

***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 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 15 positions for 2004-05. Approximately 80 percent of these positions are funded with State tax dollars, while 20 percent are financed by Federal grants and other funding sources.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2004-05 All Funds Executive Budget recommendation of more than \$4.2 million expands 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. In order to increase employment opportunities for individuals with disabilities, APD will utilize \$2.6 million in new Federal funds to create a revolving loan fund to assist individuals with disabilities to purchase equipment that will enable them to telework from home or other remote locations.

Additionally, the 2004-05 Executive Budget proposes that the Commission on Quality of Care for the Mentally Disabled now provide administrative support (human resources, payroll, and procurement services) to APD, resulting in administrative efficiencies and permitting APD to focus on its core mission of supporting the needs of individuals with disabilities.

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 155,000 individuals will utilize these services in 2004-05.

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 2003, the Regional TRAIID Centers provided awareness training, device demonstrations, information, education and referrals to over 22,000 persons with disabilities. TRAIID activities will be complemented by APD's new \$2.6 million Federal grant to assist consumers with disabilities to purchase technology that will enable them to work from home.

APD's Disability and Business Technical Assistance Center grant funding will continue to be used to provide comprehensive education, public awareness, and technical assistance programs which promote increased voluntary compliance with the Americans with Disabilities

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Act (ADA). Training activities for 2004-05 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.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	1,593,000	4,275,000	2,682,000	920,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>1,593,000</u>	<u>4,275,000</u>	<u>2,682,000</u>	<u>920,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Advocate for the Disabled			
General Fund	13	12	(1)
Special Revenue Funds - Federal	2	2	0
Special Revenue Funds - Other	1	1	0
Total	<u>16</u>	<u>15</u>	<u>(1)</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	951,000	829,000	(122,000)
Special Revenue Funds - Federal	460,000	3,060,000	2,600,000
Special Revenue Funds - Other	157,000	361,000	204,000
Enterprise Funds	25,000	25,000	0
Total	<u>1,593,000</u>	<u>4,275,000</u>	<u>2,682,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Advocate for the Disabled			
General Fund	951,000	829,000	(122,000)
Special Revenue Funds - Federal	460,000	3,060,000	2,600,000
Special Revenue Funds - Other	157,000	361,000	204,000
Enterprise Funds	25,000	25,000	0
Total	<u>1,593,000</u>	<u>4,275,000</u>	<u>2,682,000</u>

ADVOCATE FOR PERSONS WITH DISABILITIES

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Advocate for the Disabled	720,000	(122,000)	720,000	(122,000)
Total	720,000	(122,000)	720,000	(122,000)

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Advocate for the Disabled	109,000	0	15,000	0
Total	109,000	0	15,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Advocate for the Disabled	20,000	0	72,000	0
Total	20,000	0	72,000	0

Program	Equipment	
	Amount	Change
Advocate for the Disabled	2,000	0
Total	2,000	0

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Nonpersonal Service	
	Amount	Change	Amount	Change
Advocate for the Disabled	3,446,000	2,804,000	2,600,000	2,600,000
Total	3,446,000	2,804,000	2,600,000	2,600,000

Program	Maintenance Undistributed	
	Amount	Change
Advocate for the Disabled	846,000	204,000
Total	846,000	204,000

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 three divisions: Executive, Finance and Administration and Local Program Operations. The Office will have a workforce of 135 positions during 2004-05, 129 funded within the agency, and an additional six funded by other State agencies. Approximately 36 percent of Office operations are funded by the General Fund and the remaining 64 percent are financed by Federal grants.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2004-05 Executive Budget recommends nearly \$184 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 cost efficiencies by initiating a host agency relationship through which the Department of Health will assume responsibility for the agency's human resource activities.

Within the aging system, State support is used to match the 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 \$360 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 86,000 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 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.

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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.

NUTRITION SERVICES

Through a combination of State tax dollars and Federal grants, the State annually provides over \$23.9 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 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

Family members and other informal caregivers provide an estimated 80 percent of long-term care for older New Yorkers; 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 \$11.6 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 1,000 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 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	12,891,000	12,841,000	(50,000)	7,242,000
Aid To Localities	170,762,945	170,974,300	211,355	106,189,300
Capital Projects	0	0	0	0
Total	183,653,945	183,815,300	161,355	113,431,300

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

Full-Time Equivalent Positions (FTE)

Program	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Administration and Grants Management			
General Fund	33	29	(4)
Special Revenue Funds - Federal	97	105	8
Special Revenue Funds - Other	1	1	0
Total	<u>131</u>	<u>135</u>	<u>4</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	2,291,000	2,241,000	(50,000)
Special Revenue Funds - Federal	10,250,000	10,250,000	0
Special Revenue Funds - Other	250,000	250,000	0
Enterprise Funds	100,000	100,000	0
Total	<u>12,891,000</u>	<u>12,841,000</u>	<u>(50,000)</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration and Grants Management			
General Fund	2,291,000	2,241,000	(50,000)
Special Revenue Funds - Federal	10,250,000	10,250,000	0
Special Revenue Funds - Other	250,000	250,000	0
Enterprise Funds	100,000	100,000	0
Total	<u>12,891,000</u>	<u>12,841,000</u>	<u>(50,000)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2004-05 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Grants Management	1,923,000	(50,000)	1,909,500	(50,000)
Total	<u>1,923,000</u>	<u>(50,000)</u>	<u>1,909,500</u>	<u>(50,000)</u>

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration and Grants Management	13,500	0
Total	<u>13,500</u>	<u>0</u>

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**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2004-05 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Grants Management	318,000	0	33,000	0
Total	318,000	0	33,000	0

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

Program	Equipment	
	Amount	Change
Administration and Grants Management	7,000	0
Total	7,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2004-05 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 2003-04	Recommended 2004-05	Change
General Fund	64,662,945	63,874,300	(788,645)
Special Revenue Funds - Federal	105,100,000	106,100,000	1,000,000
Special Revenue Funds - Other	1,000,000	1,000,000	0
Total	170,762,945	170,974,300	211,355

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

Program	Available 2003-04	Recommended 2004-05	Change
Community Services			
General Fund	64,662,945	63,874,300	(788,645)
Special Revenue Funds - Federal	105,100,000	106,100,000	1,000,000
Special Revenue Funds - Other	1,000,000	1,000,000	0
Total	170,762,945	170,974,300	211,355

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 32 members, who have been appointed by the Governor to three-year staggered terms. Federal law requires that at least 60 percent of the Council's 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 Governor appoints the Chairperson of the Council from among the Council's members. 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 2004-05 recommendation of \$4.5 million in Federal funds represents the same level of funding as in 2003-04. 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, providing training and 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

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	4,550,000	4,560,000	10,000	7,639,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>4,550,000</u>	<u>4,560,000</u>	<u>10,000</u>	<u>7,639,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	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 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Enterprise Funds	0	10,000	10,000
Total	<u>4,550,000</u>	<u>4,560,000</u>	<u>10,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Developmental Disabilities Planning			
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Enterprise Funds	0	10,000	10,000
Total	<u>4,550,000</u>	<u>4,560,000</u>	<u>10,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total Amount	Change	Personal Service Amount	Change
Developmental Disabilities Planning	4,560,000	10,000	990,000	16,000
Total	<u>4,560,000</u>	<u>10,000</u>	<u>990,000</u>	<u>16,000</u>

Program	Nonpersonal Service Amount	Change	Maintenance Undistributed Amount	Change
Developmental Disabilities Planning	860,000	102,000	2,710,000	(108,000)
Total	<u>860,000</u>	<u>102,000</u>	<u>2,710,000</u>	<u>(108,000)</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, monitor public health, provide 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, 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 2004-05, the Department of Health will have a workforce of approximately 5,900 positions, with 28 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;
- 56 percent are supported by third party, private patient care and Federal reimbursement; and
- The remaining 14 percent are directly funded by Federal grants.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

MEDICAID

Without any new cost controlling measures, total Medicaid spending in New York would grow to approximately \$44 billion in 2004-05. The 2004-05 Medicaid Budget reflects a

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continued 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 2004-05 Executive Budget proposes that the State assume responsibility for the financing of the local government share of long term care costs over a ten-year period. Additionally, the 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.

Pharmacy

Absent efforts to control growth, State Medicaid spending on pharmacy services will reach over \$1 billion in 2004-05.

