

***HEALTH AND
MENTAL HYGIENE***

OVERVIEW AND PERFORMANCE MEASURES

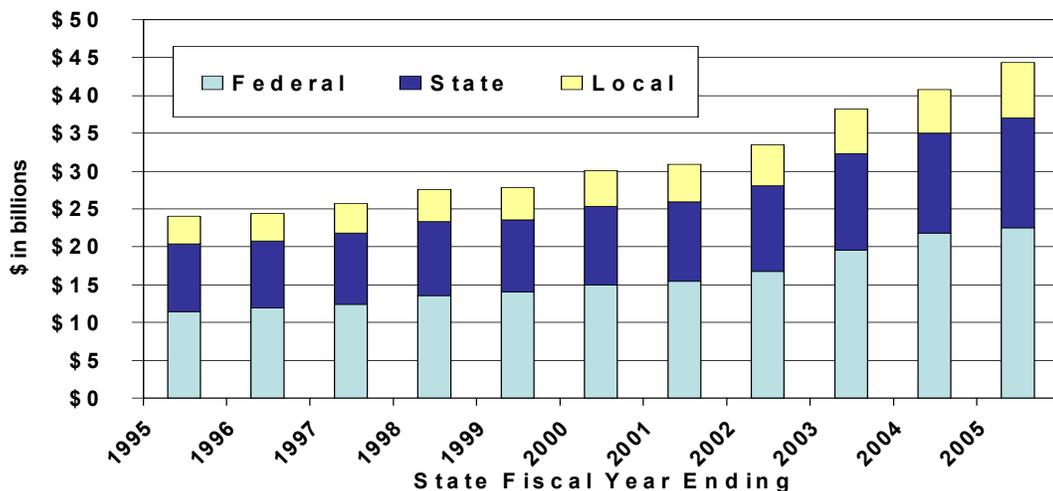
HEALTH CARE

The following charts provide some information on performance and fiscal measures related to New York's health care programs. New York State's Medicaid spending totaled \$44.3 billion in State Fiscal Year 2004-05. New York spends more than any other state on both a total and per capita basis. Medicaid expenditures are the result of several factors, such as access to services, beneficiary mix, eligibility, benefits provided and managed care enrollment. New York's enrollment in Medicaid managed care programs and other State-supported health care programs has increased dramatically over the past ten years, illustrating that more New Yorkers, especially children, are receiving comprehensive, preventive health care.

Family Health Plus and the Elderly Pharmaceutical Insurance Coverage (EPIC) programs have all resulted in improving the lives of New York State residents. In addition, enrollment in Medicaid managed care has increased. The Family Health Plus program was established in 2001 to provide health insurance coverage for low-income New Yorkers between the ages of 19 and 64 who have income or resources too high to qualify for Medicaid. The EPIC program provides comprehensive prescription drug coverage for individuals over 65 with incomes up to \$35,000 (single) or \$50,000 (married).

The information below is based on the most recent actual data available from the New York State Division of the Budget, the New York State Department of Health, and the Centers for Medicare and Medicaid Services.

Federal, State and Local Medicaid Spending from 1994-95 through 2004-05

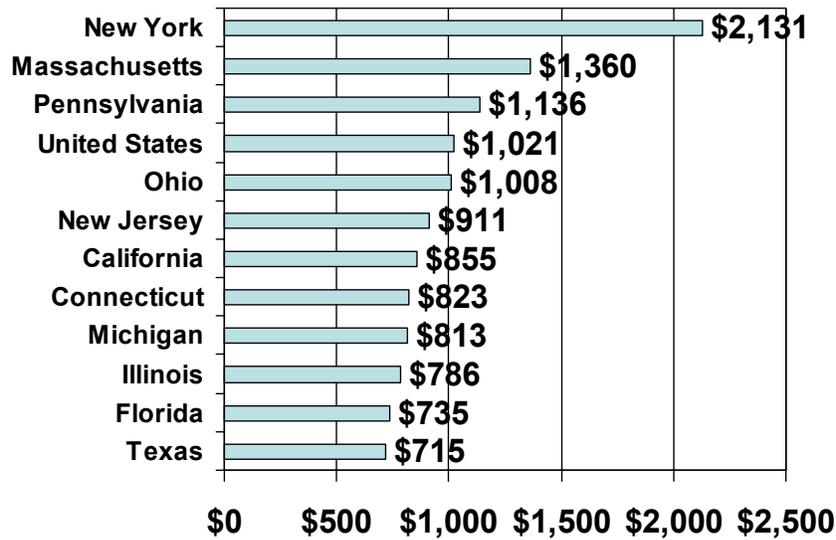


Federal, State and local Medicaid spending has increased steadily since 1995 as caseload and health care costs have increased. Total Federal, State and local spending for State Fiscal Year 2004-05 was more than \$44 billion.

