - Federal	105,600,000	105,100,000	(500,000)
Fiduciary Funds	1,000,000	1,000,000	0
Total	177,905,808	164,330,400	(13,575,408)

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2002-03	Recommended 2003-04	Change
Community Services			
General Fund	64,634,886	58,230,400	(6,404,486)
Special Revenue Funds - Federal	105,600,000	105,100,000	(500,000)
Fiduciary Funds	1,000,000	1,000,000	0
Community Projects			
General Fund	6,670,922	0	(6,670,922)
Total	177,905,808	164,330,400	(13,575,408)

DEVELOPMENTAL DISABILITIES PLANNING COUNCIL

MISSION

The New York State Developmental Disabilities Planning Council is fully funded under the Federal Developmental Disabilities Assistance and Bill of Rights Act. The Act, originally signed into law in 1975, authorizes the Council to prepare, implement and monitor a plan for improving the quality of life for people with developmental disabilities.

ORGANIZATION AND STAFFING

Located in Albany, the Council comprises 35 members, who have been appointed by the Governor to three-year staggered terms. Federal law requires that at least 60 percent of the Council membership be persons with developmental disabilities, parents or guardians of children with developmental disabilities and immediate relatives or guardians of adults with mentally impairing developmental disabilities who cannot advocate for themselves. Other required members represent State agencies, educational and training providers and local public and private services agencies.

The Chairperson of the Council is appointed by the Governor from within the Council. In addition, a full-time staff of 18, under the leadership of an Executive Director, assists the Council in carrying out its mission.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Federal funds fully support all Council operations, including State staff and contracts with non-profit agencies to develop new services and service delivery methods. The contracts are monitored by the Council to ensure that Federal funds provided to the State are used to augment — rather than duplicate or replace — existing services for people with developmental disabilities.

The 2003-04 recommendation of \$4.5 million in Federal funds represents the same level of funding as in 2002-03, based on the anticipated level of Federal funding. This funding is sufficient to support the Council's role in coordinating information about persons with developmental disabilities and the services available to them, and in overseeing grant funds.

PROGRAM HIGHLIGHTS

Through its Council membership of State agency heads, including the Commissioner of the Office of Mental Retardation and Developmental Disabilities, the Council employs an interagency approach to advocate improved and enhanced services, supports and assistance for persons with developmental disabilities. Its activities include conducting quarterly meetings, preparing white papers on issues affecting the disabled, attending conferences, training, providing technical assistance and developing a three-year State Plan. The Council works in association with persons with developmental disabilities, parents, service providers, advocacy groups and local and State government agencies to advocate for an enhanced system of community services, individualized supports and assistance that facilitates self-determination, independence, community inclusion and productivity.

DEVELOPMENTAL DISABILITIES PLANNING COUNCIL

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	4,550,000	4,550,000	0	5,800,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>4,550,000</u>	<u>4,550,000</u>	<u>0</u>	<u>5,800,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Developmental Disabilities Planning			
Special Revenue Funds - Federal	18	18	0
Total	<u>18</u>	<u>18</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Total	<u>4,550,000</u>	<u>4,550,000</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2002-03	Recommended 2003-04	Change
Developmental Disabilities Planning			
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Total	<u>4,550,000</u>	<u>4,550,000</u>	<u>0</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Developmental Disabilities Planning	4,550,000	0	974,000	35,000
Total	<u>4,550,000</u>	<u>0</u>	<u>974,000</u>	<u>35,000</u>
Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Developmental Disabilities Planning	758,000	160,000	2,818,000	(195,000)
Total	<u>758,000</u>	<u>160,000</u>	<u>2,818,000</u>	<u>(195,000)</u>

DEPARTMENT OF HEALTH

MISSION

The Department of Health ensures that high quality, appropriate health services are available to all New York State residents at a reasonable cost. Department functions and responsibilities include:

- Promoting and supervising public health activities throughout the State;
- Ensuring high quality medical care in a sound and cost effective manner for all residents;
- Reducing infectious diseases such as tuberculosis, measles, mumps and rubella and chronic disabling illnesses such as heart disease, cancer, stroke and respiratory diseases; and
- Directing a variety of health-related homeland security measures in conjunction with the Governor's Office of Public Security. As part of this mission, the Department works with the State's health care community to ensure appropriate readiness and response to potential public health threats.

The Department of Health is also the principal State agency that interacts with the Federal and local governments, health care providers and program participants for the State's Medicaid program.

ORGANIZATION AND STAFFING

Under the direction of the Commissioner, who is appointed by the Governor, the Department of Health meets its responsibilities through the Office of Medicaid Management, the Office of Managed Care, the centers located in the Office of Public Health, and the Office of Health Systems Management. These entities provide policy and management direction to the Department's system of regional offices. Department staff located in regional offices conduct health facility surveillance, public health monitoring and direct services, and oversee county health department activities.

Additionally, the Department is responsible for five health care facilities that are engaged in advanced medical research and patient care including the Roswell Park Cancer Institute in Buffalo, the Helen Hayes Hospital in West Haverstraw, and four nursing homes for the care of veterans and their dependents in Oxford, New York City, Batavia and Montrose. In early 1999, responsibility for the operations of the Roswell Park Cancer Institute was transferred to a public benefit corporation, the Roswell Park Cancer Institute Corporation, pursuant to an operating agreement between the Corporation and the Department. This has provided Roswell with the flexibility needed to compete more effectively in a changing health care environment.

In 2003-04, the Department of Health will have a workforce of approximately 5,900 positions, with nearly 29 percent of those positions employed in the Department's health care facilities.

- Approximately 17 percent of these positions are paid exclusively by the General Fund;
- 13 percent are directly supported by fees;
- 55 percent are supported by third party, private patient care and Federal reimbursement; and
- The remaining 15 percent are directly funded by Federal grants.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

MEDICAID

Total Medicaid spending in New York will be approximately \$41.7 billion in 2003-04 if savings measures are not enacted. The 2003-04 Medicaid budget reflects a continued

HEALTH

commitment to an effective and affordable delivery system that promotes high quality health care, protects patients, and ensures access to appropriate services to meet the health care needs of the State's neediest residents.

Medicaid costs, which have been controlled in recent years, are now increasing at a rate that places an unaffordable burden on State and local governments. Accordingly, the 2003-04 Executive Budget recommends a series of actions to control Medicaid cost increases to keep the program affordable for State and local taxpayers while ensuring continued access to needed health care services for recipients.

In addition, the Budget recommends a realignment of State and local government responsibility for the financing of certain Medicaid programs. Under this proposal, the State will assume the entire cost for pharmaceuticals, the fastest growing component of Medicaid. In turn, local governments would be required to pay a higher share of fee-for-service hospital, outpatient and clinic expenses — 37 percent, increased from the historical 25 percent share. These fee-for-service costs should grow at a much more modest rate than pharmaceuticals.

Pharmacy

Absent efforts to continue growth, State Medicaid spending on pharmacy services will reach over \$800 million in 2003-04.

The 2003-04 Executive Budget recommends several measures to control these costs. These measures include: implementation of a "forge-proof" prescription program to reduce illegal marketing of drugs; establishing a preferred drug program for Medicaid; reducing pharmacy reimbursement for both Medicaid and EPIC from Average Wholesale Price (AWP) less 10 percent to AWP less 15 percent; requiring pharmacies, consistent with Federal law, to bill Medicaid where appropriate for those individuals also enrolled in Medicare; increasing Medicaid co-payments for generics (\$0.50 to \$1.00) and brand name drugs (\$2.00 to \$3.00) and requiring individuals in managed care to make co-payments.

Acute Care

The Health Care Reform Act (HCRA), originally enacted in 1996, serves as the statutory basis governing hospital financing. Under HCRA, most non-Medicaid payors negotiate rates with hospitals, encouraging competition in the health care industry. Medicaid rates are established consistent with governing HCRA statutes.

The 2003-04 Executive Budget recommends that the Health Care Reform Act, currently scheduled to expire on June 30, 2003, be reauthorized for an additional two years. This extension will continue to provide hospitals and clinics with adequate funding and ensure that high quality health care services are accessible and affordable for all New Yorkers. The extension also makes cost containment actions enacted as part of prior year Budgets permanent.

State Medicaid spending for hospitals and clinics is expected to exceed \$2.3 billion in 2003-04 and reflects a number of Budget recommendations to limit the growth in hospital and clinic costs. These include temporarily re-establishing a 0.7 percent assessment on hospital revenues; limiting hospital case payments to the regional average; reducing Graduate Medical Education (GME) reimbursement to be consistent with Federal Medicare guidelines; requiring providers to offset inflationary payment increases; and other rate adjustments. The Budget also reflects the establishment of new program requirements for part-time clinics to ensure that services are provided in the most appropriate settings.

Long Term Care

State spending on nursing home and community-based care comprises more than half the General Fund Medicaid budget — or an estimated \$4.3 billion in 2003-04.

The 2003-04 Executive Budget recommends several initiatives to restructure nursing home reimbursement including implementing a regional average reimbursement methodology; eliminating a rate enhancement to providers for serving Medicare patients that

is no longer necessary due to recent changes in Federal reimbursement policy; eliminating the return-on-equity rate adjustment; and requiring providers to offset inflationary payment increases.

While progress continues to be made in implementing the provisions of the Long Term Care Integration and Finance Act of 1997, which included the rapidly growing Managed Long Term Care program, New York State still has the highest home care spending in the nation. Accordingly, the 2003-04 Executive Budget recommends temporarily re-establishing a non-reimbursable 0.6 percent assessment on home care providers, requiring providers to offset inflationary payment increases and implementing utilization controls to ensure home care services are appropriately provided.

Managed Care

The 2003-04 Executive Budget reflects the continued mandatory enrollment of Medicaid recipients in managed care. Federal approval of New York's 1115 Managed Care waiver in July 1997 set the stage for mandatory enrollment to commence in October 1997. To date, New York City and 21 upstate counties — Albany, Broome, Cattaraugus, Chautauqua, Columbia, Erie, Greene, Livingston, Monroe, Nassau, Niagara, Oneida, Onondaga, Ontario, Oswego, Rensselaer, Rockland, Saratoga, Suffolk, Wayne and Westchester — are operating mandatory managed care programs. The remainder of the State will continue to phase in managed care, subject to Federal approval, during 2003-04.

Managed care enrollment is projected to reach approximately 1.3 million by the end of 2002-03 and 1.6 million by the end of 2003-04. When fully implemented, approximately three-quarters of all Medicaid recipients eligible for managed care are expected to be enrolled. As a result of existing managed care enrollment, New York State continues to have increased primary care use, lower emergency room use, and fewer inpatient days.

The State's Medicaid managed care program ensures that the neediest people receive high quality, accessible health care. The Budget recommends extending the authorization of the Medicaid managed care program, now scheduled to expire December 31, 2003, for three years. This authorization is necessary to continue the mandatory Medicaid managed care program and implement special managed care plans that provide comprehensive services to individuals infected with the HIV virus. These Special Needs Plans will begin operation in late 2003. Start-up grant funding is being provided to facilitate implementation. Medicaid managed care also incorporates a comprehensive set of consumer protections to ensure that recipients obtain enrollment assistance and quality care, and understand their rights and responsibilities under managed care plans.

Medicaid Administration

The Department of Health is responsible for overall management of the Medicaid program, including the State's interaction with Federal and local governments, health care providers and Medicaid recipients. Counties will continue their role in making Medicaid eligibility determinations and contracting with providers of Medicaid services. Payments to health care providers also continue to be made through the State's computerized Medicaid Management Information System (MMIS) that is operated by a private agency with oversight by State personnel. The Department has obtained management and development services for a Replacement Medicaid System (RMS) that will replace both MMIS and the Electronic Medicaid Eligibility Verification System (EMEVS) with an integrated claims processing system. RMS will provide updated technologies and bring New York State into compliance with new Federal reporting requirements. In addition, the new system will substantially enhance front-end detection of Medicaid fraud.

CHILD HEALTH PLUS

New York's Child Health Plus program continues to set a national standard for children's health insurance coverage for children up to age 19. The Child Health Plus program was

HEALTH

significantly expanded with passage of legislation under Governor Pataki's leadership in both 1996 and 1998, resulting in a dramatic increase in enrollment to nearly 520,000 children. Under Governor Pataki, the program has expanded to include comprehensive health benefits and increased eligibility to 250 percent of the Federal Poverty Level (FPL). When eligible Federal funds are combined with State HCRA moneys, the Child Health Plus program will provide comprehensive coverage to virtually all eligible children in the State. The 2003-04 Executive Budget recommends the extension of the Child Health Plus program — which is scheduled to expire June 30, 2003 — through June 30, 2005. In addition, the Budget recommends transferring children ages 6-19 with incomes between 100 to 133 percent FPL from Medicaid to Child Health Plus.