The 2004-05 Executive Budget recommends several measures to control these costs. These include: implementing a "forge-proof" prescription program to reduce illegal marketing of drugs; establishing a preferred drug program; reducing pharmacy reimbursement from Average Wholesale Price (AWP) less 12 percent to AWP less 15 percent for name brand prescriptions and to AWP less 30 percent for generic drugs; 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 2004-05 Executive Budget recommendation for HCRA maximizes the use of available revenues, reduces costs where feasible and advances new targeted funding for important initiatives. These changes will ensure that hospitals and clinics will continue to receive adequate funding and that high quality health care services are accessible and affordable for all New Yorkers.

State Medicaid spending for hospitals and clinics is expected to exceed \$2.4 billion in 2004-05, which reflects a Budget recommendation to re-establish a 0.7 percent assessment on hospital revenues.

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 2004-05.

The 2004-05 Executive Budget recommends that the State assume the local government share of long term care costs over a ten-year period, contingent upon enactment of measures to control long term care costs. These savings measures include: re-establishing the reimbursable nursing home assessment at 6.0 percent; refinancing capital debt for AIDS nursing facilities; closing eligibility loopholes that allow individuals to not contribute to the costs of their care; re-establishing a 0.7 percent home care assessment; and increasing home care target savings for counties. In addition, the Budget recommends updating the labor component of the nursing home rate in order to improve recruitment and retention of needed workers. That update is contingent on the elimination of supplemental payments for hospital based nursing homes and facilities with more than 300 beds.

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 reforms are necessary to meet the future needs of the elderly and disabled. Accordingly, the Budget proposes legislation to authorize the Commissioner of

Health to conduct technology demonstration projects that promote the delivery of cost effective and quality services through alternative approaches. The Budget also advances measures to promote more attractive and flexible long term care insurance options.

Managed Care

The 2004-05 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 24 upstate counties — Albany, Broome, Cattaraugus, Chautauqua, Columbia, Erie, Genesee, Greene, Herkimer, Livingston, Monroe, Nassau, Niagara, Oneida, Onondaga, Ontario, Orleans, 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 2004-05.

Managed care enrollment is projected to reach approximately 1.9 million by the end of 2003-04 and 2.0 million by the end of 2004-05. When fully implemented, approximately three-quarters of all Medicaid recipients eligible for managed care are expected to be enrolled. The managed care program has facilitated an increased use of primary care, lower emergency room use, and fewer inpatient days for the Medicaid population.

The State's Medicaid managed care program — currently authorized through March 2006 — ensures that the neediest people receive high quality, accessible health care. Special Needs Plans, which began operation in May 2003, provide comprehensive services to individuals infected with HIV/AIDS. Medicaid managed care also incorporates a comprehensive set of consumer protections to ensure that all 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 significantly expanded with passage of legislation under Governor Pataki's leadership in both 1996 and 1998, resulting in a dramatic increase in enrollment to over 445,000 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 2004-05 Budget recommends transferring children ages 6-19 with incomes between 100 to 133 percent FPL from Medicaid to Child Health Plus and reducing funding for facilitated enrollment.

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FAMILY HEALTH PLUS

As authorized by HCRA 2000, the Family Health Plus program offers access to comprehensive health coverage for 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. The Executive Budget recommends imposing the Medicaid asset/resource test; requiring a 12-month waiting period for those who had group health coverage previously; prohibiting coverage for individuals employed by a large business or governmental entity; requiring co-payments; eliminating dental and vision services; and eliminating facilitated enrollment funding.

OTHER PUBLIC HEALTH PROGRAMS

Excluding Medicaid program costs, General Fund appropriations finance 27 percent of the Department of Health's budget in 2004-05. 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 43 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 30 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 2004-05 Budget:

- Recommends a \$21 million bond financed appropriation for the State share of a \$60 million project to re-build the Veterans Nursing Home at Oxford. DOH will seek Federal funds to finance the balance of the project's costs. Oxford is the oldest of the State's four Veterans homes and the proposed 252-bed home will replace the existing 25-year old facility.
- Includes \$78 million for the Roswell Park Cancer Institute Corporation;
- Sustains the State's commitment to fighting the AIDS epidemic by providing statewide spending of more than \$3 billion, a year-to-year increase of \$449 million, including \$103.4 million for 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 \$704.5 million for the Elderly Pharmaceutical Insurance Coverage program (EPIC) to ensure that more than 325,000 senior citizens receive crucial prescription insurance. The Executive Budget provides a series of measures that will reduce the cost of the EPIC program by \$60 million in 2004-05. These proposals reduce pharmacy reimbursement from Average Wholesale Price (AWP) less 12 percent to AWP less 15 percent for brand name drugs, and to AWP less 30 percent for generic drugs, implement a Preferred Drug Program; and provide an incentive for low-income EPIC enrollees to participate in the new Medicare Discount Drug Program. EPIC fees will be waived for those individuals — reducing their costs and producing savings for EPIC. Together these cost saving measures achieve much needed fiscal relief while continuing to meet the State's obligation to provide adequate health care to its most vulnerable citizens. Even after these savings are considered, New York will still spend considerably more on prescription drug services for seniors than any other state in the nation.

- Includes \$221.6 million for the General Public Health Works program to reimburse of 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 in 2004. Legislation accompanying the budget will adjust the reimbursement system for this program to reduce the State share for “optional services” from 30 percent to 20 percent. Core services and public health emergency reimbursements will be unchanged and counties will be given the flexibility to allocate the optional services reduction within that category;
- Includes \$41.5 million, funded largely from HCRA, for an 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 \$28.8 million. New York continues to be one of only 13 states to augment Federal nutrition funds;
- Includes \$10 million, including \$6 million from HCRA, 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. This includes \$2 million for grants to adult home operators for quality of life enhancements, including technical upgrades, wellness programs and other improvements. The Department, working with the Office of Mental Health, the Commission on Quality of Care for the Mentally Disabled and the State Office for the Aging, has undertaken a statewide effort to conduct client assessments; improve medication management; initiate enhanced service coordination and other advocacy services; and expand social and recreational activities; and
- Provides \$277 million for the State share of Early Intervention (EI) costs and dramatically restructures this program serving infants and toddlers under the age of three who have developmental delays. The budget advances measures to improve insurance reimbursement for EI medical services provided to insured children and require parents earning above 250 percent of the Federal Poverty Level to pay monthly fees ranging from \$25 to \$215. Several additional statutory measures are proposed to promote cost effectiveness, including: a modified rate structure which establishes a single reimbursement rate for in-home services and a capitated rate for service coordination; independent program eligibility evaluations; a two-tier prior approval process for services exceeding five per week, a new fee to support an enhanced provider certification program; and tools for counties to better manage EI, including the authority to set rates.

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 \$42.1 billion in 2003-04, and provide coverage to approximately 3.7 million New Yorkers. Cost containment and revenue maximization initiatives have resulted in the State’s 2003-04 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, and laboratory and x-ray services — New York also provides almost all federally permissible optional services.

Historically, the Federal government has paid for 50 percent of the State’s Medicaid program. However, Federal legislation was enacted in May 2003 providing States with a 2.95 percent increase in Federal Medicaid Assistance Percentage for 15 months — from April 1,

HEALTH

2003 through June 30, 2004. During this period, the State will pay about 33 percent of the total costs and counties will pay about 14 percent. The Federal government matches, on an unlimited basis, each State and local dollar expended on Medicaid.

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;
- In 2003, HCRA was extended for two years, through June 2005. In addition, revenues were enhanced, through increases in health care surcharges and the dedication of additional Empire Conversion proceeds and Federal World Trade Center Funds, to maintain the financial stability of HCRA through the extension period.
- 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 2004-05 Executive Budget further modifies HCRA to maintain affordability while also making targeted investments to promote the use of long-term care insurance and the expanded use of technologies in the management and delivery of health care services. These changes also maximize Federal reimbursement for Graduate Medical Education costs previously financed through HCRA, and dedicate a portion of the proceeds from any not-for-profit insurer to for profit status to HCRA. Furthermore, the Budget also proposes to reduce costs where feasible and eliminate certain HCRA programs which, when combined with the additional revenues, will ensure financing of HCRA programs through June 2005.

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 continue to play key roles in managing the State's preparation for response to bio-terrorism.