Source: New York State Division of the Budget

HEALTH CARE

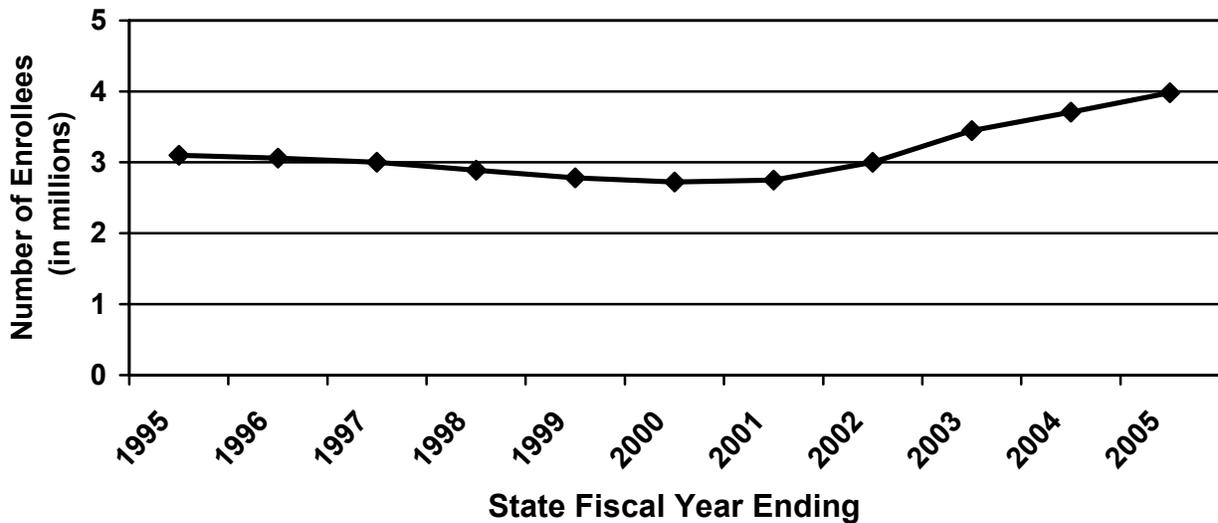
Total Per Capita Medicaid Spending by Selected States



New York ranks first in total Medicaid spending compared to a select number of other states. In 2004, New York's Medicaid spending of \$2,131 per person was over twice the amount of \$1,021 spent nationally.

Source: Centers for Medicare and Medicaid Services

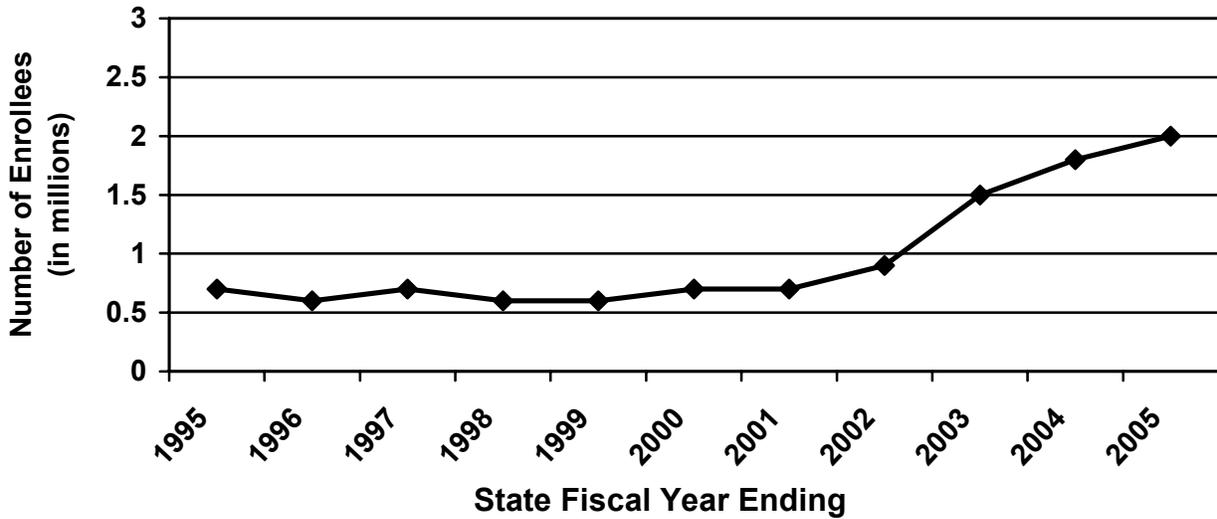
Total Medicaid Caseload from 1994-95 through 2004-05



New York State's Medicaid caseload, including those enrolled in Family Health Plus, has increased by 1 million individuals from slightly more than 3 million enrollees in 1994-95 to nearly 4 million in 2004-05. Average annual caseload for the Family Health Plus program, which began in 2001, grew from 5,800 in 2001-02 to 445,000 in 2004-05, representing 11 percent of total caseload.