FAMILY HEALTH PLUS

As authorized by HCRA 2000, the Family Health Plus program offers access to comprehensive health coverage for more than 670,000 eligible low-income adults who do not have insurance through their employers, yet have incomes that do not qualify them for other publicly financed health programs. Under Family Health Plus, health coverage was expanded on October 1, 2001 to include families with incomes up to 133 percent of the gross Federal Poverty Level (FPL) and on October 1, 2002 up to 150 percent of the FPL. For individuals without children, coverage is offered to those at 100 percent of the FPL. Effective February 1, 2003, the Executive Budget recommends that eligibility for Family Health Plus be limited to those with incomes no higher than 133 percent. Individuals above that income level who are currently in Family Health Plus would not be dropped from the program.

OTHER PUBLIC HEALTH PROGRAMS

Excluding Medicaid program costs, General Fund appropriations finance 26 percent of the Department of Health's budget in 2002-03. Other revenue sources, including: 1) reimbursement for patient care provided at the Department's health care facilities; 2) regulatory fees and audit recoveries; 3) management fees for hospital and nursing home construction projects financed through bond proceeds; and 4) registration, testing and certification fees for various public health services, support 41 percent of the Department of Health's budget, including the Professional Medical Conduct Program, clinical and environmental laboratory certification activities, and health care facilities' operating costs. The remaining 33 percent is provided by Federal grants and Fiduciary and Enterprise funds.

Capital Project appropriations preserve and maintain the Department's hospitals, nursing homes, and the three separate laboratory facilities in Albany County that constitute the Wadsworth Center for Laboratories and Research. The costs of projects at the health care facilities are funded from facility revenues and/or the General Fund.

This overall recommendation ensures that public health priorities are preserved. As such, the 2003-04 Budget:

- Includes \$80 million for the Roswell Park Cancer Institute Corporation;
- Sustains the State's commitment to fighting the AIDS epidemic by continuing statewide spending at more than \$2.6 billion, a year-to-year increase of \$298 million, including \$103 million to be spent by the AIDS Institute. Emphasis will continue to be placed on prevention and specialized services which target resources to populations with the greatest risk of infection;
- Provides \$578 million in support for the Elderly Pharmaceutical Insurance Coverage program (EPIC) to ensure that more than 328,000 senior citizens receive crucial prescription insurance. The Executive Budget provides a series of measures that will reduce the cost of the EPIC program by \$38 million. These proposals reduce pharmacy reimbursement from 90 percent of the Average Wholesale Price of drugs to 85 percent, require drug manufacturers to provide enhanced rebates and increase fees and deductibles for seniors by a modest 10 percent. These actions strike a delicate balance between achieving much needed fiscal relief and meeting the State's

- obligation to provide adequate health care to its most vulnerable citizens. Even after these cost savings are considered, New York will still spend considerably more on EPIC services than any other state in the nation;
- Includes approximately \$168 million for the General Public Health Works program to reimburse counties and New York City for providing public health services such as childhood immunizations, primary health care, and control of communicable diseases such as tuberculosis and sexually transmitted diseases. Legislation accompanying the budget will overhaul the reimbursement system for this program to reduce the State share for “core services” from 36 percent to 30 percent and eliminate reimbursement for “supplemental services” entirely. Medical examiner and public health emergency reimbursements will be unchanged;
 - Includes support of \$37.5 million, funded largely from HCRA, for an enhanced anti-smoking program, including counter advertising, community and school-based education programs, cancer mapping and strict enforcement of laws regulating the sale and use of tobacco products;
 - Supports the optional State supplementation of the Federal nutrition assistance program for women, infants and children (WIC) with \$28 million. New York continues to be one of only 13 states to augment Federal nutrition funds;
 - Includes \$8 million to implement a series of initiatives recommended by the Adult Homes Work Group to improve the quality of life and safety for adult home residents in New York. The Department will work with the Office of Mental Health, the Commission on Quality of Care for the Mentally Disabled and the State Office for the Aging to undertake a statewide effort to conduct client assessments; improve medication management; initiate enhanced service coordination and other advocacy services; and expand social and recreational activities;
 - Provides \$270 million to cover the State share of Early Intervention (EI) and dramatically restructures the program that serves infants and toddlers under the age of three who have developmental delays. The budget would mandate health insurance coverage up to \$5,000 per insured child and require that parents earning above 160 percent of the Federal Poverty Level pay 20 percent of the costs of EI services not covered by insurance up to an income-based cap. This Budget also advances additional statutory measures to promote program cost effectiveness including conforming to Federal Law which requires that children be discharged from the EI program by the age of three; requiring EI providers to bill Medicaid and private insurers directly; authorizing counties to negotiate lower rates with providers than those established by the State; and
 - Advances an increase in the fee for vital records provided to individuals to support the administrative costs of the Vital Records program.

PROGRAM HIGHLIGHTS

MEDICAID

Originally established in 1965 by the Federal government as a health insurance program for the poor, New York’s Medicaid program costs will total \$38.5 billion in 2002-03, and provide coverage to approximately 3.3 million New Yorkers. Cost containment and revenue maximization initiatives have resulted in the State’s 2002-03 General Fund Medicaid spending being held to nearly 1994-95 levels. In addition to the federally mandated services — inpatient and outpatient hospital care, nursing facility care, physician services, home health care, family planning, laboratory and x-ray services — New York also provides almost all federally permissible optional services.

Traditionally, the Federal government has paid for 50 percent of the State’s Medicaid program. The State pays about 35 percent of the total costs and counties pay about 15 percent. The Federal government has matched, on an unlimited basis, each State and local dollar expended on Medicaid.

HEALTH

ACCESS TO HIGH QUALITY HEALTH CARE

The Department develops and implements programs to ensure that residents of New York have access to high quality health care. Over the last several years, significant legislation has been enacted that significantly enhances the availability of appropriate care to all New Yorkers including the following:

- The landmark Health Care Reform Act (HCRA) of 1996 deregulated inpatient hospital reimbursement and introduced a market-based system which allows commercial insurers, managed care entities and self-insured plans to establish rates of payment directly through negotiations with hospitals and without State intervention. HCRA 2000, enacted in 1999, re-affirmed the State's commitment to ensuring that the hospital system adapts to the changing health care environment. In addition, HCRA 2000 provided the necessary resources to expand the Child Health Plus program and initiated comprehensive new programs to expand access to health care for the uninsured, including Family Health Plus and Healthy New York;
- HCRA 2002 provided the necessary resources for a multi-year investment to attract, train and retain a high quality health care workforce in New York State and expanded Medicaid eligibility to working disabled individuals and to cover the cost of treatment for low income women diagnosed with breast or cervical cancer through the Center for Disease Control's National Screening Program;
- Pioneering consumer managed care legislation enacted in 1996 — the Managed Care Bill of Rights — ensured that consumers are appropriately informed about managed care choices and benefits, and guaranteed that providers can discuss all appropriate health care options; and
- Enhanced consumer protections were added in External Review legislation enacted in 1998, which provide health plan enrollees the opportunity to request an external appeal when coverage of health care services is denied on the grounds that the service is not medically necessary or that it is experimental or investigational.

The 2003-04 Executive Budget extends HCRA for two years until June 2005. In the context of this renewal, a number of additional revenue sources are being designated to support increased program costs and to replace Tobacco Settlement payments, which will be unavailable beginning in April 2004. Included are increases in health care surcharges and assessments, and dedication of additional proceeds from the conversion of Empire Blue Cross to a for-profit company. Further, new Federal funds recently approved during the reauthorization of the State's Medicaid managed care waiver are dedicated to HCRA along with anticipated Federal funds for World Trade Center disaster costs — primarily Disaster Relief Medicaid. Furthermore, the Budget also proposes to reduce and eliminate certain HCRA programs which, when combined with the additional revenues, will ensure financing of HCRA programs over the next two years.

PUBLIC HEALTH

Efforts such as education, research and disease prevention are aimed at improving the health of all New Yorkers. Particular focus is placed on nutrition, prenatal and perinatal care, child health, treatment and control of sexually-transmitted diseases and tuberculosis, childhood immunization, the health risks of environmental contaminants, drinking water purity and follow-up investigations of disease outbreak. In addition, the Department serves as primary liaison with local and county health departments to ensure the quality of public health services throughout New York State.

The Wadsworth Center for Laboratories and Research assists the Department in accomplishing its public health mission. Screening programs conducted by the Center annually report nearly three million test results to providers. These programs encompass such public health concerns as HIV, tuberculosis, environmental contamination and genetic disorders in newborns. Ongoing research, largely funded by external grants, is carried out for public health problems such as AIDS, Lyme disease, cancer and the toxic effects of chemical substances and radiation. The Wadsworth Center regulates more than 800 environmental

laboratories and more than 1,800 clinical laboratories and blood banks to ensure testing quality, and the public's health and safety. In addition, the Wadsworth Center and DOH's Center for Community Health have played key roles in managing the State's response to recent terrorist activities.

A COMMITMENT TO AIDS RESEARCH AND PREVENTION

The Department develops and funds HIV prevention and health care programs, educates the public and health care providers, formulates policy and directs regional and statewide HIV/AIDS planning. New York remains a leader in combating this complex epidemic by responding to changes in incidence with even greater attention to population-based programming, long-term care and policies designed to reduce discrimination and guarantee basic medical care and treatment for the uninsured. New York State will spend \$2.6 billion to combat HIV/AIDS next year.

HEALTH SYSTEMS MANAGEMENT

The Department ensures that quality health care is available to all New York residents by overseeing the services provided by hospitals, nursing homes, diagnostic and treatment centers and home care providers. The Department strives to ensure that limited health care dollars are prudently spent through its reimbursement rate methodologies, rate setting, and review and monitoring of health facility plans for construction and expansion. Federal reimbursement for surveillance and certification, and fees for overseeing facilities to ensure that bonded debt is repaid, help to offset program costs.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	4,511,159,000	4,542,452,600	31,293,600	11,306,412,500
Aid To Localities	30,326,641,768	34,942,497,000	4,615,855,232	20,358,010,900
Capital Projects	156,800,000	76,600,000	(80,200,000)	243,696,000
Total	<u>34,994,600,768</u>	<u>39,561,549,600</u>	<u>4,566,948,832</u>	<u>31,908,119,400</u>