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 \$3 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 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	4,550,460,600	4,646,664,000	96,203,400	9,056,076,300
Aid To Localities	35,967,505,500	36,612,241,600	644,736,100	25,121,068,100
Capital Projects	76,600,000	97,600,000	21,000,000	238,087,000
Total	40,594,566,100	41,356,505,600	761,939,500	34,415,231,400

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Administration and Executive Direction			
General Fund	100	88	(12)
Special Revenue Funds - Federal	64	58	(6)
Special Revenue Funds - Other	257	249	(8)
AIDS Institute			
General Fund	151	151	0
Special Revenue Funds - Other	13	13	0
Child Health Insurance			
Special Revenue Funds - Other	38	37	(1)
Community Health			
Special Revenue Funds - Federal	556	566	10
Special Revenue Funds - Other	80	78	(2)
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	23	22	(1)
Environmental Health			
General Fund	104	99	(5)
Special Revenue Funds - Federal	113	113	0
Special Revenue Funds - Other	73	71	(2)
Capital Projects Funds - Other	72	70	(2)
Health Care Financing			
General Fund	59	56	(3)
Special Revenue Funds - Other	59	57	(2)
Health Care Standards and Surveillance			
General Fund	545	543	(2)
Special Revenue Funds - Other	254	248	(6)
Health Services			
Enterprise Funds	14	14	0
Institution Management			
Special Revenue Funds - Other	1,672	1,672	0
Laboratories and Research			
General Fund	387	374	(13)
Special Revenue Funds - Federal	87	81	(6)
Special Revenue Funds - Other	181	176	(5)
Managed Care			
General Fund	160	152	(8)
Medicaid Audit and Fraud Prevention			
General Fund	233	233	0
Special Revenue Funds - Federal	221	246	25
Special Revenue Funds - Other	32	32	0
Office of Medicaid Management			
General Fund	345	338	(7)
Special Revenue Funds - Federal	24	22	(2)
Special Revenue Funds - Other	2	2	0
Total	5,919	5,861	(58)

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	165,891,600	170,066,000	4,174,400
Special Revenue Funds - Federal	3,961,720,000	4,049,572,000	87,852,000
Special Revenue Funds - Other	422,839,000	427,016,000	4,177,000
Enterprise Funds	10,000	10,000	0
Total	4,550,460,600	4,646,664,000	96,203,400

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration and Executive Direction			
General Fund	19,600,000	18,908,000	(692,000)
Special Revenue Funds - Federal	9,066,000	10,370,000	1,304,000
Special Revenue Funds - Other	30,655,000	31,973,000	1,318,000
AIDS Institute			
General Fund	15,707,000	14,771,000	(936,000)
Child Health Insurance			
Special Revenue Funds - Federal	45,478,000	53,000,000	7,522,000
Special Revenue Funds - Other	11,892,000	11,126,000	(766,000)
Community Health			
Special Revenue Funds - Federal	107,733,000	118,124,000	10,391,000
Special Revenue Funds - Other	6,829,000	6,729,000	(100,000)
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	14,550,000	12,007,000	(2,543,000)
Environmental Health			
General Fund	9,037,000	8,641,000	(396,000)
Special Revenue Funds - Federal	26,084,000	27,629,000	1,545,000
Special Revenue Funds - Other	16,176,000	16,079,000	(97,000)
Health Care Financing			
General Fund	4,933,000	4,386,000	(547,000)
Special Revenue Funds - Other	7,158,000	7,275,000	117,000
Health Care Standards and Surveillance			
General Fund	43,362,000	49,962,000	6,600,000
Special Revenue Funds - Other	54,002,000	56,455,000	2,453,000
Institution Management			
Special Revenue Funds - Other	125,035,000	132,426,000	7,391,000
Enterprise Funds	10,000	10,000	0
Laboratories and Research			
General Fund	30,026,000	31,092,000	1,066,000
Special Revenue Funds - Federal	10,158,000	11,448,000	1,290,000
Special Revenue Funds - Other	32,120,000	31,924,000	(196,000)
Maintenance Undistributed			
General Fund	(102,362,000)	(108,962,000)	(6,600,000)
Special Revenue Funds - Other	102,362,000	108,962,000	6,600,000
Managed Care			
General Fund	14,189,000	13,854,000	(335,000)
Special Revenue Funds - Other	60,000	60,000	0
Medicaid Audit and Fraud Prevention			
General Fund	18,781,600	19,096,000	314,400
Special Revenue Funds - Federal	47,478,000	59,883,000	12,405,000
Special Revenue Funds - Other	14,500,000	4,500,000	(10,000,000)
Office of Medicaid Management			
General Fund	44,161,000	44,283,000	122,000
Special Revenue Funds - Federal	3,620,000,000	3,673,395,000	53,395,000
Special Revenue Funds - Other	7,500,000	7,500,000	0
Medicaid Management Information System			
General Fund	68,457,000	74,035,000	5,578,000
Special Revenue Funds - Federal	95,723,000	95,723,000	0
Total	<u>4,550,460,600</u>	<u>4,646,664,000</u>	<u>96,203,400</u>

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**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2004-05 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	7,408,000	(692,000)	7,180,000	(692,000)
AIDS Institute	8,890,000	(936,000)	8,890,000	(936,000)
Environmental Health	6,704,000	(396,000)	6,505,000	(396,000)
Health Care Financing	3,604,000	(547,000)	3,569,000	(547,000)
Health Care Standards and Surveillance	34,355,000	0	33,985,000	0
Laboratories and Research	21,441,000	1,066,000	21,120,000	1,066,000
Managed Care	9,523,000	(335,000)	9,523,000	(335,000)
Medicaid Audit and Fraud Prevention	14,260,000	(115,800)	14,260,000	(115,800)
Office of Medicaid Management	20,229,000	(765,500)	20,229,000	(545,500)
Total	<u>126,414,000</u>	<u>(2,721,300)</u>	<u>125,261,000</u>	<u>(2,501,300)</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
Environmental Health	187,000	0	12,000	0
Health Care Financing	0	0	35,000	0
Health Care Standards and Surveillance	120,000	0	250,000	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	0	(70,000)	0	(150,000)
Total	<u>496,000</u>	<u>(70,000)</u>	<u>657,000</u>	<u>(150,000)</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2004-05 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Executive Direction	11,500,000	0	740,000	0
AIDS Institute	5,881,000	0	1,333,881	0
Environmental Health	1,937,000	0	159,000	0
Health Care Financing	782,000	0	12,000	0
Health Care Standards and Surveillance	15,607,000	6,600,000	279,500	0
Laboratories and Research	9,651,000	0	3,210,000	0
Managed Care	4,331,000	0	34,000	0
Medicaid Audit and Fraud Prevention	4,836,000	430,200	0	(85,300)
Office of Medicaid Management	24,054,000	887,500	0	(305,000)
Medicaid Management Information System	74,035,000	5,578,000	0	0
Total	152,614,000	13,495,700	5,768,381	(390,300)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Executive Direction	262,000	0	10,293,000	0
AIDS Institute	311,700	0	3,556,900	0
Environmental Health	415,000	0	1,223,000	0
Health Care Financing	38,300	0	722,000	0
Health Care Standards and Surveillance	1,247,300	0	7,287,700	0
Laboratories and Research	76,000	0	6,060,000	0
Managed Care	0	0	4,297,000	0
Medicaid Audit and Fraud Prevention	0	(180,000)	3,687,000	1,121,848
Office of Medicaid Management	0	(256,000)	4,000,000	1,708,500
Medicaid Management Information System	0	0	74,035,000	5,578,000
Total	2,350,300	(436,000)	115,161,600	8,408,348

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	205,000	0	0	0
AIDS Institute	228,519	0	450,000	0
Environmental Health	140,000	0	0	0
Health Care Financing	9,700	0	0	0
Health Care Standards and Surveillance	192,500	0	6,600,000	6,600,000
Laboratories and Research	305,000	0	0	0
Managed Care	0	0	0	0
Medicaid Audit and Fraud Prevention	0	(426,348)	1,149,000	0
Office of Medicaid Management	0	(260,000)	20,054,000	0
Medicaid Management Information System	0	0	0	0
Total	1,080,719	(686,348)	28,253,000	6,600,000