Source: New York State Department of Health

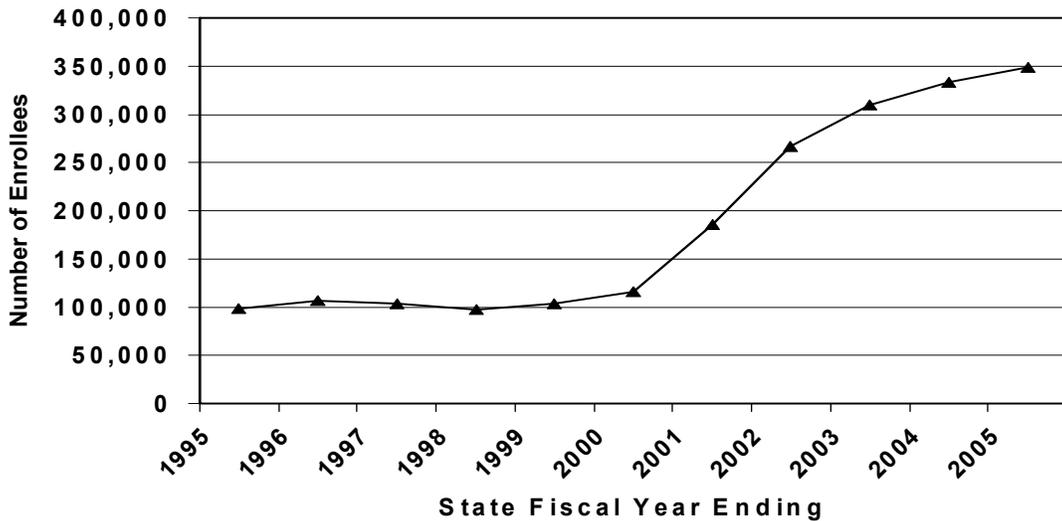
Total Medicaid Managed Care Caseload from 1994-95 through 2004-05



Medicaid managed care is a health insurance plan or health care system that coordinates the provision, quality and cost of care for its enrolled members. New York’s Medicaid managed care caseload has increased from slightly more than 650,000 individuals in 1994-95 to more than 2 million in 2004-05. In 1997, Governor Pataki initiated New York’s mandatory Medicaid managed care program to improve access to coordinated health care and provide a medical “home” to recipients in a cost-effective manner.

Source: New York State Department of Health

Total Caseload for EPIC from 1994-95 through 2004-05



New York State’s EPIC program, which assists the elderly with their prescription drug costs, has increased four-fold since 1994-95. Caseload increased from slightly more than 98,000 in 1995 to nearly 390,000 in 2005, representing a 254 percent increase. In 2001, income eligibility levels were increased to help more seniors enroll in EPIC.

Source: New York State Department of Health

MENTAL HYGIENE

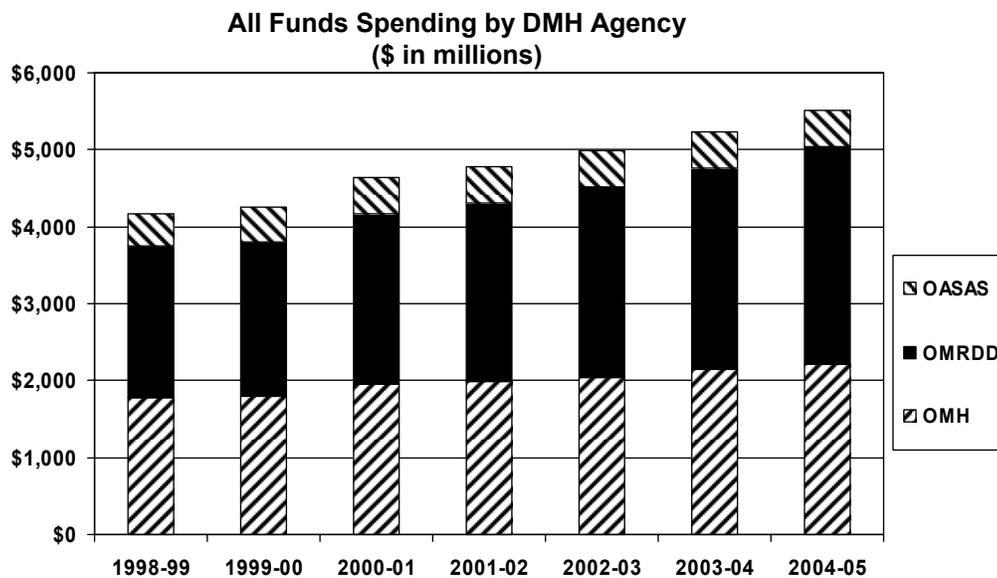
New York State makes a substantial investment in the provision of services to individuals with mental illnesses, chemical dependencies and mental retardation and developmental disabilities. Taxpayers, advocates and other stakeholders need to be informed as to how these service systems are performing and how consumer needs are being met.