HEALTH

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Program	Full-Time Equivalent Positions (FTE)		
	2002-03	2003-04	FTE Change
	Estimated FTEs 03/31/03	Estimated FTEs 03/31/04	
Administration and Executive Direction			
General Fund	151	100	(51)
Special Revenue Funds - Federal	67	65	(2)
Special Revenue Funds - Other	242	261	19
AIDS Institute			
General Fund	175	164	(11)
Child Health Insurance			
Special Revenue Funds - Other	38	38	0
Community Health			
General Fund	84	0	(84)
Special Revenue Funds - Federal	539	534	(5)
Special Revenue Funds - Other	0	80	80
Office of Continuing Care			
General Fund	335	333	(2)
Special Revenue Funds - Other	2	2	0
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	24	23	(1)
Environmental Health			
General Fund	111	104	(7)
Special Revenue Funds - Federal	118	113	(5)
Special Revenue Funds - Other	151	148	(3)
Health Care Financing			
General Fund	62	59	(3)
Special Revenue Funds - Other	62	59	(3)
Health Care Standards and Surveillance			
General Fund	235	212	(23)
Special Revenue Funds - Other	255	256	1
Health Services			
Enterprise Funds	12	14	2
Institution Management			
Special Revenue Funds - Other	1,597	1,672	75
Laboratories and Research			
General Fund	442	374	(68)
Special Revenue Funds - Federal	90	87	(3)
Special Revenue Funds - Other	147	197	50
Managed Care			
General Fund	169	160	(9)
Medicaid Audit and Fraud Prevention			
General Fund	218	233	15
Special Revenue Funds - Federal	214	221	7
Special Revenue Funds - Other	33	32	(1)
Office of Medicaid Management			
General Fund	376	345	(31)
Special Revenue Funds - Federal	24	24	0
Special Revenue Funds - Other	2	2	0
Total	<u>5,975</u>	<u>5,912</u>	<u>(63)</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	211,254,000	167,785,600	(43,468,400)
Special Revenue Funds - Federal	3,901,679,000	3,961,720,000	60,041,000
Special Revenue Funds - Other	393,991,000	408,262,000	14,271,000
Enterprise Funds	10,000	10,000	0
Fiduciary Funds	4,225,000	4,675,000	450,000
Total	<u>4,511,159,000</u>	<u>4,542,452,600</u>	<u>31,293,600</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2002-03	Recommended 2003-04	Change
Administration and Executive Direction			
General Fund	22,365,000	19,600,000	(2,765,000)
Special Revenue Funds - Federal	10,473,000	9,066,000	(1,407,000)
Special Revenue Funds - Other	29,389,000	30,155,000	766,000
Fiduciary Funds	100,000	500,000	400,000
AIDS Institute			
General Fund	16,818,000	15,229,000	(1,589,000)
Child Health Insurance			
Special Revenue Funds - Federal	28,340,000	45,478,000	17,138,000
Special Revenue Funds - Other	11,920,000	7,111,000	(4,809,000)
Community Health			
General Fund	9,852,000	0	(9,852,000)
Special Revenue Funds - Federal	102,651,000	107,733,000	5,082,000
Special Revenue Funds - Other	5,554,000	5,554,000	0
Fiduciary Funds	1,200,000	1,200,000	0
Office of Continuing Care			
General Fund	22,095,000	22,160,000	65,000
Special Revenue Funds - Federal	13,055,000	0	(13,055,000)
Special Revenue Funds - Other	3,893,000	3,797,000	(96,000)
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	15,447,000	14,550,000	(897,000)
Environmental Health			
General Fund	9,987,000	9,037,000	(950,000)
Special Revenue Funds - Federal	12,670,000	26,084,000	13,414,000
Special Revenue Funds - Other	16,056,000	16,176,000	120,000
Health Care Financing			
General Fund	5,116,000	4,933,000	(183,000)
Special Revenue Funds - Other	6,915,000	7,158,000	243,000
Health Care Standards and Surveillance			
General Fund	25,620,000	21,674,000	(3,946,000)
Special Revenue Funds - Other	48,044,000	46,705,000	(1,339,000)
Institution Management			
Special Revenue Funds - Other	117,390,000	124,660,000	7,270,000
Enterprise Funds	10,000	10,000	0
Fiduciary Funds	325,000	375,000	50,000
Laboratories and Research			
General Fund	49,934,000	30,026,000	(19,908,000)
Special Revenue Funds - Federal	9,124,000	10,158,000	1,034,000
Special Revenue Funds - Other	28,795,000	28,034,000	(761,000)
Fiduciary Funds	2,600,000	2,600,000	0
Maintenance Undistributed			
General Fund	(86,838,000)	(102,362,000)	(15,524,000)
Special Revenue Funds - Other	86,838,000	102,362,000	15,524,000
Managed Care			
General Fund	15,416,000	13,089,000	(2,327,000)
Medicaid Audit and Fraud Prevention			
General Fund	18,591,000	18,781,600	190,600
Special Revenue Funds - Federal	37,856,000	47,478,000	9,622,000
Special Revenue Funds - Other	14,500,000	14,500,000	0
Office of Medicaid Management			
General Fund	47,023,000	44,161,000	(2,862,000)
Special Revenue Funds - Federal	3,620,000,000	3,620,000,000	0
Special Revenue Funds - Other	9,250,000	7,500,000	(1,750,000)
Medicaid Management Information System			
General Fund	55,275,000	71,457,000	16,182,000
Special Revenue Funds - Federal	67,510,000	95,723,000	28,213,000
Total	<u>4,511,159,000</u>	<u>4,542,452,600</u>	<u>31,293,600</u>

HEALTH

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	8,100,000	(100,000)	7,872,000	(100,000)
AIDS Institute	9,826,000	(570,000)	9,826,000	(570,000)
Community Health	0	(4,722,000)	0	(4,627,500)
Office of Continuing Care	20,930,000	65,000	20,730,000	65,000
Environmental Health	7,100,000	(800,000)	6,901,000	(800,000)
Health Care Financing	4,151,000	(97,000)	4,116,000	(97,000)
Health Care Standards and Surveillance	14,525,000	(818,000)	14,355,000	(818,000)
Laboratories and Research	20,375,000	(1,125,000)	20,054,000	(1,125,000)
Managed Care	8,758,000	(1,948,000)	8,758,000	(1,948,000)
Medicaid Audit and Fraud Prevention	14,375,800	468,800	14,375,800	468,800
Office of Medicaid Management	20,994,500	(1,698,500)	20,774,500	(1,698,500)
Total	<u>129,135,300</u>	<u>(11,344,700)</u>	<u>127,762,300</u>	<u>(11,250,200)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	125,000	0	103,000	0
AIDS Institute	0	0	0	0
Community Health	0	(72,100)	0	(22,400)
Office of Continuing Care	100,000	0	100,000	0
Environmental Health	187,000	0	12,000	0
Health Care Financing	0	0	35,000	0
Health Care Standards and Surveillance	20,000	0	150,000	0
Laboratories and Research	64,000	0	257,000	0
Managed Care	0	0	0	0
Medicaid Audit and Fraud Prevention	0	0	0	0
Office of Medicaid Management	70,000	0	150,000	0
Total	<u>566,000</u>	<u>(72,100)</u>	<u>807,000</u>	<u>(22,400)</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Executive Direction	11,500,000	(2,665,000)	740,000	0
AIDS Institute	5,403,000	(1,019,000)	1,333,881	(270,219)
Community Health	0	(5,130,000)	0	(1,473,900)
Office of Continuing Care	1,230,000	0	38,200	0
Environmental Health	1,937,000	(150,000)	159,000	0
Health Care Financing	782,000	(86,000)	12,000	0
Health Care Standards and Surveillance	7,149,000	(3,128,000)	241,300	0
Laboratories and Research	9,651,000	(18,783,000)	3,210,000	0
Managed Care	4,331,000	(379,000)	34,000	0
Medicaid Audit and Fraud Prevention	4,405,800	(278,200)	85,300	0
Office of Medicaid Management	23,166,500	(1,163,500)	305,000	0
Medicaid Management Information System	71,457,000	16,182,000	0	0
Total	141,012,300	(16,599,700)	6,158,681	(1,744,119)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Executive Direction	262,000	0	10,293,000	181,000
AIDS Institute	311,700	0	3,158,900	(650,600)
Community Health	0	(139,500)	0	(3,478,200)
Office of Continuing Care	766,900	0	377,400	0
Environmental Health	415,000	0	1,223,000	0
Health Care Financing	38,300	0	722,000	(85,000)
Health Care Standards and Surveillance	480,400	0	6,282,300	(613,500)
Laboratories and Research	76,000	0	6,060,000	(233,000)
Managed Care	0	0	4,297,000	(379,000)
Medicaid Audit and Fraud Prevention	180,000	0	2,565,152	(178,048)
Office of Medicaid Management	256,000	0	2,291,500	(1,163,500)
Medicaid Management Information System	0	0	71,457,000	16,182,000
Total	2,786,300	(139,500)	108,727,252	9,582,152

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	205,000	154,000	0	(3,000,000)
AIDS Institute	148,519	(98,181)	450,000	0
Community Health	0	(38,400)	0	0
Office of Continuing Care	47,500	0	0	0
Environmental Health	140,000	0	0	(150,000)
Health Care Financing	9,700	(1,000)	0	0
Health Care Standards and Surveillance	145,000	(14,500)	0	(2,500,000)
Laboratories and Research	305,000	(50,000)	0	(18,500,000)
Managed Care	0	0	0	0
Medicaid Audit and Fraud Prevention	426,348	(100,152)	1,149,000	0
Office of Medicaid Management	260,000	0	20,054,000	0
Medicaid Management Information System	0	0	0	0
Total	1,687,067	(148,233)	21,653,000	(24,150,000)

HEALTH

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Executive Direction	39,721,000	(241,000)	16,304,000	458,000
Child Health Insurance	52,589,000	12,329,000	2,244,000	(28,000)
Community Health	114,487,000	5,082,000	0	0
Office of Continuing Care	3,797,000	(13,151,000)	135,000	0
Elderly Pharmaceutical Insurance Coverage	14,550,000	(897,000)	1,616,000	0
Environmental Health	42,260,000	13,534,000	4,923,000	0
Health Care Financing	7,158,000	243,000	4,133,000	(72,000)
Health Care Standards and Surveillance	46,705,000	(1,339,000)	14,108,000	(1,214,000)
Institution Management	106,567,000	4,942,000	0	0
Laboratories and Research	40,792,000	273,000	8,230,000	(721,000)
Medicaid Audit and Fraud Prevention	61,978,000	9,622,000	0	0
Office of Medicaid Management	3,627,500,000	(1,750,000)	0	0
Medicaid Management Information System	95,723,000	28,213,000	0	0
Total	4,253,827,000	56,860,000	51,693,000	(1,577,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	12,198,000	308,000	11,219,000	(1,007,000)
Child Health Insurance	4,867,000	(4,781,000)	45,478,000	17,138,000
Community Health	100,000	0	114,387,000	5,082,000
Office of Continuing Care	3,662,000	4,000	0	(13,155,000)
Elderly Pharmaceutical Insurance Coverage	12,834,000	(922,000)	100,000	25,000
Environmental Health	9,703,000	120,000	27,634,000	13,414,000
Health Care Financing	3,025,000	315,000	0	0
Health Care Standards and Surveillance	15,302,000	1,162,000	17,295,000	(1,287,000)
Institution Management	0	0	106,567,000	4,942,000
Laboratories and Research	11,304,000	(40,000)	21,258,000	1,034,000
Medicaid Audit and Fraud Prevention	10,000,000	0	51,978,000	9,622,000
Office of Medicaid Management	0	0	3,627,500,000	(1,750,000)
Medicaid Management Information System	0	0	95,723,000	28,213,000
Total	82,995,000	(3,834,000)	4,119,139,000	62,271,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available	Recommended	Change
	2002-03	2003-04	
General Fund	6,598,064,768	6,092,207,000	(505,857,768)
Special Revenue Funds - Federal	19,069,313,000	23,199,826,000	4,130,513,000
Special Revenue Funds - Other	3,709,264,000	4,420,464,000	711,200,000
Fiduciary Funds	950,000,000	1,230,000,000	280,000,000
Total	30,326,641,768	34,942,497,000	4,615,855,232

Adjustments:	
Prior Year Deficiency	
Health, Department of	
General Fund	427,800,000
Special Revenue Funds - Other	35,000,000
Recommended Deficiency	
Health, Department of	
General Fund	(100,000,000)
Special Revenue Funds - Other	(34,000,000)
Appropriated 2002-03	<u>30,655,441,768</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2002-03	Recommended 2003-04	Change
Administration and Executive Direction			
General Fund	869,000	602,000	(267,000)
AIDS Institute			
General Fund	5,261,000	0	(5,261,000)
Special Revenue Funds - Other	88,253,000	88,253,000	0
Child Health Insurance			
Special Revenue Funds - Federal	921,060,000	900,000,000	(21,060,000)
Special Revenue Funds - Other	470,000,000	470,000,000	0
Community Health			
General Fund	491,076,000	499,599,000	8,523,000
Special Revenue Funds - Federal	607,493,000	640,454,000	32,961,000
Special Revenue Funds - Other	58,823,000	52,823,000	(6,000,000)
Office of Continuing Care			
General Fund	5,096,000	4,621,000	(475,000)
Special Revenue Funds - Other	0	4,000,000	4,000,000
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	518,900,000	578,000,000	59,100,000
Environmental Health			
General Fund	125,000	0	(125,000)
Special Revenue Funds - Federal	2,540,000	2,788,000	248,000
Special Revenue Funds - Other	6,200,000	6,200,000	0
Health Care Standards and Surveillance			
General Fund	9,760,000	9,185,000	(575,000)
Laboratories and Research			
General Fund	1,071,000	1,071,000	0
Special Revenue Funds - Federal	2,420,000	2,784,000	364,000
Maintenance Undistributed			
General Fund	(7,288,000)	(7,288,000)	0
Special Revenue Funds - Other	7,288,000	7,288,000	0
Office of Medicaid Management			
General Fund	6,658,000	6,658,000	0
Medical Assistance			
General Fund	5,949,780,000	5,464,409,000	(485,371,000)
Special Revenue Funds - Federal	17,054,000,000	21,172,000,000	4,118,000,000
Special Revenue Funds - Other	2,559,800,000	3,213,900,000	654,100,000
Fiduciary Funds	950,000,000	1,230,000,000	280,000,000
Medical Assistance Administration			
General Fund	114,350,000	113,350,000	(1,000,000)
Special Revenue Funds - Federal	481,800,000	481,800,000	0
Community Projects			
General Fund	21,306,768	0	(21,306,768)
Total	<u>30,326,641,768</u>	<u>34,942,497,000</u>	<u>4,615,855,232</u>