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**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2004-05 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Executive Direction	42,343,000	2,622,000	16,419,000	115,000
Child Health Insurance	64,126,000	6,756,000	2,285,000	41,000
Community Health	124,853,000	10,291,000	0	0
Elderly Pharmaceutical Insurance Coverage	12,007,000	(2,543,000)	1,292,000	(324,000)
Environmental Health	43,708,000	1,448,000	4,801,200	(121,800)
Health Care Financing	7,275,000	117,000	4,135,000	2,000
Health Care Standards and Surveillance	56,455,000	2,453,000	15,944,000	(1,799,000)
Institution Management	111,176,000	4,609,000	0	0
Laboratories and Research	43,372,000	1,094,000	8,883,000	(120,000)
Managed Care	60,000	0	0	0
Medicaid Audit and Fraud Prevention	64,383,000	2,405,000	0	0
Office of Medicaid Management	3,680,895,000	53,395,000	0	0
Medicaid Management Information System	95,723,000	0	0	0
Total	4,346,376,000	82,647,000	53,759,200	(2,206,800)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	12,710,000	512,000	13,214,000	1,995,000
Child Health Insurance	8,841,000	(807,000)	53,000,000	7,522,000
Community Health	0	(100,000)	124,853,000	10,391,000
Elderly Pharmaceutical Insurance Coverage	10,590,000	(2,244,000)	125,000	25,000
Environmental Health	9,877,800	174,800	29,029,000	1,395,000
Health Care Financing	3,140,000	115,000	0	0
Health Care Standards and Surveillance	22,416,000	3,452,000	18,095,000	800,000
Institution Management	0	0	111,176,000	4,609,000
Laboratories and Research	11,941,000	(76,000)	22,548,000	1,290,000
Managed Care	0	0	60,000	0
Medicaid Audit and Fraud Prevention	0	(10,000,000)	64,383,000	12,405,000
Office of Medicaid Management	0	0	3,680,895,000	53,395,000
Medicaid Management Information System	0	0	95,723,000	0
Total	79,515,800	(8,973,200)	4,213,101,000	93,827,000

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
General Fund	6,736,928,500	7,040,779,600	303,851,100
Special Revenue Funds - Federal	23,704,913,000	23,801,398,000	96,485,000
Special Revenue Funds - Other	4,295,664,000	4,294,064,000	(1,600,000)
Fiduciary Funds	1,230,000,000	1,476,000,000	246,000,000
Total	35,967,505,500	36,612,241,600	644,736,100

Adjustments:	
Prior Year Deficiency	
Health, Department of	
General Fund	100,000,000
Special Revenue Funds - Other	34,000,000
Recommended Deficiency	
Health, Department of	
Special Revenue Funds - Other	(40,000,000)
Appropriated 2003-04	<u>36,061,505,500</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration and Executive Direction			
General Fund	869,000	602,000	(267,000)
AIDS Institute			
General Fund	5,575,500	787,600	(4,787,900)
Special Revenue Funds - Other	88,253,000	88,253,000	0
Child Health Insurance			
Special Revenue Funds - Federal	949,000,000	1,000,000,000	51,000,000
Special Revenue Funds - Other	496,400,000	435,000,000	(61,400,000)
Community Health			
General Fund	533,866,000	582,699,000	48,833,000
Special Revenue Funds - Federal	640,454,000	641,639,000	1,185,000
Special Revenue Funds - Other	52,823,000	60,323,000	7,500,000
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	620,400,000	704,500,000	84,100,000
Environmental Health			
Special Revenue Funds - Federal	2,788,000	3,206,000	418,000
Special Revenue Funds - Other	6,200,000	6,200,000	0
Health Care Standards and Surveillance			
General Fund	13,806,000	13,731,000	(75,000)
Special Revenue Funds - Federal	0	650,000	650,000
Special Revenue Funds - Other	4,000,000	6,000,000	2,000,000
Laboratories and Research			
General Fund	1,071,000	931,000	(140,000)
Special Revenue Funds - Federal	2,784,000	3,201,000	417,000
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	7,558,000	8,458,000	900,000
Medical Assistance			
General Fund	6,068,121,000	6,325,009,000	256,888,000
Special Revenue Funds - Federal	21,628,087,000	21,670,902,000	42,815,000
Special Revenue Funds - Other	3,020,300,000	2,986,500,000	(33,800,000)
Fiduciary Funds	1,230,000,000	1,476,000,000	246,000,000
Medical Assistance Administration			
General Fund	113,350,000	115,850,000	2,500,000
Special Revenue Funds - Federal	481,800,000	481,800,000	0
Total	<u>35,967,505,500</u>	<u>36,612,241,600</u>	<u>644,736,100</u>

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Design and Construction Supervision				
Capital Projects Fund	0	0	0	452,000
Capital Projects Fund - Advances	0	21,000,000	21,000,000	0
Rehabilitation and Improvements				
Capital Projects Fund	0	0	0	531,000
Laboratories and Research				
Capital Projects Fund	4,000,000	4,000,000	0	11,716,000
Maintenance and Improvements of Existing Institutions				
Capital Projects Fund	7,600,000	7,600,000	0	27,651,000
New Institution Construction				
Capital Projects Fund - Advances	0	0	0	20,000,000
Water Resources				
Federal Capital Projects Fund	65,000,000	65,000,000	0	147,737,000
Safe Drinking Water - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	30,000,000
Total	<u>76,600,000</u>	<u>97,600,000</u>	<u>21,000,000</u>	<u>238,087,000</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 2004-05 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-related operations in other agencies.

The Executive Budget recommends \$162.2 million in assessment revenue to fund the Department's current activities including a new Insurance Disaster Preparedness Unit to help New York and the insurance industry respond to potential natural, financial and terrorist disasters. The industry assessments will provide \$19.1 million to the Department of State for costs associated with fire prevention efforts and enforcement of state building code regulations, and \$31.1 million to the Department of Health for costs associated with disease prevention, health screenings for newborns to reduce future medical needs, and the implementation of a new "forge-proof" prescription program.

The Executive Budget also includes \$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, the Department established an Insurance Disaster Preparedness Unit to coordinate industry efforts to prevent

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and respond to natural, financial and 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 streamlined its regulatory and licensing process. In fact, since 1994 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 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	147,398,000	162,155,100	14,757,100	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	147,398,000	162,155,100	14,757,100	0

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

Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
Special Revenue Funds - Other	127	127	0
Consumer Services			
Special Revenue Funds - Other	161	161	0
Regulation			
Special Revenue Funds - Other	620	620	0
Total	908	908	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Other	147,398,000	162,155,100	14,757,100
Total	147,398,000	162,155,100	14,757,100

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
Special Revenue Funds - Other	11,874,900	12,491,800	616,900
Consumer Services			
Special Revenue Funds - Other	10,820,800	11,285,300	464,500
Regulation			
Special Revenue Funds - Other	124,702,300	138,378,000	13,675,700
Total	<u>147,398,000</u>	<u>162,155,100</u>	<u>14,757,100</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2004-05 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	12,491,800	616,900	7,837,600	122,200
Consumer Services	11,285,300	464,500	7,383,600	100
Regulation	138,378,000	13,675,700	43,620,000	2,166,700
Total	<u>162,155,100</u>	<u>14,757,100</u>	<u>58,841,200</u>	<u>2,289,000</u>
Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	4,654,200	494,700	0	0
Consumer Services	3,901,700	464,400	0	0
Regulation	38,830,200	4,970,200	55,927,800	6,538,800
Total	<u>47,386,100</u>	<u>5,929,300</u>	<u>55,927,800</u>	<u>6,538,800</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 resulting from planned debt management actions.

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	(300,000,000)	(200,000,000)	100,000,000
Special Revenue Funds - Other	300,000,000	200,000,000	(100,000,000)
Total	<u>0</u>	<u>0</u>	<u>0</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Mental Hygiene			
General Fund	(300,000,000)	(200,000,000)	100,000,000
Special Revenue Funds - Other	300,000,000	200,000,000	(100,000,000)
Total	<u>0</u>	<u>0</u>	<u>0</u>

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 2004-05, OASAS will have a workforce of 958, of which 57 percent provide an array of clinical treatment services through the ATCs.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2004-05 Executive Budget recommends \$511.4 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. Overall, the recommended budget is sufficient to ensure the full operation of the 13 State-operated ATCs, as well as the maintenance of health and safety standards in voluntary facilities.

The consolidation of the inpatient treatment system in 2003 represented the completion of a multi-year effort to fully consolidate the separate alcoholism and substance abuse systems into a single chemical dependence system. System consolidation will result in increased accessibility to treatment services, as well as administrative efficiencies for providers.

The State also established fees for Medicaid reimbursement of community-based detoxification services during 2003-04, allowing OASAS to initiate statewide implementation of this important initiative. This community-based alternative to hospital-based detoxification will not only reduce State Medicaid expenses, but also improve service coordination and access to needed treatment. To complement the community detoxification initiative, beginning in 2004-05, OASAS will enhance funding to localities to promote targeted case management/utilization review services for those patients who relapse through the chemical dependence treatment system. Research shows that these activities reduce recidivism, improve treatment outcomes and result in State and local government savings.