The State’s Department of Mental Hygiene (DMH) agencies – Office of Mental Health (OMH), Office of Mental Retardation and Developmental Disabilities (OMRDD) and Office of Alcoholism and Substance Abuse Services (OASAS) – are responsible for providing and overseeing services for these at-risk populations.

Accordingly, the following charts show that All Funds spending for New York’s mental hygiene agencies has increased by nearly \$1.4 billion since 1998-99. This level of mental hygiene funding places New York as the second leading state in the nation, with per capita funding levels that are more than double the national average.

The majority of new spending has been invested in the expansion of community-based services consistent with the U.S. Supreme Court’s *Olmstead* judgment. In the last ten years, the number of institutional beds has declined by over 7,100 while new community bed development has surpassed 21,000 beds.

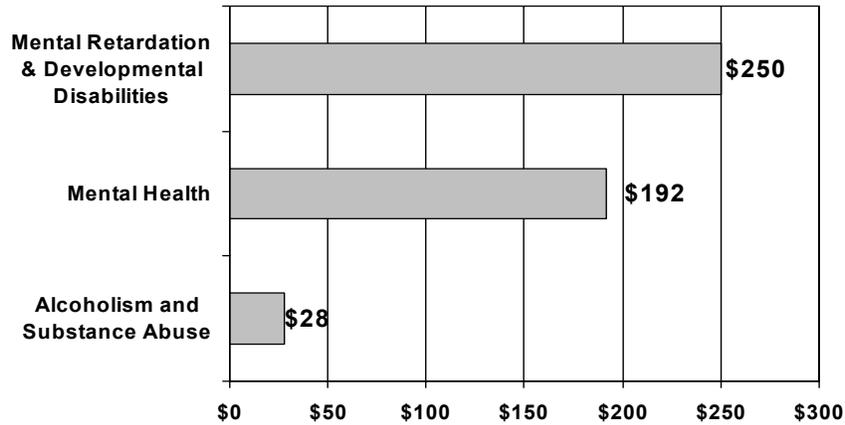
While major advances are being made in the development of outcome measures in the mental hygiene field, consumer satisfaction remains one of the most significant performance value indicators. New York scores high (over 90 percent of consumers satisfied) in all three mental hygiene areas and is still striving to improve on this measure by offering consumers a greater choice of rehabilitative services and opportunities.



All Funds spending for New York’s mental hygiene agencies has increased \$1.4 billion, or 34 percent, over the last seven years. During this period, significant investments were made to improve the mental hygiene service system including community bed development and expanded case management enhancements for special populations in OMH and OASAS, and a substantial reduction of the OMRDD out-of-home residential waitlist through the NYS-CARES (I and II) multi-year initiatives.