HEALTH

**CAPITAL PROJECTS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Comprehensive Construction Program	Available 2002-03	Recommended 2003-04	Change	Reappropriations 2003-04
Design and Construction Supervision				
Capital Projects Fund	0	0	0	452,000
Rehabilitation and Improvements				
Capital Projects Fund	0	0	0	1,500,000
Laboratories and Research				
Capital Projects Fund	4,000,000	4,000,000	0	9,048,000
Maintenance and Improvements of Existing Institutions				
Capital Projects Fund	7,600,000	7,600,000	0	21,908,000
New Institution Construction				
Capital Projects Fund - Advances	0	0	0	20,000,000
Water Resources				
Federal Capital Projects Fund	75,200,000	65,000,000	(10,200,000)	150,788,000
Safe Drinking Water - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	70,000,000	0	(70,000,000)	40,000,000
Total	<u>156,800,000</u>	<u>76,600,000</u>	<u>(80,200,000)</u>	<u>243,696,000</u>

INSURANCE DEPARTMENT

MISSION

The Insurance Department, which was established in 1860, is charged with regulating the insurance industry and with balancing the interests of insurance consumers, companies, and producers. Specific statutory responsibilities include approving the formation, consolidation or merger of insurance organizations and all new insurance products, monitoring the financial stability of insurers, overseeing the testing and licensing of agents, adjusters, consultants and insurance intermediaries, and disciplining licensees who violate the Insurance Law or regulations.

ORGANIZATION AND STAFFING

The Insurance Department is headed by a Superintendent who is appointed by the Governor. The Department maintains offices in Albany and New York City and local offices in Mineola, Rochester, Syracuse, Oneonta and Buffalo. The Department's activities are carried out through three programs: Administration, Regulation and Consumer Services, with a 2003-04 workforce of 908 positions.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Insurance Department is funded by assessments on New York State based insurance carriers and by agent examination fees. These monies fully support the operations of the Department as well as insurance-specific operations in other agencies.

The Executive Budget recommends \$160 million in assessment revenue to fund the Department's current activities and a new Insurance Disaster Preparedness and Response Unit that will help New York and the insurance industry respond to potential natural, financial and terrorist disasters. Additionally, industry assessments will provide \$18.5 million to the Department of State for costs associated with fire prevention efforts and enforcement of state building code regulations, and \$34.9 million to the Department of Health for programs which prevent the spread of disease, health screenings for newborns to reduce their need for future medical intervention, and the implementation of a new "forge-proof" prescription program.

The Executive Budget also recommends \$4.9 million for implementation of Executive Order 109 that appointed the Attorney General as a Special Prosecutor to combat no-fault auto insurance fraud.

PROGRAM HIGHLIGHTS

The Department ensures that insurance companies meet statutory requirements regarding their finances and corporate conduct by monitoring the financial condition of companies and conducting periodic field examinations of insurers. It strives for the fair treatment of policyholders, claimants, and the public through the regulation of company claim payments and sales practices, responses to consumer complaints, and the timely review of insurance company denials of coverage.

The Department promotes high standards of ethical conduct and technical knowledge through oversight of testing, pre-licensing and continuing education of insurers and agents. It maintains a registry of all licensees, collects fees and imposes fines related to the revocation of licenses and irregular activities.

The September 11 attacks on the World Trade Center demonstrated the important role New York's insurance industry has in maintaining economic stability during times of tragedy. To ensure that the industry's ability to perform that role is strengthened, this Budget recommends the formation of an Insurance Disaster Preparedness and Response Unit within the Department to coordinate industry efforts to prevent and respond to natural, financial, and

INSURANCE

terrorist disasters. Through this unit, the Department will work with industry representatives to develop disaster preparedness and business continuity plans, fight money laundering activities and enhance fraud detection capabilities.

Reflecting the dynamic and changing environment confronting the insurance industry, the Department has reformed or rescinded over half its regulations and eased the process by which companies are licensed and new insurance products approved. The Department continues to work closely with the Banking Department to assist Holocaust victims and their families to identify and recover assets from foreign financial institutions.

The Department also oversees and coordinates the State's Healthy New York Program that provides qualified small businesses and low-income families and individuals with access to affordable health insurance.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	125,419,000	160,398,000	34,979,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	125,419,000	160,398,000	34,979,000	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Administration			
Special Revenue Funds - Other	130	127	(3)
Consumer Services			
Special Revenue Funds - Other	164	161	(3)
Regulation			
Special Revenue Funds - Other	602	620	18
Total	896	908	12

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
Special Revenue Funds - Other	125,419,000	160,398,000	34,979,000
Total	125,419,000	160,398,000	34,979,000

Adjustments:			
Prior Year Deficiency			
Insurance Department			
Special Revenue Funds - Other	3,000,000		
Appropriated 2002-03	<u>128,419,000</u>		

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2002-03	Recommended 2003-04	Change
Administration			
Special Revenue Funds - Other	15,461,000	11,874,900	(3,586,100)
Consumer Services			
Special Revenue Funds - Other	11,023,000	10,820,800	(202,200)
Regulation			
Special Revenue Funds - Other	98,935,000	137,702,300	38,767,300
Total	<u>125,419,000</u>	<u>160,398,000</u>	<u>34,979,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	11,874,900	(3,586,100)	7,840,400	(156,600)
Consumer Services	10,820,800	(202,200)	7,383,500	(236,500)
Regulation	137,702,300	38,767,300	43,723,800	1,725,800
Total	<u>160,398,000</u>	<u>34,979,000</u>	<u>58,947,700</u>	<u>1,332,700</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	4,034,500	(3,429,500)	0	0
Consumer Services	3,437,300	34,300	0	0
Regulation	34,589,500	1,364,500	59,389,000	35,677,000
Total	<u>42,061,300</u>	<u>(2,030,700)</u>	<u>59,389,000</u>	<u>35,677,000</u>

DEPARTMENT OF MENTAL HYGIENE

The Department of Mental Hygiene operates through three independent agencies — the Office of Mental Health, the Office of Mental Retardation and Developmental Disabilities, and the Office of Alcoholism and Substance Abuse Services. All three agencies provide services directly to their clients through State-operated facilities, and receive reimbursement for these services, primarily Medicaid. However, these patient revenues are pledged first to the payment of debt service on outstanding Mental Hygiene bonds.

This appropriation from the Patient Income Account may be distributed to any of the three agencies in order to access additional revenues made available through a decreased set-aside for debt service and/or increased Federal Medicaid reimbursement. The 2003-04 Executive Budget reflects savings from a variety of planned debt management actions and anticipates that the Federal government will enact legislation increasing its share of Medicaid costs.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	40,000,000	0	(40,000,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	40,000,000	0	(40,000,000)	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	(215,000,000)	(300,000,000)	(85,000,000)
Special Revenue Funds - Other	255,000,000	300,000,000	45,000,000
Total	40,000,000	0	(40,000,000)

OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

MISSION

The Office of Alcoholism and Substance Abuse Services (OASAS) is responsible for licensing and evaluating service providers, and for implementing and advocating policies and programs for the prevention, early intervention and treatment of alcoholism and substance abuse. In conjunction with local governments, providers and communities, the Office works to ensure that a full range of necessary and cost-effective prevention and treatment services is available statewide.

ORGANIZATION AND STAFFING

The Office of Alcoholism and Substance Abuse Services is headed by a Commissioner, responsible for the development and management of the State's policy on chemical dependence. The Agency exercises these responsibilities directly as a provider of treatment services through a statewide system of 13 Addiction Treatment Centers (ATCs), through the regulation and oversight of prevention and chemical dependence treatment services, and as a conduit for Federal and State financial assistance. The Agency also furthers other State policy goals in areas that include criminal justice, health care and public assistance by coordinating chemical dependence resources and strategies in collaboration with other State agencies.

In 2003-04, OASAS will have a workforce of 951, of which 58 percent provide clinical treatment services through the ATCs. This represents a year-to-year reduction of 28 administrative positions, accomplished through normal attrition and retirements.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2003-04 Executive Budget recommends \$508 million in State and other resources for OASAS to continue agency and community operations. This funding is supplemented by Federal and State resources budgeted in other State agencies, and by the contributions of local governments, voluntary agencies and other sources.

The recommended budget is sufficient to ensure the full operation of all 13 ATCs and maintenance of health and safety standards in both the State and voluntary facilities. Despite the severe fiscal constraints facing the State, the stabilization of the non-profit workforce remains a high priority, and the Governor's Budget fully annualizes funding for the three percent cost of living adjustment implemented in December 2002, achieved through redirecting a portion of savings from cost efficiency measures advanced in the Budget.

The 2003-04 Executive Budget continues the consolidation of the OASAS system by uniting the separate alcoholism and substance abuse systems into a single chemical dependence system. Consolidated outpatient chemical dependence fees were implemented in December 2002. To address the short-term needs of eligible outpatient providers as they adjust to the new Medicaid fee system, the Governor's budget maintains \$5.7 million to help them transition over an 18-month period. As a next step in implementing the new fee structure for outpatient chemical dependence services, OASAS will develop a financing mechanism to recognize the cost of outpatient specialty services. During 2003-04, OASAS will also initiate development and implementation of new financing mechanisms for residential treatment services for adolescents.

Following the authorization and approval of fees for Medicaid reimbursement of community-based detoxification services, OASAS will expand the availability of these services statewide. This community-based alternative to hospital-based detoxification will lower costs and increase coordination and access to needed treatment. Inpatient hospitalization will continue to provide the more medically complicated detoxification services.

SUBSTANCE ABUSE SERVICES

To complement the detoxification initiative, OASAS will continue to support, and enhance where possible, mechanisms that promote effective case management of clients in the treatment system. These services have been demonstrated to reduce recidivism, improve treatment outcomes and lead to State and local savings.

In addition, as part of the 2003-04 Budget Recommendations, OASAS will continue to:

- Implement structural and procedural changes in its central office and field offices, and reduce staff resources dedicated to lesser priority functions;
- Assure that core services are maintained, agency priorities are addressed and improvements in productivity and revenue generation are achieved;
- Maximize Federal and other revenue sources in an effort to maintain existing programs at current levels;
- Achieve efficiencies in local programs by reducing funding to those provider agencies whose performance is not meeting established standards, as determined through OASAS' annual performance measurement, review and evaluation processes; and
- Advance voluntary provider workforce development as a critical priority. In 2003-04, OASAS' Taskforce on Workforce Development - comprising representatives of providers, local governments and professional associations - will increase its efforts to evaluate and pursue such initiatives as: partnering with academic institutions and promoting academic internships; marketing career opportunities in the addiction field; reengineering the credentialing process, including regulatory revisions; reducing administrative reporting burdens, and developing and disseminating a guide on employer best practices.

PROGRAM HIGHLIGHTS

As the largest drug and alcohol prevention and treatment system in the nation, OASAS administers a comprehensive array of prevention and treatment services for New Yorkers. The Office works with a network of State, local government and voluntary agencies, as well as school districts, to provide prevention and treatment services. In accordance with Federal and State statutes, the Agency licenses and regulates program providers, ensures that fiscal resources are appropriately spent, and assists local programs in providing the highest quality services.