In addition, as part of the 2004-05 Budget Recommendations, OASAS will continue to:

- Implement a new residential treatment model for adolescents;
- Maximize non-General Fund revenue sources to minimize State taxpayer support, including a statutory revision that re-establishes Medicaid reimbursement parity for methadone treatment services provided by freestanding clinics with those delivered in hospitals;

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- Implement structural and procedural changes to maximize the use of existing resources; and
- 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.

PROGRAM HIGHLIGHTS

Heading the largest chemical dependence service system in the nation, OASAS administers a comprehensive array of prevention and treatment services for New Yorkers. This is accomplished through a highly qualified network of State, local government and voluntary agencies and school districts. In accordance with Federal and State statute, the Agency licenses and regulates program providers, ensures that fiscal resources are appropriately spent, and assists local programs in providing the highest quality services.

In 2004-05, OASAS will assume administration of the State's \$1.3 million Compulsive Gambling Education and Treatment Program from the Office of Mental Health, thereby consolidating programs dedicated to the treatment and prevention of addictive disorders within a single State agency. The 2004-05 Executive Budget further strengthens this program by providing an additional \$2 million in funding over two years. Overall, individuals will benefit from OASAS' experience and expertise in the treatment and prevention of addictions, as research shows that problem gambling results in the same psychological and physical effects as chemical dependence. Further, this initiative will also maximize coordination of patient care for problem gamblers since approximately 50 percent of them also suffer from chemical dependencies.

Approximately 263,000 patients are served annually in New York State's licensed chemical dependence treatment and rehabilitation system, which consists of approximately 1,300 community-based agencies. OASAS also provides funding to approximately 300 prevention providers who utilize science-based, outcome-oriented programs focusing on such risk factors as family conflict, permissive attitudes towards substance abuse, and lack of commitment to school, which research shows are predictive of adolescent problem behaviors like substance abuse, delinquency, teen pregnancy, school drop-out and violence. While reducing these risk factors, Prevention programs also focus on nurturing healthy beliefs and clear standards within community and family, since combining both activities is crucial to reducing the prevalence of problem behaviors like substance abuse.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	76,525,000	76,582,000	57,000	3,132,000
Aid To Localities	394,377,000	397,951,000	3,574,000	163,169,000
Capital Projects	36,835,000	36,904,000	69,000	127,156,000
Total	507,737,000	511,437,000	3,700,000	293,457,000

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
	Executive Direction		
General Fund	315	322	7
Special Revenue Funds - Federal	59	59	0
Special Revenue Funds - Other	12	12	0
Capital-Administration			
Capital Projects Funds - Other	8	8	0
Institutional Services			
General Fund	531	531	0
Special Revenue Funds - Federal	16	16	0
Prevention and Program Support			
Special Revenue Funds - Federal	10	10	0
Total	951	958	7

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
	General Fund	48,670,000	
Special Revenue Funds - Federal	6,379,000	6,367,000	(12,000)
Special Revenue Funds - Other	21,476,000	23,432,000	1,956,000
Total	76,525,000	76,582,000	57,000

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

Program	Available 2003-04	Recommended 2004-05	Change
	Executive Direction		
General Fund	22,461,000	21,678,000	(783,000)
Special Revenue Funds - Federal	5,179,000	5,167,000	(12,000)
Special Revenue Funds - Other	9,226,000	9,832,000	606,000
Institutional Services			
General Fund	26,209,000	25,105,000	(1,104,000)
Special Revenue Funds - Federal	1,200,000	1,200,000	0
Special Revenue Funds - Other	12,250,000	13,600,000	1,350,000
Total	76,525,000	76,582,000	57,000

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	20,720,000	23,000	20,540,000	23,000
Institutional Services	29,632,000	0	28,771,000	0
Total	50,352,000	23,000	49,311,000	23,000

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

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Executive Direction	9,458,000	(246,000)	552,000	12,000
Institutional Services	9,073,000	246,000	3,138,000	71,000
Total	18,531,000	0	3,690,000	83,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Executive Direction	656,000	15,000	8,225,000	(274,000)
Institutional Services	257,000	6,000	5,318,000	161,000
Total	913,000	21,000	13,543,000	(113,000)

Program	Equipment	
	Amount	Change
Executive Direction	25,000	1,000
Institutional Services	360,000	8,000
Total	385,000	9,000

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Executive Direction	6,499,000	34,000	2,799,000	46,000
Institutional Services	1,200,000	0	865,000	0
Total	7,699,000	34,000	3,664,000	46,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Executive Direction	1,981,000	(46,000)	1,719,000	34,000
Institutional Services	335,000	0	0	0
Total	2,316,000	(46,000)	1,719,000	34,000

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	244,793,000	244,200,000	(593,000)
Special Revenue Funds - Federal	143,084,000	147,211,000	4,127,000
Special Revenue Funds - Other	6,500,000	6,540,000	40,000
Total	394,377,000	397,951,000	3,574,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Community Treatment Services Program			
General Fund	195,839,000	196,800,000	961,000
Special Revenue Funds - Federal	98,890,000	102,750,000	3,860,000
Prevention and Program Support			
General Fund	48,954,000	47,400,000	(1,554,000)
Special Revenue Funds - Federal	44,194,000	44,461,000	267,000
Special Revenue Funds - Other	6,500,000	6,540,000	40,000
Total	394,377,000	397,951,000	3,574,000

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Design and Construction Supervision				
Capital Projects Fund	1,500,000	1,500,000	0	2,087,000
Mental Hygiene Capital Improvement Fund	500,000	500,000	0	500,000
Administration				
Capital Projects Fund	1,025,000	1,094,000	69,000	0
Community Alcoholism and Substance Abuse Facilities				
Capital Projects Fund	5,310,000	5,310,000	0	15,358,000
Mental Hygiene Capital Improvement Fund	26,250,000	26,250,000	0	94,909,000
Institutional Services Program				
Capital Projects Fund	500,000	500,000	0	2,132,000
Mental Hygiene Capital Improvement Fund	1,000,000	1,000,000	0	12,170,000
Non-Bondable				
Capital Projects Fund	750,000	750,000	0	0
Total	<u>36,835,000</u>	<u>36,904,000</u>	<u>69,000</u>	<u>127,156,000</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.

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, 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 that serve individuals with histories in the criminal justice system and two Research Institutes. OMH will have a workforce of 16,816 for 2004-05, 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 2004-05 Executive Budget provides funds totaling \$2.13 billion for the Office of Mental Health from General Fund, Federal and third-party resources, a decrease of \$62 million, compared to 2003-04.

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 nine 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 2004-05 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.

In addition, a total of \$7 million in new appropriations is provided to significantly expand mental health treatment capacity and clinical staffing for prisoners with serious and persistent mental illness. This funding will support a range of new and expanded treatment services based upon a statewide review of the forensic program. The Office of Mental Health will continue to work in partnership with the Department of Correctional Services to establish a

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new Behavioral Health Unit program model; almost triple the number of beds for the Special Treatment Program; expand bed capacity for the Intermediate Care Program; and improve access to clinical staff for mental health services.

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. OMH has also redesigned local programs for greater efficiency, maximization of Federal Medicaid reimbursement and more effective service delivery. To achieve necessary savings in 2004-05, 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.

The 2004-05 Executive Budget also saves \$7.7 million by reducing Local Assistance contracts for less critical spending activities. While the severe fiscal restraints facing New York require efficiencies in all areas of government, this action will exclude reductions to core services for persons with serious and persistent mental illnesses including case management, residential programs and licensed outpatient programs.

COMMUNITY REINVESTMENT

The Executive Budget for 2004-05 recommends that the Middletown Psychiatric Center be closed on April 1, 2005 and that necessary inpatient capacity be consolidated at the Rockland Psychiatric Center. This measure will achieve significant operating efficiencies and capital construction savings while focusing on continued investment in community-based mental health services. One half of the facility closure savings achieved through elimination of unnecessary administrative, support and overhead costs will be reinvested to expand State-operated community services in Middletown's catchment area.

Importantly, the Governor continues to advance long-range proposals to reduce spending on costly and unnecessary institutional care and shift resources into comprehensive State and voluntary operated community-based residential and support services. Toward this end, the Governor will propose legislation to establish a bipartisan Blue Ribbon Commission for the Closure of State Psychiatric Centers. The Commission — comprising gubernatorial and legislative representatives — will provide facility closure recommendations based upon the overall OMH-projected need for inpatient beds. In addition, this legislation will extend the Community Mental Health Support and Workforce Reinvestment Act through 2010 to ensure that the Governor's new policy of reinvesting one-half of any facility closure savings for State-operated community services is continued for closures recommended by the Commission.