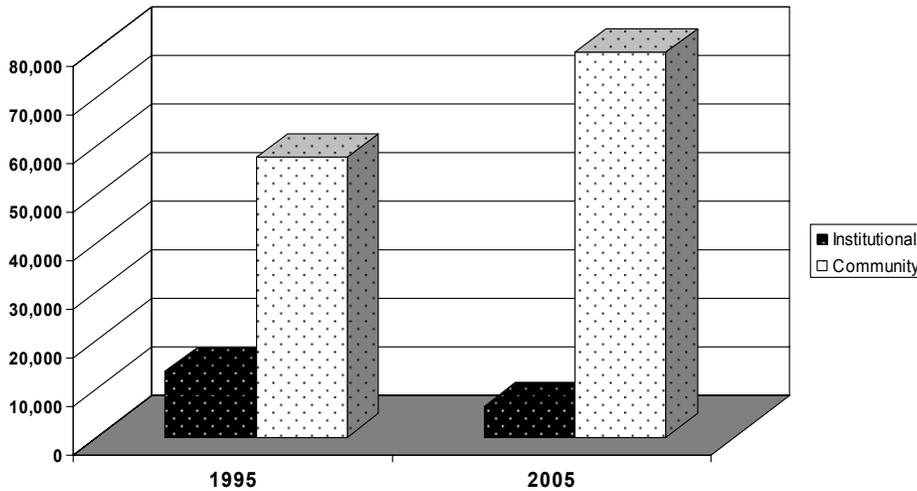
MENTAL HYGIENE

New York Mental Hygiene Per Capita Spending



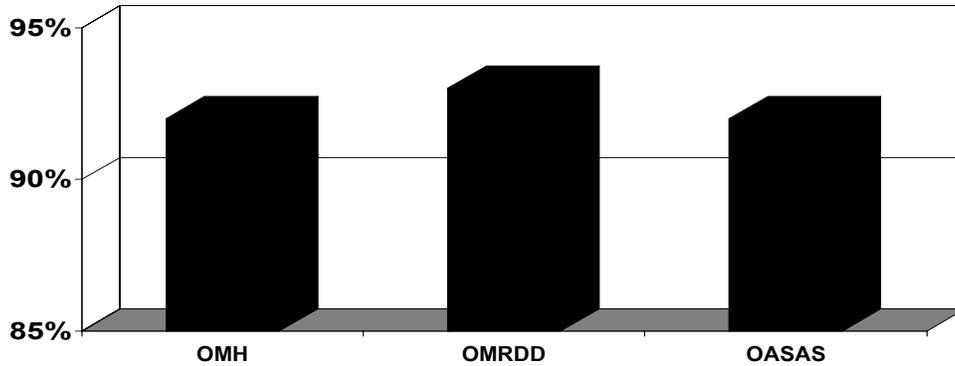
For every New Yorker, the State spends an average of \$250 in services for mental retardation and developmental disabilities; \$192 for mental health care; and \$28 for substance abuse services. New York's spending on these health services more than doubles the national average in all three mental hygiene categories.

Mental Hygiene Community Bed Expansion



Since 1995, the DMH has increased the total number of residential beds in the community by 21,569 (OMH – 10,200; OMRDD – 7,997; OASAS – 3,372). Concurrently, the DMH agencies have reduced the total number of institutional beds by 7,147 (OMH – 4,870; OMRDD – 2,277).

Consumer Satisfaction with Mental Hygiene Services



Assessing consumer satisfaction is a key measure of the effectiveness of mental hygiene services. The chart above illustrates that a vast majority of all clients are satisfied with the services they receive. Specifically, based on a 2005 survey of State-operated outpatient programs conducted by OMH, 92 percent of all recipients rated services in the good to excellent range, indicating they were generally satisfied with services. In addition, OMRDD conducted a survey of its nationally renowned NYS-CARES program, and found that 93 percent of the consumers surveyed were highly satisfied with their Day and Residential services. Lastly, OASAS surveyed clients who received inpatient services at its Addiction Treatment Centers (ATCs) and roughly 92 percent reported satisfaction.

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 134 positions during 2006-07, 128 funded within the agency, and an additional six funded by other State agencies. Approximately 45 percent of Office operations are funded by the General Fund and 55 percent are financed by Federal grants and other revenue sources.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2006-07 Executive Budget recommends \$219 million in State and Federal funds for the operations of the Office and support for community-based services for the elderly. The Budget includes additional funding for the Expanded In-home Services for the Elderly Program (EISEP), while achieving cost efficiencies by expanding on a host agency relationship with the Division of the Budget for administrative activities. The Executive Budget includes funding to support a Cost of Living Adjustment tied to the Consumer Price Index effective October 1, 2006 for the following SOFA programs: Expanded In-home Services for the Elderly Program (EISEP), Community Services for the Elderly (CSE) Program and the Supplemental Nutrition Assistance Program (SNAP). 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 \$389 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.

COMMUNITY BASED LONG TERM CARE SERVICES

The 2006-07 Budget maintains the Governor's commitment to double the funding for EISEP over a two-year period. 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. EISEP is expected to serve almost 51,000 persons in 2006-07.

AGING

The 2006-07 Executive Budget recommendation also includes \$150,000 to support a Community Green House Pilot Program to be planned and managed by the State Office for the Aging. This program would establish a facility of 10-16 beds in a rural or suburban area to serve frail nursing home eligible seniors. Health services would be provided via a partnership with a health care network, hospital or Skilled Nursing Facility.