On any given day, approximately 114,000 patients are enrolled in New York State's licensed chemical dependence treatment and rehabilitation system. Services within this system are provided by approximately 1,300 community-based agencies.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	74,006,000	76,525,000	2,519,000	620,000
Aid To Localities	403,471,600	394,377,000	(9,094,600)	195,173,000
Capital Projects	31,020,000	36,835,000	5,815,000	118,164,000
Total	508,497,600	507,737,000	(760,600)	313,957,000

SUBSTANCE ABUSE SERVICES

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2002-03	2003-04	FTE Change
	Estimated FTEs 03/31/03	Estimated FTEs 03/31/04	
Executive Direction			
General Fund	327	315	(12)
Special Revenue Funds - Federal	75	59	(16)
Special Revenue Funds - Other	12	12	0
Capital-Administration			
Capital Projects Funds - Other	8	8	0
Institutional Services			
General Fund	547	531	(16)
Special Revenue Funds - Federal	0	16	16
Prevention and Program Support			
Special Revenue Funds - Federal	10	10	0
Total	979	951	(28)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available	Recommended	Change
	2002-03	2003-04	
General Fund	49,290,000	48,670,000	(620,000)
Special Revenue Funds - Federal	5,675,000	6,379,000	704,000
Special Revenue Funds - Other	19,041,000	21,476,000	2,435,000
Total	74,006,000	76,525,000	2,519,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available	Recommended	Change
	2002-03	2003-04	
Executive Direction			
General Fund	20,359,000	22,461,000	2,102,000
Special Revenue Funds - Federal	5,675,000	5,179,000	(496,000)
Special Revenue Funds - Other	8,911,000	9,226,000	315,000
Institutional Services			
General Fund	28,931,000	26,209,000	(2,722,000)
Special Revenue Funds - Federal	0	1,200,000	1,200,000
Special Revenue Funds - Other	10,130,000	12,250,000	2,120,000
Total	74,006,000	76,525,000	2,519,000

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	20,697,000	(184,000)	20,517,000	(184,000)
Institutional Services	29,632,000	(568,000)	28,771,000	(568,000)
Total	50,329,000	(752,000)	49,288,000	(752,000)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	112,000	0	68,000	0
Institutional Services	454,000	0	407,000	0
Total	566,000	0	475,000	0

SUBSTANCE ABUSE SERVICES

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Executive Direction	9,704,000	2,526,000	540,000	0
Institutional Services	8,827,000	(34,000)	3,067,000	0
Total	18,531,000	2,492,000	3,607,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Executive Direction	641,000	0	8,499,000	2,526,000
Institutional Services	251,000	0	5,157,000	0
Total	892,000	0	13,656,000	2,526,000

Program	Equipment	
	Amount	Change
Executive Direction	24,000	0
Institutional Services	352,000	(34,000)
Total	376,000	(34,000)

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Executive Direction	6,465,000	(421,000)	2,753,000	(797,000)
Institutional Services	1,200,000	1,200,000	865,000	865,000
Total	7,665,000	779,000	3,618,000	68,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Executive Direction	2,027,000	284,000	1,685,000	92,000
Institutional Services	335,000	335,000	0	0
Total	2,362,000	619,000	1,685,000	92,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	254,767,600	244,793,000	(9,974,600)
Special Revenue Funds - Federal	135,004,000	143,084,000	8,080,000
Special Revenue Funds - Other	13,700,000	6,500,000	(7,200,000)
Total	403,471,600	394,377,000	(9,094,600)

SUBSTANCE ABUSE SERVICES

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2002-03	Recommended 2003-04	Change
Community Treatment Services Program			
General Fund	203,489,000	195,839,000	(7,650,000)
Special Revenue Funds - Federal	91,552,000	98,890,000	7,338,000
Special Revenue Funds - Other	5,700,000	0	(5,700,000)
Prevention and Program Support			
General Fund	50,454,000	48,954,000	(1,500,000)
Special Revenue Funds - Federal	43,452,000	44,194,000	742,000
Special Revenue Funds - Other	8,000,000	6,500,000	(1,500,000)
Community Projects			
General Fund	824,600	0	(824,600)
Total	<u>403,471,600</u>	<u>394,377,000</u>	<u>(9,094,600)</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2002-03	Recommended 2003-04	Change	Reappropriations 2003-04
Design and Construction Supervision				
Capital Projects Fund	1,250,000	1,500,000	250,000	1,250,000
Mental Hygiene Capital Improvement Fund	2,250,000	500,000	(1,750,000)	0
Administration				
Capital Projects Fund	982,000	1,025,000	43,000	0
Community Alcoholism and Substance Abuse Facilities				
Capital Projects Fund	3,288,000	5,310,000	2,022,000	13,000,000
Mental Hygiene Capital Improvement Fund	20,000,000	26,250,000	6,250,000	89,822,000
Institutional Services Program				
Capital Projects Fund	500,000	500,000	0	1,632,000
Mental Hygiene Capital Improvement Fund	2,000,000	1,000,000	(1,000,000)	12,460,000
Non-Bondable				
Capital Projects Fund	750,000	750,000	0	0
Total	<u>31,020,000</u>	<u>36,835,000</u>	<u>5,815,000</u>	<u>118,164,000</u>

OFFICE OF MENTAL HEALTH

MISSION

The Office of Mental Health's (OMH) mission is to promote hope and recovery for people with psychiatric disabilities. It is responsible for planning and operating an integrated system of mental health care that serves adults with serious and persistent mental illness and children with serious emotional disturbances. In the aftermath of the disaster of September 11th, OMH has coordinated mental health care for New Yorkers to alleviate psychological distress, promote good mental health and foster resiliency.

ORGANIZATION AND STAFFING

The Office of Mental Health is headed by a Commissioner who is appointed by the Governor. New York's public mental health system consists of programs that are operated by the Office of Mental Health, as well as community programs certified and funded by the State, but operated by local governments, and not-for-profit and proprietary providers. OMH regulates and licenses approximately 2,500 programs across the State. The combined system serves both adults who have serious and persistent mental illness and children with serious emotional disturbances who have experienced substantial problems in functioning.

OMH currently operates 28 facilities across the State, including 17 Adult Psychiatric Centers and six Children's Psychiatric Centers. In addition, OMH operates three Forensic Psychiatric Centers which serve individuals with histories in the criminal justice system and two Research Institutes. OMH will have a workforce of 17,310 for 2003-04, most of whom work directly with patients. The remainder comprises supervisors of direct care and clinical workers, administrative support and management personnel.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2003-04 Executive Budget provides funds totaling \$2.17 billion for the Office of Mental Health from General Fund, Federal and third-party resources, an increase of \$22 million, compared to 2002-03.

Budget recommendations for the Office of Mental Health will strengthen community mental health care and accountability and provide the highest quality inpatient care for people requiring such services.

Over the past eight years, the Office of Mental Health has strengthened community services while achieving greater efficiencies in the operation of its inpatient programs. The Agency has closed four psychiatric centers as well as unneeded State-operated inpatient beds at other facilities; consolidated adult inpatient care at three campuses onto one campus on Long Island; and fundamentally restructured State-operated outpatient services. Simultaneously, it has significantly expanded community housing, case management and other community services and supports for individuals with mental illness. As a result, approximately two-thirds of every dollar devoted to mental health services is now spent on community mental health care.

The recommended Budget for 2003-04 will continue this focus on community care by closing unnecessary institutional capacity and providing full funding for a number of multi-year initiatives to expand community-based services now underway. These include the Enhanced Community Services Program; Kendra's Law, with its assisted outpatient treatment and psychiatric medication grant programs; and the New York/New York II agreement and other housing development.

Since 1994-95, the Office of Mental Health has also aggressively streamlined its administrative functions at all levels of the organization — Central Office, Field Offices, facility cabinets, clinical management and outpatient services. This effort has enabled it to eliminate over 700 administrative positions with a recurring annual savings of more than \$38 million.

MENTAL HEALTH

OMH has also redesigned local programs for greater efficiency, maximization of Federal Medicaid reimbursement and more effective service delivery. To achieve necessary savings in 2003-04, OMH will:

- Reduce spending on unnecessary inpatient capacity;
- Institute tighter controls on staffing by eliminating funded vacancies that are no longer essential;
- Limit non-personal services expenses through contract reviews and renewals and strict controls on travel, equipment and other purchases;
- Achieve local funding efficiencies through the elimination of duplicative and unnecessary spending and reimbursement mechanisms, including the Alternative Rate Methodology for certain hospitals; and
- Continue to implement initiatives to maximize Federal Medicaid reimbursement including the conversion of funding for shared staff and other positions assigned to community programs.

The 2003-04 Executive Budget also saves \$7.8 million by consolidating the Nathan S. Kline Institute (NKI) in Rockland County into the New York Psychiatric Institute (NYPI) in Manhattan. The streamlining of research activities into a single, more cost effective research entity will reduce the need for State tax dollar support by eliminating duplicative and non-essential activities. Under the auspices of NYPI, OMH will continue its commitment to research at the two campuses in children and adult clinical treatment, basic biomedical and neurological sciences and health services for the mentally ill.

COMMUNITY REINVESTMENT

The Executive Budget for 2003-04 recommends that four adult psychiatric centers and one children's psychiatric center be closed and necessary inpatient capacity be consolidated at the 18 remaining adult and children's facilities. This measure will achieve significant operating efficiencies and capital construction savings while permitting continued investment in community-based mental health services. The facilities recommended for closure are as follows:

- Elmira Psychiatric Center will be consolidated with Rochester Psychiatric Center and will close on July 1, 2003;
- Hutchings Psychiatric Center will be consolidated with Mohawk Valley Psychiatric Center and will close on July 1, 2003;
- Middletown Psychiatric Center will be consolidated with Rockland Psychiatric Center and will close on July 1, 2003;
- Bronx Psychiatric Center will be consolidated with Pilgrim and Creedmoor Psychiatric Centers and will close on October 1, 2005; and
- Bronx Children's Psychiatric Center will be consolidated with other downstate children's facilities and will close on October 1, 2005.

The 2003-04 Budget continues full support for adult and children's community-based services that have been initiated under the Community Mental Health Reinvestment Act and incorporates this funding into the adult and children's programs. Community Reinvestment was designed in the early 1990's as a way to redirect resources from State-operated facilities into community-based services. These resources support community mental health services that are determined through a local planning process and encompass a wide variety of new and expanded programs for children and adults, including outpatient clinics, community support programs and residential beds.

Resources derived from Community Reinvestment have been supplemented over the years through the Governor's Enhanced Community Services Program, New York/New York II, Kendra's Law and other initiatives. Among the highest priorities is to expand community housing and strengthen the State's extensive system of community-based services by supporting its basic infrastructure and workforce.

Reaffirming his commitment to Community Reinvestment, the Governor's Budget advances a new Reinvestment Act to redirect State savings from future bed closures and facility consolidations into community services. The severe fiscal restraints facing New York

preclude new reinvestment funds from the bed closures and three adult facility consolidations proposed in 2003-04. Instead, these savings will be used to fully fund the 2002-03 cost-of-living adjustment (COLA) and fee increase to address workforce issues and improve recruitment and retention in voluntary-operated programs, for which \$30 million is included in the Budget. However, the Governor's legislation would redirect future savings towards the development of 600 new supported housing beds, expansion of children's community-based services and workforce related activities.

Of particular note is that the new Reinvestment legislation reaffirms the Governor's commitment to provide services to children in appropriate settings. Accordingly, all of the savings associated with inpatient bed closures at the Bronx Children's Psychiatric Center will be reinvested into an array of services, including children's crisis intervention beds, home-based crisis intervention teams and home and community-based services waiver slots. As a result, as many as four times the number of children now served in institutional settings will be served while living at home with their families.

ADULT HOMES INITIATIVE

The Governor's Budget includes resources to implement a series of recommendations made by the Adult Homes Workgroup comprising mental health advocates and adult home providers. The 2003-04 Executive Budget includes \$8 million budgeted in the Department of Health to support initiatives to improve the quality of life and safety for adult home residents in New York. The Department of Health, in partnership with the Office of Mental Health, the Commission on Quality of Care for the Mentally Disabled and the State Office for the Aging, will initiate a statewide effort to conduct client assessments; improve medication management; initiate enhanced service coordination and other advocacy services; and expand social and recreational activities. These initiatives build on the Governor's reforms to strengthen the oversight and surveillance of adult homes.

ASSISTED OUTPATIENT TREATMENT

The 2003-04 Budget includes appropriations of \$32 million for the Assisted Outpatient Treatment program ("Kendra's Law") enacted in 1999-2000. The program provides court ordered assisted outpatient treatment for certain people with mental illness who, based on their treatment history and present circumstances, are unlikely to manage safely in the community without supervision. The appropriations support case management and other services aimed at keeping clients in a treatment program and on any required psychiatric medication. The appropriations also cover psychiatric medication to individuals being discharged from State psychiatric centers, community hospitals, prisons and jails while their Medicaid eligibility is being determined.