The 2004-05 Budget continues 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.

The Governor's Budget also provides for \$9.6 million in full annual reinvestment funding for adults and children under the Community Mental Health Support and Workforce Reinvestment program. Part of this new funding will be used to support the opening of 600 supported housing beds for priority populations such as individuals leaving State facilities and adult homes, and for the homeless mentally ill. In addition, the Budget reaffirms the Governor's commitment to provide services to children in appropriate settings. Accordingly, all of the savings associated with children's inpatient bed closures will be reinvested into an array of evidence-based services for children. 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 2004-05 Executive Budget includes \$10 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 continue the statewide effort to conduct client assessments; improve medication management; initiate enhanced service coordination and other advocacy services; and expand social and recreational activities, including the creation of a quality of life fund for residents. These initiatives build on the Governor's reforms to strengthen the oversight and surveillance of adult homes.

ASSISTED OUTPATIENT TREATMENT

The 2004-05 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.

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COMMUNITY HOUSING

The 2004-05 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 continues the development of 2,000 additional community residential beds, with a \$65 million capital reappropriation 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 26,700 beds currently operating and 1,300 new community beds from prior-year initiatives that are expected to open by the end of 2004-05, as well as another 3,100 in other stages of planning and development.

The Governor's Budget also redirects savings from maximizing Federal Medicaid reimbursement to provide more than \$9 million in funding increases for the continued operation of 8,600 community residential beds for adults and children. This new funding will enable community residential programs to address appropriately the rehabilitative and support needs of priority populations.

CAPITAL PROJECTS

OMH's Capital Budget includes new appropriations of \$138.5 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 7,300 adults and children who are admitted annually, while over 34,000 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 operates two research units supported by State tax dollars and Federal and other grants, which include the OMH New York Psychiatric Institute in Manhattan and the OMH Nathan S. Kline Institute, located on the grounds of Rockland Psychiatric Center. These facilities conduct research in children and adult clinical treatment, basic biomedical and neurological sciences and health services for the mentally ill.

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- 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, day treatment programs, personalized recovery oriented services 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 600,000 persons a year.

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 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	1,129,351,000	1,130,776,000	1,425,000	1,272,000
Aid To Localities	848,498,000	861,775,000	13,277,000	37,760,000
Capital Projects	215,482,000	138,494,000	(76,988,000)	551,370,000
Total	<u>2,193,331,000</u>	<u>2,131,045,000</u>	<u>(62,286,000)</u>	<u>590,402,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration and Finance			
General Fund	534	534	0
Special Revenue Funds - Federal	14	14	0
Enterprise Funds	20	20	0
Internal Service Funds	24	24	0
Adult Services			
General Fund	11,415	11,275	(140)
Capital Planning			
Capital Projects Funds - Other	41	41	0
Children and Youth Services			
General Fund	1,970	1,965	(5)
Forensic Services			
General Fund	1,877	1,943	66
Maintenance Undistributed			
Special Revenue Funds - Other	397	397	0
Research			
General Fund	497	467	(30)
Special Revenue Funds - Other	27	27	0
Total	<u>16,816</u>	<u>16,707</u>	<u>(109)</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	520,940,000	606,415,000	85,475,000
Special Revenue Funds - Federal	1,272,000	1,272,000	0
Special Revenue Funds - Other	596,551,000	512,325,000	(84,226,000)
Enterprise Funds	8,284,000	8,349,000	65,000
Internal Service Funds	2,304,000	2,415,000	111,000
Total	1,129,351,000	1,130,776,000	1,425,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration and Finance			
General Fund	53,307,000	56,069,000	2,762,000
Special Revenue Funds - Federal	1,272,000	1,272,000	0
Special Revenue Funds - Other	1,870,000	1,870,000	0
Enterprise Funds	8,284,000	8,349,000	65,000
Internal Service Funds	2,304,000	2,415,000	111,000
Adult Services			
General Fund	743,906,200	752,410,000	8,503,800
Special Revenue Funds - Other	15,025,000	0	(15,025,000)
Children and Youth Services			
General Fund	120,172,300	119,297,000	(875,300)
Enhanced Community Services			
General Fund	19,600,000	19,600,000	0
Forensic Services			
General Fund	115,515,500	123,304,000	7,788,500
Maintenance Undistributed			
General Fund	(573,531,000)	(504,330,000)	69,201,000
Special Revenue Funds - Other	573,531,000	504,330,000	(69,201,000)
Research			
General Fund	41,970,000	40,065,000	(1,905,000)
Special Revenue Funds - Other	6,125,000	6,125,000	0
Total	1,129,351,000	1,130,776,000	1,425,000

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2004-05 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Finance	35,157,000	262,000	33,819,000	252,000
Adult Services	611,816,000	5,564,725	568,938,000	7,229,800
Children and Youth Services	106,456,000	(875,300)	98,456,000	(935,300)
Forensic Services	112,851,000	7,788,500	104,682,000	7,727,500
Research	34,922,000	(1,905,000)	34,359,000	(1,909,000)
Total	901,202,000	10,834,925	840,254,000	12,365,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Finance	1,025,000	8,000	313,000	2,000
Adult Services	15,227,000	113,465	27,651,000	(1,778,540)
Children and Youth Services	3,350,000	25,000	4,650,000	35,000
Forensic Services	3,212,000	24,000	4,957,000	37,000
Research	53,000	0	510,000	4,000
Total	22,867,000	170,465	38,081,000	(1,700,540)

MENTAL HEALTH

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Finance	20,912,000	2,500,000	822,000	18,412
Adult Services	140,594,000	2,939,075	69,002,000	1,253,888
Children and Youth Services	12,841,000	0	6,265,000	0
Enhanced Community Services	19,600,000	0	0	0
Forensic Services	10,453,000	0	6,364,000	0
Research	5,143,000	0	2,912,000	0
Total	209,543,000	5,439,075	85,365,000	1,272,300

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Finance	1,289,000	28,634	17,001,000	2,412,448
Adult Services	2,775,000	(101,541)	63,225,000	1,877,317
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	75,000	0	2,091,000	0
Total	5,270,000	(72,907)	91,111,000	4,289,765

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	1,800,000	40,506	0	0
Adult Services	2,427,000	(90,589)	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	0	0	0
Total	5,032,000	(50,083)	22,765,000	0

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Finance	13,906,000	176,000	4,328,000	0
Adult Services	0	(15,025,000)	0	(15,025,000)
Research	6,125,000	0	1,915,000	0
Total	20,031,000	(14,849,000)	6,243,000	(15,025,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	8,278,000	176,000	1,300,000	0
Adult Services	0	0	0	0
Research	4,210,000	0	0	0
Total	12,488,000	176,000	1,300,000	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	730,859,000	746,111,000	15,252,000
Special Revenue Funds - Federal	40,129,000	41,129,000	1,000,000
Special Revenue Funds - Other	77,510,000	74,535,000	(2,975,000)
Total	848,498,000	861,775,000	13,277,000

MENTAL HEALTH

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

Program	Available 2003-04	Recommended 2004-05	Change
Adult Services			
General Fund	588,292,000	594,556,000	6,264,000
Special Revenue Funds - Federal	32,294,000	33,294,000	1,000,000
Special Revenue Funds - Other	7,735,000	7,735,000	0
Children and Youth Services			
General Fund	142,567,000	146,755,000	4,188,000
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 Support and Workforce Reinvestment			
General Fund	0	4,800,000	4,800,000
Special Revenue Funds - Other	2,975,000	0	(2,975,000)
Total	<u>848,498,000</u>	<u>861,775,000</u>	<u>13,277,000</u>

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Design and Construction Supervision				
Capital Projects Fund	2,000,000	2,000,000	0	3,500,000
Mental Hygiene Capital Improvement Fund	8,000,000	8,000,000	0	7,150,000
Executive Direction				
Capital Projects Fund	0	0	0	3,325,000
Mental Hygiene Capital Improvement Fund	3,300,000	3,300,000	0	4,619,000
Community Mental Health Facilities				
Capital Projects Fund	7,000,000	6,000,000	(1,000,000)	27,384,000
Mental Hygiene Capital Improvement Fund	70,482,000	5,494,000	(64,988,000)	164,652,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	32,000,000	34,000,000	2,000,000	45,348,000
Mental Hygiene Capital Improvement Fund	91,700,000	78,700,000	(13,000,000)	287,392,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	8,000,000
Total	<u>215,482,000</u>	<u>138,494,000</u>	<u>(76,988,000)</u>	<u>551,370,000</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 22,637 for 2004-05, 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 2004-05, OMRDD will operate some 500 developmental center beds, along with 1,189 special unit beds. From 1995 to the end of the 2004-05 fiscal year, the State will have moved nearly 3,700 people from institutional care into more appropriate community settings.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Total funding of more than \$2.9 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 2004-05 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. Under these recommendations:

- OMRDD's Central Coordination and Support Program will receive \$60.5 million to provide policy direction and technical support to the entire service system;
- OMRDD's Community Services Program will receive more than \$2.3 billion to fund hundreds of State-operated residential and day programs and such ancillary services as clinics and transportation networks, as well as to support local governments and a network of more than 600 non-profit agencies;
- OMRDD's Institutional Services Program will receive total funding of nearly \$410 million to support residential care and habilitative services for people in developmental centers and special treatment units;
- OMRDD's Research in Mental Retardation Program will receive nearly \$15.7 million in State funds to conduct basic and clinical research into the causes, treatment and prevention of mental retardation and related developmental disabilities; and
- OMRDD's new capital appropriations will total \$89.1 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

The 2004-05 Executive Budget fully funds 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. Over 8,500 persons have already left the waiting list for homes in the community, far exceeding the original NYS-CARES goal established in 1998. During this time, OMRDD has continually worked with families to review the waiting list and verify their needs. OMRDD has also instituted a survey designed by consumers, families and other stakeholders, which is used to evaluate consumer satisfaction and the success of residential placements under NYS-CARES, and to identify areas in need of improvement. As a result of this collaboration and the success of the original initiative, the Governor introduced NYS-CARES II in 2003-04 designed to develop additional services to meet families' articulated needs, including: an additional 1,900 new out-of-home residential opportunities beyond the almost 4,900 new beds committed to in 1998; another 600 new opportunities for in-home services; 370 new opportunities for day services; and additional funding for family support services 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.

The 2004-05 Executive Budget also supports the Governor's New York State – Options for People Through Services (NYS-OPTS) initiative. NYS-OPTS represents a system of services that will afford individuals with developmental disabilities with the greatest flexibility and array of choices about their own care in a manner that maximizes available funds and efficiently manages operations. Predicated upon an organized health care delivery system model, the NYS-OPTS program is focused on system and fiscal reform of the primarily Medicaid-funded system. NYS-OPTS and its guiding principles of partnership, inclusion, flexibility of services and customer satisfaction have been developed by major system stakeholders including: people currently receiving services, family members, advocates, providers, State staff and local government representatives.

The effort to place individuals residing in the developmental centers into more appropriate community settings will also continue in 2004-05. An additional 100 individuals will leave institutions for care in their own communities, 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 2004-05, there will be only 500 people statewide living in developmental centers. OMRDD remains committed to deinstitutionalization for all consumers who can be appropriately cared for in community settings.

The 2004-05 Executive Budget supports additional residential services for at-risk children who have significant service needs. In addition, the Budget funds 20 new Multiply Disabled Unit openings for Office of Mental Health patients who are dually diagnosed with both developmental disabilities and mental 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 and the network of non-profit providers it supports. In 2004-05 the agency will undertake efforts to:

- Emphasize use of less costly services, when appropriate;
- Continue to aggressively pursue non-General Fund financial support for all programs;
- Maximize use of existing service capacity;
- Utilize internal controls on billing procedures;
- Continue to diligently review eligibility for services;
- Streamline and update, as appropriate, non-profit provider funding to realize \$31.5 million in efficiencies, while at the same time continuing long standing reimbursement practices designed to stabilize the non-profit workforce;
- Continue strict controls on hiring in non-patient-care positions in both the DDSOs and Central Office;

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

- Provide more efficient employee and provider training;
- 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 \$89.1 million and reappropriations of \$191.4 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 minimal bonded appropriations are required to address funding needs for small providers that cannot obtain alternative financing, the vast majority of 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 6,900 new service opportunities in the community during 2004-05. This reflects 1,800 people newly-placed in residential settings and 5,100 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 improving 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 almost three times as much as the next highest state offering services under a waiver. The HCBS Waiver also promotes smaller, more natural home environments. Home size has continued to decrease, thereby supporting individualized, quality services. In 1994-95, 49 percent of the homes in the community were six beds or less. Today, 62 percent of the homes in the community are six beds or less; nearly two-thirds of these are four beds or less.

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

- Provides approximately 37,000 persons with certified residential services;
- Provides almost 63,000 persons with community day services; and
- Assists in the care of approximately 60,000 persons with developmental disabilities who are living in their own homes.

An overview of these services is provided below.

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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 7,200 beds operated statewide by both State and not-for-profit providers — are appropriate for individuals requiring 24-hour care. A typical community ICF has 10 to 12 beds.

The most common residential placement for persons under the waiver is in Individual Residential Alternatives (IRAs) — homes, typically for four to eight consumers, operated by either the State or not-for-profit providers in the community. This budget supports more than 22,000 IRA beds and accompanying service coordination. Other community living arrangements include Community Residences and Family Care homes, which serve more than 5,700 people.

In addition to these community-based programs, OMRDD operates ten campuses across the State. Some 1,700 people will be served in these settings by the end of 2004-05, of which more than 70 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 approximately 50,000 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 8,500 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 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	1,213,418,000	1,266,096,000	52,678,000	80,000
Aid To Localities	1,397,845,000	1,546,841,000	148,996,000	442,000
Capital Projects	90,081,000	89,136,000	(945,000)	191,440,000
Total	<u>2,701,344,000</u>	<u>2,902,073,000</u>	<u>200,729,000</u>	<u>191,962,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Central Coordination and Support			
General Fund	785	785	0
Community Services			
General Fund	16,165	16,165	0
Institutional Services			
General Fund	5,284	5,506	222
Enterprise Funds	1	1	0
Research in Mental Retardation			
General Fund	217	180	(37)
Total	<u>22,452</u>	<u>22,637</u>	<u>185</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	168,341,000	144,312,000	(24,029,000)
Special Revenue Funds - Federal	80,000	230,000	150,000
Special Revenue Funds - Other	1,042,497,000	1,119,054,000	76,557,000
Enterprise Funds	2,350,000	2,350,000	0
Internal Service Funds	150,000	150,000	0
Total	<u>1,213,418,000</u>	<u>1,266,096,000</u>	<u>52,678,000</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

<u>Program</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
Central Coordination and Support			
General Fund	58,593,000	60,153,000	1,560,000
Special Revenue Funds - Federal	80,000	230,000	150,000
Internal Service Funds	150,000	150,000	0
Community Services			
General Fund	760,041,000	779,901,000	19,860,000
Institutional Services			
General Fund	374,329,000	407,137,000	32,808,000
Special Revenue Funds - Other	504,000	504,000	0
Enterprise Funds	2,350,000	2,350,000	0
Maintenance Undistributed			
General Fund	(1,041,943,000)	(1,118,500,000)	(76,557,000)
Special Revenue Funds - Other	1,041,943,000	1,118,500,000	76,557,000
Research in Mental Retardation			
General Fund	17,321,000	15,621,000	(1,700,000)
Special Revenue Funds - Other	50,000	50,000	0
Total	<u>1,213,418,000</u>	<u>1,266,096,000</u>	<u>52,678,000</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Central Coordination and Support	42,383,000	(734,000)	40,100,000	(734,000)
Community Services	668,518,000	13,375,000	650,872,000	13,373,521
Institutional Services	242,790,000	21,893,000	232,861,000	20,000,000
Research in Mental Retardation	13,705,000	(1,700,000)	13,275,000	(1,700,000)
Total	<u>967,396,000</u>	<u>32,834,000</u>	<u>937,108,000</u>	<u>30,939,521</u>