NUTRITION SERVICES

Through a combination of State tax dollars and Federal grants, the State annually provides over 23.7 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 \$41 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 \$19 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 \$12 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 1,600 trained volunteers on the behalf of the approximately 163,000 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 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	13,189,000	13,009,000	(180,000)	9,263,000
Aid To Localities	188,224,300	205,735,300	17,511,000	124,946,300
Capital Projects	0	0	0	0
Total	201,413,300	218,744,300	17,331,000	134,209,300

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

Full-Time Equivalent Positions (FTE)

Program	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Administration and Grants Management			
General Fund	28	27	(1)
Special Revenue Funds - Federal	106	106	0
Special Revenue Funds - Other	1	1	0
Total	<u>135</u>	<u>134</u>	<u>(1)</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	2,539,000	2,359,000	(180,000)
Special Revenue Funds - Federal	10,250,000	10,250,000	0
Special Revenue Funds - Other	300,000	300,000	0
Enterprise Funds	100,000	100,000	0
Total	<u>13,189,000</u>	<u>13,009,000</u>	<u>(180,000)</u>

Adjustments:

Prior Year Deficiency	
Aging, Office for the	
Special Revenue Funds - Other	50,000
Appropriated 2005-06	<u>13,239,000</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration and Grants Management			
General Fund	2,539,000	2,359,000	(180,000)
Special Revenue Funds - Federal	10,250,000	10,250,000	0
Special Revenue Funds - Other	300,000	300,000	0
Enterprise Funds	100,000	100,000	0
Total	<u>13,189,000</u>	<u>13,009,000</u>	<u>(180,000)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2006-07 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Grants Management	1,903,000	(80,000)	1,889,500	(80,000)
Total	<u>1,903,000</u>	<u>(80,000)</u>	<u>1,889,500</u>	<u>(80,000)</u>

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

AGING

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2006-07 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Grants Management	456,000	(100,000)	33,000	0
Total	456,000	(100,000)	33,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Grants Management	56,000	0	210,000	0
Total	56,000	0	210,000	0

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Grants Management	7,000	0	150,000	(100,000)
Total	7,000	0	150,000	(100,000)

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2006-07 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Grants Management	10,650,000	0	7,600,000	0
Total	10,650,000	0	7,600,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Grants Management	2,650,000	0	400,000	0
Total	2,650,000	0	400,000	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	76,624,300	94,135,300	17,511,000
Special Revenue Funds - Federal	107,600,000	107,600,000	0
Special Revenue Funds - Other	4,000,000	4,000,000	0
Total	188,224,300	205,735,300	17,511,000

Adjustments:

Prior Year Deficiency	
Aging, Office for the	
Special Revenue Funds - Other	3,000,000
Appropriated 2005-06	191,224,300

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

Program	Available 2005-06	Recommended 2006-07	Change
Community Services			
General Fund	76,624,300	94,135,300	17,511,000
Special Revenue Funds - Federal	107,600,000	107,600,000	0
Special Revenue Funds - Other	4,000,000	4,000,000	0
Total	188,224,300	205,735,300	17,511,000

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 2006-07 recommendation of \$4.6 million in Federal funds represents the same level of funding as in 2005-06 and is based on the level of anticipated Federal Funding. This funding is sufficient to support the Council's role in coordinating information about persons with developmental disabilities and the services available to them, and in overseeing grant funds.

PROGRAM HIGHLIGHTS

Through its Council membership of State agency heads, including the Commissioner of the Office of Mental Retardation and Developmental Disabilities, the Council employs an interagency approach to advocate improved and enhanced services, supports and assistance for persons with developmental disabilities. Its activities include conducting quarterly meetings, preparing policy papers on issues affecting the disabled, providing training and technical assistance and developing a five-year State Plan. For 2006-07, the Council will continue to identify and fund new and innovative demonstration programs in support of its multi-year State Plan, including those aimed at increasing the number of available employment opportunities, promoting choice in housing, and reducing obstacles in transportation to facilitate community integration. In support of these and other strategic objectives, the Council works 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 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	4,560,000	4,560,000	0	5,829,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>4,560,000</u>	<u>4,560,000</u>	<u>0</u>	<u>5,829,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	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 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Enterprise Funds	10,000	10,000	0
Total	<u>4,560,000</u>	<u>4,560,000</u>	<u>0</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Developmental Disabilities Planning			
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Enterprise Funds	10,000	10,000	0
Total	<u>4,560,000</u>	<u>4,560,000</u>	<u>0</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total Amount	Change	Personal Service Amount	Change
Developmental Disabilities Planning	4,560,000	0	1,020,000	(20,000)
Total	<u>4,560,000</u>	<u>0</u>	<u>1,020,000</u>	<u>(20,000)</u>

Program	Nonpersonal Service Amount	Change	Maintenance Undistributed Amount	Change
Developmental Disabilities Planning	950,000	10,000	2,590,000	10,000
Total	<u>950,000</u>	<u>10,000</u>	<u>2,590,000</u>	<u>10,000</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 food and waterborne illnesses, hepatitis, HIV, meningitis, sexually transmitted infections, tuberculosis, vaccine-preventable diseases 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 2006-07, the Department of Health will have a workforce of 5,843 positions, with 29 percent of those positions employed in the Department's health care facilities.