ENHANCED COMMUNITY SERVICES

Appropriations of \$86.4 million are provided for the Enhanced Community Services Program proposed by Governor Pataki in 2000-01. The program is supported by Health Care Reform Act (HCRA) revenues and, when combined with other funding sources, provides \$125 million for a wide variety of services which strengthen the community mental health service system for children and adults. The program has significantly expanded case management, housing, family support, family-based treatment and other services. Moreover, the Enhanced Community Services Program has fostered more effective systems for managing resources to best serve the clients by establishing new Single Points of Entry at the local level. This improves the assignment of case management and housing opportunities to the most needy clients.

MENTAL HEALTH

COMMUNITY HOUSING

The 2003-04 Budget provides operational and capital funding for local programs to maintain the existing residential system and continue the development of community beds previously authorized through New York/New York II and other housing initiatives. The Governor's Budget recommends development of 2,000 additional community residential beds, with a \$65 million capital appropriation to support the State's contribution towards the first phase of 1,000 beds. When fully operational, these 2,000 beds will require approximately \$50 million in additional ongoing support. Including this new commitment to expand residential capacity, the Budget supports 26,100 beds currently operating and 1,000 new community beds from prior-year initiatives that are expected to open by the end of 2003-04, as well as another 4,000 in other stages of planning and development.

CAPITAL PROJECTS

OMH's Capital Budget includes new appropriations of \$215.5 million for preservation and maintenance of inpatient and community facilities. Capital spending from new appropriations and re-appropriations will support facility projects that will increase health and safety, preserve and maintain the physical plant consistent with the Office of Mental Health's facility maintenance program and comply with accreditation standards. Capital spending is also provided for local programs to maintain the existing residential system and to continue development of community beds previously authorized.

PROGRAM HIGHLIGHTS

New York State will continue to rank number one in the nation in total spending and per capita spending on State and local programs for the mentally ill.

- State-operated facilities provide inpatient, outpatient and community support programs throughout the State that serve adults, children, and forensic populations. State-operated psychiatric centers provide inpatient services to approximately 7,600 adults and children who are admitted annually, while over 37,000 individuals are served through various outpatient and support programs.
- While inpatients vary greatly in age, level of disability and length of hospitalization, a range of treatment and rehabilitative services is offered as patients progress from admission to discharge. In addition, OMH provides specialized services for physically disabled, aggressive and assaultive, and multi-diagnosed patients, as well as patients who have criminal histories.
- The Office operates an array of community-based programs located throughout the State. These programs, staffed with State employees, provide supportive services to enable individuals with mental illness to avoid long-term inpatient stays. State-operated community-based services currently include community residential facilities and residential care centers for adults and children, outpatient programs, intensive case management positions and a variety of supportive employment, work-for-pay, crisis and other community support programs.
- OMH also funds a wide range of community services provided by local governments and private organizations. These include emergency services such as Comprehensive Psychiatric Emergency Programs; outpatient services such as mental health clinics and day treatment programs and community support programs such as Intensive and Supportive Case Management, residential programs and consumer-run self-help and self-operated programs. Overall, State Aid and Medicaid (budgeted largely in the Department of Health) will provide about \$2 billion for not-for-profit and county-operated community mental health programs through a network of approximately 2,500 programs serving over 500,000 persons a year.

MENTAL HEALTH

In all mental health settings, the fundamental goal of OMH is to maximize access to quality mental health care for every single New Yorker. This includes bridging the gap between science and service and focusing on accountability for results, best practices and coordination of care.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	1,165,443,500	1,114,126,000	(51,317,500)	1,258,000
Aid To Localities	824,050,000	844,723,000	20,673,000	36,897,000
Capital Projects	162,880,000	215,482,000	52,602,000	555,105,000
Total	<u>2,152,373,500</u>	<u>2,174,331,000</u>	<u>21,957,500</u>	<u>593,260,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Administration and Finance			
General Fund	559	534	(25)
Special Revenue Funds - Federal	14	14	0
Enterprise Funds	20	20	0
Internal Service Funds	24	24	0
Adult Services			
General Fund	11,883	11,071	(812)
Capital Planning			
Capital Projects Funds - Other	41	41	0
Children and Youth Services			
General Fund	1,969	1,969	0
Forensic Services			
General Fund	1,879	1,879	0
Maintenance Undistributed			
Special Revenue Funds - Other	397	397	0
Research			
General Fund	497	384	(113)
Special Revenue Funds - Other	27	27	0
Total	<u>17,310</u>	<u>16,360</u>	<u>(950)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	667,599,500	505,715,000	(161,884,500)
Special Revenue Funds - Federal	1,258,000	1,272,000	14,000
Special Revenue Funds - Other	485,447,000	595,981,000	110,534,000
Enterprise Funds	8,277,000	8,284,000	7,000
Internal Service Funds	2,292,000	2,304,000	12,000
Fiduciary Funds	570,000	570,000	0
Total	<u>1,165,443,500</u>	<u>1,114,126,000</u>	<u>(51,317,500)</u>

MENTAL HEALTH

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2002-03	Recommended 2003-04	Change
Administration and Finance			
General Fund	57,061,000	55,807,000	(1,254,000)
Special Revenue Funds - Federal	1,258,000	1,272,000	14,000
Special Revenue Funds - Other	1,300,000	1,300,000	0
Enterprise Funds	8,277,000	8,284,000	7,000
Internal Service Funds	2,292,000	2,304,000	12,000
Fiduciary Funds	570,000	570,000	0
Adult Services			
General Fund	792,485,000	733,715,000	(58,770,000)
Special Revenue Funds - Other	0	15,025,000	15,025,000
Children and Youth Services			
General Fund	119,382,000	120,267,000	885,000
Enhanced Community Services			
General Fund	19,600,000	19,600,000	0
Forensic Services			
General Fund	114,763,500	115,712,000	948,500
Maintenance Undistributed			
General Fund	(478,128,000)	(573,531,000)	(95,403,000)
Special Revenue Funds - Other	478,128,000	573,531,000	95,403,000
Research			
General Fund	42,436,000	34,145,000	(8,291,000)
Special Revenue Funds - Other	6,019,000	6,125,000	106,000
Total	<u>1,165,443,500</u>	<u>1,114,126,000</u>	<u>(51,317,500)</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Finance	34,895,000	(1,254,000)	33,567,000	(1,264,000)
Adult Services	597,960,000	(57,753,000)	554,005,000	(53,770,000)
Children and Youth Services	107,426,000	800,000	99,486,000	741,000
Forensic Services	105,259,000	784,000	97,151,000	723,000
Research	30,502,000	(6,050,000)	30,043,000	(5,929,000)
Total	<u>876,042,000</u>	<u>(63,473,000)</u>	<u>814,252,000</u>	<u>(59,499,000)</u>
Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Finance	1,017,000	8,000	311,000	2,000
Adult Services	14,914,000	(1,320,000)	29,041,000	(2,663,000)
Children and Youth Services	3,325,000	25,000	4,615,000	34,000
Forensic Services	3,188,000	24,000	4,920,000	37,000
Research	39,000	(43,000)	420,000	(78,000)
Total	<u>22,483,000</u>	<u>(1,306,000)</u>	<u>39,307,000</u>	<u>(2,668,000)</u>

MENTAL HEALTH

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Finance	20,912,000	0	912,700	0
Adult Services	135,755,000	(1,017,000)	66,791,000	144,000
Children and Youth Services	12,841,000	85,000	6,265,000	85,000
Enhanced Community Services	19,600,000	0	0	0
Forensic Services	10,453,000	164,500	6,364,000	164,500
Research	3,643,000	(2,241,000)	1,427,000	(1,476,000)
Total	203,204,000	(3,008,500)	81,759,700	(1,082,500)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Finance	1,431,500	0	16,569,400	0
Adult Services	2,836,000	(70,000)	60,481,000	(1,031,000)
Children and Youth Services	509,000	0	5,526,000	0
Enhanced Community Services	0	0	0	0
Forensic Services	622,000	0	3,268,000	0
Research	60,000	(15,000)	2,091,000	(705,000)
Total	5,458,500	(85,000)	87,935,400	(1,736,000)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	1,998,400	0	0	0
Adult Services	2,482,000	(60,000)	3,165,000	0
Children and Youth Services	541,000	0	0	0
Enhanced Community Services	0	0	19,600,000	0
Forensic Services	199,000	0	0	0
Research	65,000	(45,000)	0	0
Total	5,285,400	(105,000)	22,765,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Finance	13,730,000	33,000	4,328,000	0
Adult Services	15,025,000	15,025,000	15,025,000	15,025,000
Research	6,125,000	106,000	1,915,000	0
Total	34,880,000	15,164,000	21,268,000	15,025,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	8,102,000	33,000	1,300,000	0
Adult Services	0	0	0	0
Research	4,210,000	106,000	0	0
Total	12,312,000	139,000	1,300,000	0

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	711,280,000	730,059,000	18,779,000
Special Revenue Funds - Federal	38,235,000	40,129,000	1,894,000
Special Revenue Funds - Other	74,535,000	74,535,000	0
Total	824,050,000	844,723,000	20,673,000

MENTAL HEALTH

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2002-03	Recommended 2003-04	Change
Adult Services			
General Fund	570,063,000	582,565,000	12,502,000
Special Revenue Funds - Federal	30,400,000	32,294,000	1,894,000
Special Revenue Funds - Other	7,735,000	7,735,000	0
Children and Youth Services			
General Fund	140,191,000	147,494,000	7,303,000
Special Revenue Funds - Federal	7,835,000	7,835,000	0
Enhanced Community Services			
Special Revenue Funds - Other	66,800,000	66,800,000	0
Community Projects			
General Fund	1,026,000	0	(1,026,000)
Total	<u>824,050,000</u>	<u>844,723,000</u>	<u>20,673,000</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2002-03	Recommended 2003-04	Change	Reappropriations 2003-04
Design and Construction Supervision				
Capital Projects Fund	1,750,000	2,000,000	250,000	1,750,000
Mental Hygiene Capital Improvement Fund	8,000,000	8,000,000	0	8,087,000
Executive Direction				
Capital Projects Fund	0	0	0	3,325,000
Mental Hygiene Capital Improvement Fund	3,300,000	3,300,000	0	3,300,000
Community Mental Health Facilities				
Capital Projects Fund	6,000,000	7,000,000	1,000,000	24,881,000
Mental Hygiene Capital Improvement Fund	5,470,000	70,482,000	65,012,000	128,445,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	27,950,000	32,000,000	4,050,000	30,125,000
Mental Hygiene Capital Improvement Fund	108,410,000	91,700,000	(16,710,000)	347,192,000
Non-Bondable				
Capital Projects Fund	2,000,000	1,000,000	(1,000,000)	8,000,000
Total	<u>162,880,000</u>	<u>215,482,000</u>	<u>52,602,000</u>	<u>555,105,000</u>

OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

MISSION

The Office of Mental Retardation and Developmental Disabilities (OMRDD) serves and supports individuals and families of individuals with developmental disabilities. OMRDD works with local governments and non-profit providers to oversee a comprehensive system for delivery of services to people who have developmental disabilities. Both institutional and community-based services are delivered through a network of community programs operated by non-profit providers, State Developmental Centers and numerous State-operated programs based in the community.

ORGANIZATION AND STAFFING

Under the direction of a Commissioner appointed by the Governor, OMRDD currently operates through district offices, called Developmental Disabilities Services Offices (DDSO). Its Central Office oversees and supports operations of the district offices.

OMRDD will have a workforce of 22,245 for 2003-04, most of whom work directly with consumers of services. The remainder comprises supervisors of direct care workers, clinicians, administrative support and management personnel.

By the end of 2003-04, OMRDD will operate some 497 developmental center beds, along with 1,063 special unit beds. From 1995 to the end of the 2003-04 fiscal year, the State will have moved approximately 3,630 people into more appropriate community care and will have closed nearly 2,100 unneeded institutional beds.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Total funding of \$2.7 billion supports a comprehensive system of care serving more than 125,000 persons with disabilities and their families, reflecting the Governor's ongoing commitment to serving the needs of persons with developmental disabilities. The Executive Budget recommendations for 2003-04 preserve essential direct care and maintain the quality of services for consumers in both non-profit and OMRDD-operated programs, despite the need to implement cost-savings measures in the face of the State's fiscal difficulties. Importantly, a portion of the achieved savings is retained to fully fund the voluntary provider three percent cost-of-living adjustment (COLA) implemented in December 2002, which is designed to help address workforce recruitment and retention problems. Under these recommendations:

- OMRDD's Institutional Services Program will receive total funding of \$377.2 million, to support residential care and habilitative services for people in developmental centers and special treatment units;
- OMRDD's Central Coordination and Support Program will receive \$60.8 million to provide policy direction and technical support to the entire service system;
- OMRDD's Community Services Program will receive nearly \$2.2 billion to fund hundreds of State-operated residential and day programs and ancillary services such as clinics and transportation networks, as well as to support local governments and a network of more than 600 non-profit agencies; and
- OMRDD's new capital appropriations will total \$90.1 million for the maintenance of existing institutions, community residential and day program sites as well as the development and renovation of residential and day programming sites and other expanded bed capacity.