<u>Program</u>	<u>Temporary Service (Nonannual Salaried)</u>		<u>Holiday/Overtime Pay (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Central Coordination and Support	2,030,000	0	253,000	0
Community Services	5,177,000	632	12,469,000	847
Institutional Services	1,934,000	893,000	7,995,000	1,000,000
Research in Mental Retardation	260,000	0	170,000	0
Total	<u>9,401,000</u>	<u>893,632</u>	<u>20,887,000</u>	<u>1,000,847</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Central Coordination and Support	17,770,000	2,294,000	497,000	200
Community Services	111,383,000	6,485,000	40,475,000	2,500,000
Institutional Services	164,347,000	10,915,000	25,316,000	2,000,000
Research in Mental Retardation	1,916,000	0	719,000	0
Total	<u>295,416,000</u>	<u>19,694,000</u>	<u>67,007,000</u>	<u>4,500,200</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Central Coordination and Support	1,121,000	(100)	14,693,000	1,998,500
Community Services	6,662,000	601,000	50,771,000	2,500,000
Institutional Services	1,723,000	527,000	29,719,000	2,000,000
Research in Mental Retardation	57,000	0	871,000	0
Total	<u>9,563,000</u>	<u>1,127,900</u>	<u>96,054,000</u>	<u>6,498,500</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	1,459,000	295,400	0	0
Community Services	5,887,000	601,000	7,588,000	283,000
Institutional Services	3,011,000	700,000	104,578,000	5,688,000
Research in Mental Retardation	269,000	0	0	0
Total	<u>10,626,000</u>	<u>1,596,400</u>	<u>112,166,000</u>	<u>5,971,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Coordination and Support	380,000	150,000	0	0
Institutional Services	2,854,000	0	274,000	0
Research in Mental Retardation	50,000	0	0	0
Total	<u>3,284,000</u>	<u>150,000</u>	<u>274,000</u>	<u>0</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	0	0	380,000	150,000
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>380,000</u>	<u>150,000</u>

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
General Fund	664,145,000	709,146,000	45,001,000
Special Revenue Funds - Other	733,700,000	837,695,000	103,995,000
Total	<u>1,397,845,000</u>	<u>1,546,841,000</u>	<u>148,996,000</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

Program	Available 2003-04	Recommended 2004-05	Change
Community Services			
General Fund	664,145,000	709,146,000	45,001,000
Special Revenue Funds - Other	733,700,000	837,695,000	103,995,000
Total	<u>1,397,845,000</u>	<u>1,546,841,000</u>	<u>148,996,000</u>

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Design and Construction Supervision				
Capital Projects Fund	2,000,000	2,000,000	0	0
Mental Hygiene Capital Improvement Fund	3,000,000	3,000,000	0	0
Voluntary-Operated Community Facilities				
Capital Projects Fund	14,815,000	15,083,000	268,000	3,375,000
Mental Hygiene Capital Improvement Fund	6,926,000	5,002,000	(1,924,000)	19,515,000
State-Operated Community Services Program				
Capital Projects Fund	13,886,000	13,973,000	87,000	5,300,000
Mental Hygiene Capital Improvement Fund	5,000,000	5,000,000	0	16,650,000
Institutional Services Program				
Capital Projects Fund	17,450,000	17,808,000	358,000	38,600,000
Mental Hygiene Capital Improvement Fund	26,004,000	26,270,000	266,000	107,000,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	1,000,000
Total	<u>90,081,000</u>	<u>89,136,000</u>	<u>(945,000)</u>	<u>191,440,000</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 Department of Mental Hygiene that collectively spends more than \$5 billion 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 2004-05, 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 (20 percent), Federal grants (58 percent) and other funding, primarily receipts from the Medicaid program related to program oversight activities (22 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 \$14.7 million fully supports existing program and service levels. In addition, the 2004-05 Executive Budget assumes that the Commission will now provide administrative support (human resources, payroll and procurement services) to the Office of Advocate for Persons with Disabilities (APD), resulting in administrative streamlining and operational savings in APD.

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

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

QUALITY OF CARE FOR THE MENTALLY DISABLED

Advocacy of Individual Rights; Protection and Advocacy for Beneficiaries of Social Security; Protection and Advocacy for Assistive Technology; Protection and Advocacy for Traumatic Brain Injury; and Protection and Advocacy Help America Vote Act. 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

The Commission contracts with local non-profit organizations to provide advocacy services to residents of adult homes who have received services through the mental hygiene system. These services, now fully funded in CQC, rather than 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. This includes the reallocation of existing CQC staff to create an Adult Homes Death Investigations Team.

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 via local dispute resolution centers located throughout the State to represent these individuals.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	12,053,000	14,110,000	2,057,000	10,033,000
Aid To Localities	513,000	588,000	75,000	0
Capital Projects	0	0	0	0
Total	<u>12,566,000</u>	<u>14,698,000</u>	<u>2,132,000</u>	<u>10,033,000</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)		
	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
	Administration		
General Fund	34	34	0
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	9	9	0
Protection and Advocacy for Individual Rights			
Special Revenue Funds - Federal	3	3	0
Protection and Advocacy for the Mentally Ill			
Special Revenue Funds - Federal	11	11	0
Total	90	90	0

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
General Fund	2,758,000	2,810,000	52,000
Special Revenue Funds - Federal	6,414,000	8,259,000	1,845,000
Special Revenue Funds - Other	2,861,000	3,021,000	160,000
Enterprise Funds	20,000	20,000	0
Total	12,053,000	14,110,000	2,057,000

QUALITY OF CARE FOR THE MENTALLY DISABLED

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	2,758,000	2,810,000	52,000
Special Revenue Funds - Federal	400,000	300,000	(100,000)
Special Revenue Funds - Other	2,861,000	3,021,000	160,000
Enterprise Funds	20,000	20,000	0
Client Assistance			
Special Revenue Funds - Federal	727,000	1,000,000	273,000
Protection and Advocacy for Beneficiaries of Social Security			
Special Revenue Funds - Federal	446,000	403,000	(43,000)
Protection and Advocacy for the Developmentally Disabled			
Special Revenue Funds - Federal	1,947,000	2,646,000	699,000
Protection and Advocacy Help America Vote Act			
Special Revenue Funds - Federal	0	37,000	37,000
Protection and Advocacy for Individual Rights			
Special Revenue Funds - Federal	1,080,000	1,480,000	400,000
Protection and Advocacy for the Mentally Ill			
Special Revenue Funds - Federal	1,719,000	2,049,000	330,000
Protection and Advocacy for Persons with Traumatic Brain Injury			
Special Revenue Funds - Federal	0	85,000	85,000
Technology Related Protection and Advocacy			
Special Revenue Funds - Federal	95,000	259,000	164,000
Total	<u>12,053,000</u>	<u>14,110,000</u>	<u>2,057,000</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,123,000	18,000	2,123,000	18,000
Total	<u>2,123,000</u>	<u>18,000</u>	<u>2,123,000</u>	<u>18,000</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	687,000	34,000	40,000	0
Total	<u>687,000</u>	<u>34,000</u>	<u>40,000</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	137,000	0	485,000	34,000
Total	<u>137,000</u>	<u>0</u>	<u>485,000</u>	<u>34,000</u>

Program	Equipment	
	Amount	Change
Administration	25,000	0
Total	<u>25,000</u>	<u>0</u>

QUALITY OF CARE FOR THE MENTALLY DISABLED

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	3,341,000	60,000	1,808,000	48,000
Client Assistance	1,000,000	273,000	119,000	1,000
Protection and Advocacy for Beneficiaries of Social Security	403,000	(43,000)	56,000	2,000
Protection and Advocacy for the Developmentally Disabled	2,646,000	699,000	420,000	(46,000)
Protection and Advocacy Help America Vote Act	37,000	37,000	0	0
Protection and Advocacy for Individual Rights	1,480,000	400,000	154,000	2,000
Protection and Advocacy for the Mentally Ill	2,049,000	330,000	553,000	(29,000)
Protection and Advocacy for Persons with Traumatic Brain Injury	85,000	85,000	0	0
Technology Related Protection and Advocacy	259,000	164,000	0	0
Total	<u>11,300,000</u>	<u>2,005,000</u>	<u>3,110,000</u>	<u>(22,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,233,000	112,000	300,000	(100,000)
Client Assistance	881,000	272,000	0	0
Protection and Advocacy for Beneficiaries of Social Security	347,000	(45,000)	0	0
Protection and Advocacy for the Developmentally Disabled	2,226,000	745,000	0	0
Protection and Advocacy Help America Vote Act	37,000	37,000	0	0
Protection and Advocacy for Individual Rights	1,326,000	398,000	0	0
Protection and Advocacy for the Mentally Ill	1,496,000	359,000	0	0
Protection and Advocacy for Persons with Traumatic Brain Injury	85,000	85,000	0	0
Technology Related Protection and Advocacy	0	(95,000)	259,000	259,000
Total	<u>7,631,000</u>	<u>1,868,000</u>	<u>559,000</u>	<u>159,000</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	95,000	170,000	75,000
Special Revenue Funds - Other	418,000	418,000	0
Total	<u>513,000</u>	<u>588,000</u>	<u>75,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Adult Homes			
General Fund	95,000	170,000	75,000
Surrogate Decision Making			
Special Revenue Funds - Other	418,000	418,000	0
Total	<u>513,000</u>	<u>588,000</u>	<u>75,000</u>