- Approximately 15 percent of these positions are paid exclusively by the General Fund;
- 10 percent are directly supported by fees;
- 58 percent are supported by third party, private patient care and Federal reimbursement; and
- The remaining 17 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 \$47.6 billion in 2006-07. The 2006-07 Medicaid Budget reflects a continued

HEALTH

commitment to an effective and affordable delivery system that promotes high quality health care, protects patients, and ensures access to appropriate services to meet the health care needs of the State's most vulnerable 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 Governor's recently enacted cap legislation provides significant fiscal relief to local governments by capping their share of Medicaid costs up to the amount they will have spent in 2005, as modified by a predictable growth factor. To help control escalating State costs, the Budget recommends a series of actions to limit Medicaid cost increases to keep the program affordable for State taxpayers while ensuring continued access to needed health care services for recipients.

In addition, the Executive Budget advances a comprehensive plan to improve and expand the State's Medicaid fraud, waste and abuse control efforts. The Budget supports the establishment of an independent Office of Medicaid Inspector General, advances legislation to assist in the fight against fraud, transfers existing audit and investigative resources from various State agencies to the Office and dedicates additional funding to support the Medicaid Inspector General's activities.

Pharmacy

Absent efforts to control growth, State Medicaid spending on pharmacy services will reach nearly \$1.3 billion in 2006-07. The 2006-07 Executive Budget recommends several measures to control these costs, including: strengthening the Preferred Drug Program; authorizing prior approval of certain high risk / high cost drugs; eliminating coverage for erectile dysfunction drugs consistent with recent Federal legislation; and, reducing pharmacy reimbursement from Average Wholesale Price (AWP) less 16.5 percent to AWP less 30 percent for generics and from AWP less 12.75 percent to AWP less 15 percent for brand name drugs and other actions.

The Budget ensures that individuals who are eligible for both Medicaid and Medicare have a safe and seamless transition to the new Medicare prescription drug program by providing funding for a six-month transition period (through July 1, 2006) during which the Medicaid program will continue to fund all medically necessary drugs in the event they are not available under Medicare Part D. In addition, the Budget includes additional funding for the State Medicaid program to continue, on a permanent basis, a wrap around benefit for certain drugs used in the treatment of mental illnesses, HIV/AIDS drugs and organ transplants.

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 2006-07 Executive Budget recommendations for HCRA secure the fiscal stability of the program by increasing available revenues; reducing costs where feasible; continuing to provide hospitals and clinics with adequate funding; and ensure that high quality health care services are accessible and affordable for all New Yorkers.

State Medicaid spending for hospitals and clinics is expected to be approximately \$2.2 billion in 2006-07, which reflects a number of Budget recommendations to limit the growth in those costs. These include reducing Graduate Medical Education (GME) payments to facilities that lack the costs necessary to support existing reimbursement levels, eliminating annual inflationary increase, modifying the volume adjustment calculation and reforming inpatient uncomplicated detoxification services.

Long Term Care

State spending on nursing home and community-based care comprises more than half the General Fund Medicaid Budget — or an estimated \$4.8 billion in 2006-07. The 2006-07 Executive Budget recommends several initiatives that affect nursing homes including recouping delinquent nursing home assessments from delinquent payors; changing the reimbursement methodology to reduce inappropriate provider practices; holding nursing home adult day health care reimbursement to actual costs; requiring providers to offset inflationary cost increases; permanently continuing the reimbursable assessment at six percent; and other actions.

Starting in January 2007, the nursing home reimbursement methodology will be updated, or “rebased” using 2003 data, over a five-year period. To help finance the cost of this initiative, outdated rate adjustments will be eliminated, including rate add-ons for facilities with 300 plus beds and hospital-based facilities, and case mix enhancements for Medicare patients which are inappropriate because of changes in Federal reimbursement policy. Once fully implemented, the Governor’s proposal will provide more than \$340 million in new resources for nursing homes.

While progress continues to be made in implementing the provisions of the Long Term Care Integration and Finance Act of 1997, new actions are necessary to meet the future needs of the elderly and disabled. These include: additional funding for the Office for the Aging’s Expanded In-home Services for the Elderly Program; expanding the “Access to Home” program which would offer financial assistance to homeowners who undertake adaptation and accessibility work on dwellings occupied by low and moderate income persons with disabilities; and funding targeted investments to expand and promote the provision of care in community-based settings. Also, the Budget recommends closing existing eligibility loopholes that allow individuals to receive services without contributing to the cost of their care.