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

As a means to achieve financial savings to address the State's deficit and to refocus OMRDD activities on its central mission to provide quality services to individuals with mental retardation and developmental disabilities and their families, non-core programs are eliminated. Specifically, Article VII legislation is proposed to eliminate the Youth Opportunity Program, which has not succeeded in its mission to attract minority youth to join OMRDD's long-term workforce. Approximately \$11 million in operating savings and over \$12 million in capital cost avoidance are also achieved from the closure of the Institute for Basic Research (IBR) on Staten Island. While IBR's research activities are of high quality, they do not specifically translate into effective treatment protocols or support the service system's direct delivery of care to consumers.

These recommendations anticipate that OMRDD will continue to aggressively pursue Federal financial support for its programs as well as take other targeted administrative actions to achieve management efficiencies in both the State and non-profit sectors.

The 2003-04 Executive Budget fully funds and expands the Governor's nationally acclaimed initiative known as New York State-Creating Alternatives in Residential Environments and Services (NYS-CARES), thereby maintaining his commitment to serve those developmentally disabled New Yorkers on waiting lists for residential services. As this program enters its fifth year, nearly 7,000 persons have already left the waiting list for homes in the community. During this time, OMRDD has continually worked with families to review the waiting list and verify their needs. As a result of this collaboration, and building on the success of the original initiative, the Governor is introducing NYS-CARES II designed to develop additional services to meet families' articulated needs. Accordingly, NYS-CARES II will provide an additional 1,900 new residential beds beyond the almost 4,900 new beds committed to in 1998. It will also create another 600 new opportunities for in-home services, 370 new opportunities for day services and additional funding for family support services beyond the State's initial commitment, to help individuals stay with their families as long as possible. By the end of the decade, OMRDD will have developed a total of 6,800 new residential beds under NYS-CARES which, when coupled with the more than 37,000 funded community beds already in the system, will provide ample placement opportunities to individuals on the residential waiting list.

In support of existing services, a trend factor of 3.4 percent will be applied to adjusted 2002-03 reimbursement levels for Intermediate Care Facilities (ICF) and most Home and Community-Based Services (HCBS) Waiver programs, providing more than \$33.5 million in additional State funding to non-profit community-based providers for residential and other services. All new residential programs developed under NYS-CARES will receive this funding.

The effort to place individuals residing in the developmental centers into more appropriate community settings will continue. An additional 130 individuals will leave institutions for care in their own communities during 2003-04, and new admissions will be limited to emergency situations involving persons with special needs and those entering special treatment units. Projections are that by the end of 2003-04, there will be only 497 people statewide living in developmental centers. OMRDD remains committed to deinstitutionalization for all consumers who can be appropriately cared for in community settings.

In addition, OMRDD continues to protect the safety and welfare of the public. The 2003-04 Executive Budget recommends continued funding of State-operated capacity for persons with severe behavioral difficulties who require intensive treatment services. Placements in these specialized settings ensure that OMRDD can appropriately treat individuals who are a danger to themselves or others.

In 2003-04, 30 beds will be added in the least restrictive of these units, known as Local Intensive Treatment Units. These units will require enriched staffing ratios to offer a more appropriate level of care to persons who cannot be adequately cared for in regular developmental center Multiply Disabled Units (MDUs), but do not require a secure treatment setting.

The 2003-04 Executive Budget also supports 20 new MDU openings for Office of Mental Health patients who are dually diagnosed with both developmental disabilities and mental

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

illness, but whose primary diagnosis is mental retardation/developmental disability. All of these individuals will transfer from the Office of Mental Health's auspice to OMRDD, where they will receive more appropriate care.

OMRDD continues to improve the efficiency and cost-effectiveness of its operations. In 2003-04 the agency will undertake efforts to:

- Emphasize use of less costly services, when appropriate;
- Maximize use of existing service capacity;
- Streamline and institute new internal controls on billing procedures;
- Diligently review eligibility for services;
- Continue strict controls on hiring in non-patient-care positions in both the DDSOs and Central Office;
- Provide more efficient employee and provider training;
- Implement a fully automated time and attendance system;
- Limit non-personal service expenditures, especially non-essential categories such as travel and new equipment purchases; and
- Further reduce overtime expenditures.

Infrastructure throughout the State and not-for-profit systems will be maintained through new capital appropriations of \$90.1 million and reappropriations of \$165.7 million. Capital appropriations for institutional projects will focus on the need to reinvest resources into preserving and maintaining long-term facilities, mostly for a core population of consumers who have severe behavioral treatment needs and/or have been involved with the criminal justice system.

Capital projects in the community reflect a continued investment to maintain both State and voluntary not-for-profit community-based sites, and to develop State-operated residential placements for adults in developmental centers and on the NYS-CARES waiting list. While a modest increase in bonded appropriations is included, in part to address funding needs for small inner-city providers which cannot obtain alternative financing, voluntary not-for-profit capital development needs for NYS-CARES and other program expansion initiatives will continue to be met primarily through the use of non-State revenue such as Federal Housing and Urban Development (HUD) grants and private financing.

In total, these recommendations — through the combination of new and currently operating programs — will support an estimated 8,900 new service opportunities in the community during 2003-04. This reflects 2,800 people newly-placed in residential settings and 6,100 new service opportunities in non-residential programs. Community placements will be targeted for people in developmental centers and for mandated populations, as well as people on community waiting lists. Services to individuals and families have also been preserved within family support services.

PROGRAM HIGHLIGHTS

OMRDD serves more than 125,000 New Yorkers with developmental disabilities, which include mental retardation, epilepsy, cerebral palsy, neurological impairments and autism. In recent years, New York has made great strides in its methods of delivering services to this vulnerable population, moving more people from institutions to the community than any other state in the nation. In addition, New York continues to place greater emphasis on consumer choice and satisfaction.

Under a 1991 Federal Medicaid waiver, consumers have the opportunity to receive individualized services in less restrictive settings. With the aid of trained service coordinators, consumers choose the services they need, and receive them in appropriate settings. New York commits more resources to its Home and Community Based Services (HCBS) Waiver program than any state in the nation, investing three times as much as the next highest state offering services under a waiver.

Maintaining a statewide system of services, delivered through both the State and non-profit providers, OMRDD:

- Provides 36,600 persons with certified residential services;
- Provides 65,000 persons with community day services; and

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

- Assists in the care of 73,000 persons with developmental disabilities who are living in their own homes.

An overview of these services is provided below.

RESIDENTIAL SERVICES

Residential services are offered through a continuum of programs in both community and institutional settings. The alternative that provides the most intensive services in a community setting is the Intermediate Care Facility for the Developmentally Disabled (ICF/DD). These facilities — some 8,000 beds operated statewide by both State and not-for-profit providers — are appropriate for individuals requiring 24-hour care. A typical community ICF has 12 to 14 beds.

The most common residential placement for persons under the waiver are Individual Residential Alternatives (IRAs) — homes, typically for 4 to 8 consumers, operated by either the State or not-for-profit providers in the community. This budget supports more than 20,000 IRA beds and accompanying service coordination. Other community living arrangements include Community Residences and Family Care homes, which serve more than 6,400 people.

In addition to these community-based programs, OMRDD operates ten campuses across the State. Some 1,600 people will be served in these settings by the end of 2003-04, of which more than 68 percent will be receiving specialized services. OMRDD remains committed to providing community residential opportunities for all those in State institutions who can receive appropriate care in the community. Currently, New York serves more persons in community residential settings than any other state, with the exception of California.

DAY SERVICES

OMRDD supports an array of day services for persons with developmental disabilities, which also vary depending on the needs of the consumer. The major programs include:

- Day treatment which provides diagnostic, treatment, and rehabilitative services;
- Day habilitation, a smaller more individualized service for persons under the Federal Medicaid waiver for home and community based services;
- Supported employment, which provides the opportunity for individuals to work in competitive positions usually in integrated settings in the private sector;
- Sheltered workshops which provide basic, non-competitive work opportunities; and
- Day training which develops the knowledge and skills that enable persons with developmental disabilities to improve their personal, social, and vocational skills and to function independently.

SUPPORT FOR CONSUMERS LIVING IN THEIR OWN HOMES

OMRDD services also support families and individuals in their own homes. The Family Support Services program assists families in caring for more than 64,000 persons with developmental disabilities, enabling these individuals to remain at home. Services offered include respite, crisis intervention, case management, recreation, information and referral, and home care.

The Individualized Support Services program provides services to nearly 1,500 disabled individuals who live independently. In addition, more than 8,200 individuals living in their own homes receive residential habilitation under the Federal Medicaid waiver.

The Care at Home program provides a third alternative, designed to preserve family settings for persons under 18 years of age with developmental disabilities, who are medically frail. This program allows the parents of young persons with severe disabilities to maintain the child at home, regardless of family income level, thereby preventing more costly out-of-home placements.

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	1,198,402,000	1,203,550,000	5,148,000	80,000
Aid To Localities	1,272,376,800	1,397,845,000	125,468,200	442,000
Capital Projects	116,613,000	90,081,000	(26,532,000)	165,689,000
Total	<u>2,587,391,800</u>	<u>2,691,476,000</u>	<u>104,084,200</u>	<u>166,211,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Central Coordination and Support			
General Fund	783	785	2
Community Services			
General Fund	16,086	16,165	79
Institutional Services			
General Fund	5,182	5,284	102
Enterprise Funds	1	1	0
Research in Mental Retardation			
General Fund	217	10	(207)
Total	<u>22,269</u>	<u>22,245</u>	<u>(24)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	168,994,000	163,473,000	(5,521,000)
Special Revenue Funds - Federal	80,000	80,000	0
Special Revenue Funds - Other	1,026,274,000	1,036,943,000	10,669,000
Enterprise Funds	2,350,000	2,350,000	0
Internal Service Funds	150,000	150,000	0
Fiduciary Funds	554,000	554,000	0
Total	<u>1,198,402,000</u>	<u>1,203,550,000</u>	<u>5,148,000</u>

Adjustments:

Prior Year Deficiency	
Mental Retardation and Developmental Disabilities, Office of	
General Fund	26,458,000
Appropriated 2002-03	<u>1,224,860,000</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2002-03	Recommended 2003-04	Change
Central Coordination and Support			
General Fund	61,065,000	60,593,000	(472,000)
Special Revenue Funds - Federal	80,000	80,000	0
Internal Service Funds	150,000	150,000	0
Community Services			
General Fund	745,192,000	760,041,000	14,849,000
Institutional Services			
General Fund	371,690,000	374,329,000	2,639,000
Enterprise Funds	2,350,000	2,350,000	0
Fiduciary Funds	504,000	504,000	0
Maintenance Undistributed			
General Fund	(1,026,274,000)	(1,036,943,000)	(10,669,000)
Special Revenue Funds - Other	1,026,274,000	1,036,943,000	10,669,000
Research in Mental Retardation			
General Fund	17,321,000	5,453,000	(11,868,000)
Fiduciary Funds	50,000	50,000	0
Total	<u>1,198,402,000</u>	<u>1,203,550,000</u>	<u>5,148,000</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Central Coordination and Support	43,117,000	828,000	40,834,000	784,000
Community Services	655,143,000	15,613,000	637,498,479	15,192,479
Institutional Services	220,897,000	(4,223,000)	212,861,000	(4,069,000)
Research in Mental Retardation	4,945,000	(10,460,000)	4,807,000	(10,168,000)
Total	<u>924,102,000</u>	<u>1,758,000</u>	<u>896,000,479</u>	<u>1,739,479</u>
			Holiday/Overtime Pay (Annual Salaried)	
Program	Amount	Change	Amount	Change
Central Coordination and Support	2,030,000	39,000	253,000	5,000
Community Services	5,176,368	123,368	12,468,153	297,153
Institutional Services	1,041,000	(20,000)	6,995,000	(134,000)
Research in Mental Retardation	83,000	(177,000)	55,000	(115,000)
Total	<u>8,330,368</u>	<u>(34,632)</u>	<u>19,771,153</u>	<u>53,153</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Central Coordination and Support	17,476,000	(1,300,000)	561,000	0
Community Services	104,898,000	(764,000)	37,975,000	(620,000)
Institutional Services	153,432,000	6,862,000	23,316,000	255,000
Research in Mental Retardation	508,000	(1,408,000)	191,000	(528,000)
Total	<u>276,314,000</u>	<u>3,390,000</u>	<u>62,043,000</u>	<u>(893,000)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Central Coordination and Support	1,266,000	0	14,335,000	0
Community Services	6,061,000	(99,000)	48,271,000	(788,000)
Institutional Services	1,196,000	13,000	27,719,000	303,000
Research in Mental Retardation	15,000	(42,000)	231,000	(640,000)
Total	<u>8,538,000</u>	<u>(128,000)</u>	<u>90,556,000</u>	<u>(1,125,000)</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	1,314,000	0	0	(1,300,000)
Community Services	5,286,000	(86,000)	7,305,000	829,000
Institutional Services	2,311,000	25,000	98,890,000	6,266,000
Research in Mental Retardation	71,000	(198,000)	0	0
Total	<u>8,982,000</u>	<u>(259,000)</u>	<u>106,195,000</u>	<u>5,795,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Coordination and Support	230,000	0	0	0
Institutional Services	2,854,000	0	274,000	0
Research in Mental Retardation	50,000	0	0	0
Total	<u>3,134,000</u>	<u>0</u>	<u>274,000</u>	<u>0</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	0	0	230,000	0
Institutional Services	2,580,000	0	0	0
Research in Mental Retardation	50,000	0	0	0
Total	<u>2,630,000</u>	<u>0</u>	<u>230,000</u>	<u>0</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	662,582,800	664,145,000	1,562,200
Special Revenue Funds - Other	607,794,000	731,700,000	123,906,000
Fiduciary Funds	2,000,000	2,000,000	0
Total	<u>1,272,376,800</u>	<u>1,397,845,000</u>	<u>125,468,200</u>

Adjustments:	
Prior Year Deficiency	
Mental Retardation and Developmental Disabilities, Office of General Fund	73,298,000
Appropriated 2002-03	<u>1,345,674,800</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2002-03	Recommended 2003-04	Change
Community Services			
General Fund	659,925,000	664,145,000	4,220,000
Special Revenue Funds - Other	607,794,000	731,700,000	123,906,000
Fiduciary Funds	2,000,000	2,000,000	0
Community Projects			
General Fund	2,657,800	0	(2,657,800)
Total	<u>1,272,376,800</u>	<u>1,397,845,000</u>	<u>125,468,200</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2002-03	Recommended 2003-04	Change	Reappropriations 2003-04
Design and Construction Supervision				
Capital Projects Fund	2,000,000	2,000,000	0	0
Mental Hygiene Capital Improvement Fund	6,000,000	3,000,000	(3,000,000)	0
Voluntary-Operated Community Facilities				
Capital Projects Fund	10,287,000	14,815,000	4,528,000	3,278,000
Mental Hygiene Capital Improvement Fund	8,111,000	6,926,000	(1,185,000)	12,599,000
State-Operated Community Services Program				
Capital Projects Fund	13,953,000	13,886,000	(67,000)	9,100,000
Mental Hygiene Capital Improvement Fund	10,000,000	5,000,000	(5,000,000)	14,600,000
Institutional Services Program				
Capital Projects Fund	16,650,000	17,450,000	800,000	38,426,000
Mental Hygiene Capital Improvement Fund	48,612,000	26,004,000	(22,608,000)	86,686,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	1,000,000
Total	<u>116,613,000</u>	<u>90,081,000</u>	<u>(26,532,000)</u>	<u>165,689,000</u>

COMMISSION ON QUALITY OF CARE FOR THE MENTALLY DISABLED

MISSION

The Commission on Quality of Care for the Mentally Disabled provides oversight of the State and local mental hygiene systems that collectively spend more than \$5 billion in public funds annually. The Commission:

- monitors conditions of care for people with mental disabilities in State institutions, licensed residential facilities, and outpatient programs;
- reports to the Governor and Legislature on how the laws and policies established to protect the rights of people with mental disabilities are being implemented; and
- makes recommendations to improve quality of care.

ORGANIZATION AND STAFFING

The Commission consists of a full-time chairman and two unsalaried members, each appointed by the Governor and confirmed by the Senate to serve staggered five-year terms. During 2003-04, the agency will have a workforce of 90 positions funded by the General Fund, Federal grants and other Federal revenues related to oversight of Medicaid programs.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Commission's State Operations appropriation is supported by the General Fund (23 percent), Federal grants (53 percent) and other funding, primarily receipts from the Medicaid program related to program oversight activities (24 percent).

The Aid to Localities appropriations support:

- private, non-profit service provider agencies that provide advocacy services to residents of adult homes and adult care facilities; and
- non-profit Community Dispute Resolution Centers, which provide support services for the Surrogate Decision Making Committee program.

The Executive Budget recommendation of \$12.5 million fully supports existing program and service levels. The Commission has continued to streamline its administrative functions by utilizing the early retirement incentive that was enacted into law in 2002.

PROGRAM HIGHLIGHTS

OVERSIGHT OF SERVICE DELIVERY

The Commission provides independent oversight and review of State- and voluntary-operated programs serving individuals with mental illness, developmental disabilities, and alcohol and substance abuse problems. Most importantly, it investigates complaints including allegations of patient abuse or mistreatment in facilities operated or licensed by these agencies.

PROTECTION AND ADVOCACY

Federal funding provides statewide protection and advocacy services for individuals with disabilities, using State staff and contracts with non-profit agencies, through the following programs: Protection and Advocacy for the Developmentally Disabled; Client Assistance; Protection and Advocacy for Individuals with Mental Illness; Protection and Advocacy of Individual Rights; Protection and Advocacy for Beneficiaries of Social Security; and

QUALITY OF CARE FOR THE MENTALLY DISABLED

Technology-Related Protection and Advocacy. These programs assist the Commission in strengthening the non-profit contract network by providing individuals with severe disabilities with protection and advocacy services under Federal law.

ADULT HOMES

Residents of adult homes that are serving a large number of persons who have received services through the mental hygiene system receive advocacy services administered by the Commission through contracts with local not-for-profit organizations. These services, funded in part through a suballocation from the Department of Health, focus on protecting and promoting residents' rights. The Commission's dedicated team continues to work collaboratively with the Department of Health and the Office of Mental Health to conduct programmatic and fiscal investigations into the quality of care provided to individuals living in adult homes. The Commission's efforts have been expanded to assist in the implementation of the new State initiatives already underway to improve the quality of life and safety of adult home residents.

SURROGATE DECISION MAKING COMMITTEE

The Surrogate Decision Making Committee (SDMC) program reviews recommendations for medical services on behalf of individuals receiving Mental Hygiene residential services who have neither a legal guardian nor the ability to make decisions for themselves. Volunteer teams comprised of medical, legal and health care professionals and advocates work through local dispute resolution centers to represent these individuals. Expanded under a multi-year gubernatorial initiative, this program is now available statewide.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	11,174,000	12,053,000	879,000	9,940,000
Aid To Localities	568,000	513,000	(55,000)	0
Capital Projects	0	0	0	0
Total	<u>11,742,000</u>	<u>12,566,000</u>	<u>824,000</u>	<u>9,940,000</u>

QUALITY OF CARE FOR THE MENTALLY DISABLED

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2002-03	2003-04	FTE Change
	Estimated FTEs 03/31/03	Estimated FTEs 03/31/04	
Administration			
General Fund	37	34	(3)
Special Revenue Funds - Other	30	30	0
Client Assistance			
Special Revenue Funds - Federal	2	2	0
Protection and Advocacy for Beneficiaries of Social Security			
Special Revenue Funds - Federal	1	1	0
Protection and Advocacy for the Developmentally Disabled			
Special Revenue Funds - Federal	10	10	0
Protection and Advocacy for Individual Rights			
Special Revenue Funds - Federal	2	2	0
Protection and Advocacy for the Mentally Ill			
Special Revenue Funds - Federal	11	11	0
Total	93	90	(3)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	2,985,000	2,758,000	(227,000)
Special Revenue Funds - Federal	5,387,000	6,414,000	1,027,000
Special Revenue Funds - Other	2,782,000	2,861,000	79,000
Enterprise Funds	20,000	20,000	0
Total	11,174,000	12,053,000	879,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2002-03	Recommended 2003-04	Change
Administration			
General Fund	2,985,000	2,758,000	(227,000)
Special Revenue Funds - Federal	0	400,000	400,000
Special Revenue Funds - Other	2,782,000	2,861,000	79,000
Enterprise Funds	20,000	20,000	0
Client Assistance			
Special Revenue Funds - Federal	723,000	727,000	4,000
Protection and Advocacy for Beneficiaries of Social Security			
Special Revenue Funds - Federal	464,000	446,000	(18,000)
Protection and Advocacy for the Developmentally Disabled			
Special Revenue Funds - Federal	1,840,000	1,947,000	107,000
Protection and Advocacy for Individual Rights			
Special Revenue Funds - Federal	846,000	1,080,000	234,000
Protection and Advocacy for the Mentally Ill			
Special Revenue Funds - Federal	1,409,000	1,719,000	310,000
Technology Related Protection and Advocacy			
Special Revenue Funds - Federal	105,000	95,000	(10,000)
Total	11,174,000	12,053,000	879,000

QUALITY OF CARE FOR THE MENTALLY DISABLED

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,105,000	(227,000)	2,105,000	(216,000)
Total	<u>2,105,000</u>	<u>(227,000)</u>	<u>2,105,000</u>	<u>(216,000)</u>

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration	0	(11,000)
Total	<u>0</u>	<u>(11,000)</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	653,000	0	40,000	(1,100)
Total	<u>653,000</u>	<u>0</u>	<u>40,000</u>	<u>(1,100)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	137,000	15,800	451,000	(600)
Total	<u>137,000</u>	<u>15,800</u>	<u>451,000</u>	<u>(600)</u>

Program	Equipment	
	Amount	Change
Administration	25,000	(14,100)
Total	<u>25,000</u>	<u>(14,100)</u>

QUALITY OF CARE FOR THE MENTALLY DISABLED

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	3,281,000	479,000	1,760,000	6,000
Client Assistance	727,000	4,000	118,000	2,000
Protection and Advocacy for Beneficiaries of Social Security	446,000	(18,000)	54,000	0
Protection and Advocacy for the Developmentally Disabled	1,947,000	107,000	466,000	(199,000)
Protection and Advocacy for Individual Rights	1,080,000	234,000	152,000	39,000
Protection and Advocacy for the Mentally III	1,719,000	310,000	582,000	46,000
Technology Related Protection and Advocacy	95,000	(10,000)	0	0
Total	<u>9,295,000</u>	<u>1,106,000</u>	<u>3,132,000</u>	<u>(106,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,121,000	73,000	400,000	400,000
Client Assistance	609,000	2,000	0	0
Protection and Advocacy for Beneficiaries of Social Security	392,000	(18,000)	0	0
Protection and Advocacy for the Developmentally Disabled	1,481,000	306,000	0	0
Protection and Advocacy for Individual Rights	928,000	195,000	0	0
Protection and Advocacy for the Mentally III	1,137,000	264,000	0	0
Technology Related Protection and Advocacy	95,000	(10,000)	0	0
Total	<u>5,763,000</u>	<u>812,000</u>	<u>400,000</u>	<u>400,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available	Recommended	Change
	2002-03	2003-04	
General Fund	195,000	95,000	(100,000)
Special Revenue Funds - Other	373,000	418,000	45,000
Total	<u>568,000</u>	<u>513,000</u>	<u>(55,000)</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available	Recommended	Change
	2002-03	2003-04	
Adult Homes			
General Fund	95,000	95,000	0
Surrogate Decision Making			
Special Revenue Funds - Other	373,000	418,000	45,000
Community Projects			
General Fund	100,000	0	(100,000)
Total	<u>568,000</u>	<u>513,000</u>	<u>(55,000)</u>