Managed Care

The 2006-07 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 23 upstate counties — Albany, Broome, Cattaraugus, Chautauqua, Columbia, Erie, Genesee, Greene, Herkimer, Livingston, Monroe, Nassau, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Rensselaer, Rockland, Saratoga, Suffolk 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 2006-07.

A key component of the expansion already underway is to require mandatory enrollment of Supplemental Security Income (SSI) and Seriously and Persistently Mentally Ill (SPMI) individuals into managed care for their health care benefits. In addition, the remaining voluntary counties — Allegany, Dutchess, Orange, Putnam, Schenectady, Ulster and Washington — which currently have the required two managed care plans will implement mandatory enrollment starting in April 2006. Legislation is also advanced to allow other counties with a single managed care plan to require mandatory participation. The Office of Mental Health and the Office of Alcoholism and Substance Abuse Services will also work to establish State-sponsored managed care programs for individuals with co-occurring disorders.

Managed care enrollment is projected to reach approximately 2.1 million by the end of 2005-06 and 2.3 million in 2006-07. When fully implemented, over 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, better access to specialists and better care based on standard quality measures.

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

HEALTH

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. The 2006-07 Executive Budget proposes legislation to extend the Medicaid Managed Care program permanently and eliminates the six month guaranteed eligibility for individuals enrolling in 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 are now made through the State's new computerized payment system — commonly known as eMedNY — that is operated by a private company with oversight by State personnel. The new eMedNY Medicaid System replaced both the Medicaid Management Information System (MMIS) and the Electronic Medicaid Eligibility Verification System (EMEVs) with an integrated claims processing system which began full operation in March 2005. The new system provides updated technologies and brings New York State into compliance with new Federal reporting requirements. In addition, eMedNY is being used to substantially enhance front-end detection of Medicaid fraud.

CHILD HEALTH PLUS

New York's Child Health Plus (CHPlus) program — currently authorized through September 2007 — continues to set a national standard for children's health insurance coverage for children up to age 19. CHPlus 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 nearly 440,000 children in 2005. 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, CHPlus will provide comprehensive coverage to virtually all eligible children in the State.

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 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 2006-07 Executive Budget recommends prohibiting coverage for individuals employed by large businesses; increasing co-payments for inappropriate use of emergency services; and requiring mandatory co-payments for all services.

OTHER PUBLIC HEALTH PROGRAMS

General Fund appropriations finance 16 percent of the Department of Health's budget in 2006-07 after excluding Medicaid and HCRA program costs. 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 39 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 45 percent is provided by Federal grants and Enterprise funds.

Capital Project appropriations promote the efficient operation of healthcare facilities statewide and 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 the General Fund, HCRA and/or facility revenues.

This overall recommendation ensures that public health priorities are preserved. As such, the 2006-07 Executive Budget:

- Provides the second \$250 million installment, increasing available appropriation levels to \$500 million of the \$1 billion commitment over four-years, for the Healthcare Efficiency and Affordability Law for New Yorkers (HEAL NY) Program authorized in the 2005-06 Budget. This program will support healthcare projects to upgrade information and healthcare technology, enhance the efficiency of facility operations and support facility improvement, reconfiguration and consolidation. This appropriation includes \$25 million for capital projects at the Roswell Park Cancer Institute;
- Provides \$893 million for the Elderly Pharmaceutical Insurance Coverage program (EPIC) to ensure that more than 372,000 senior citizens receive crucial prescription insurance. The Executive Budget provides a series of measures that will reduce the cost of the EPIC program as a result of coordinating benefits with the new Medicare prescription drug program. The Executive Budget also proposes reducing pharmacy reimbursement for brand name and generic drugs to bring retail reimbursement rates more in line with actual costs and eliminating funding for drugs used in the treatment of erectile dysfunction. New York will continue to assist in covering prescription drug costs for more seniors than any other state in the nation;
- Provides \$208 million for the State share of Early Intervention (EI) which provides needed services to 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 requires the use of a fiscal agent by both the State and counties to standardize the fiscal management of the EI program.
- Includes \$260 million for the General Public Health Work program to reimburse counties for core and optional services at a rate of thirty-six percent, increase the base grants to counties by \$100,000, add vector-borne diseases to the list of disease control activities eligible for reimbursement, and provide a \$20 million reserve appropriation to address any public health emergencies at the discretion of the Commissioner of Health;
- Sustains the State's commitment to fighting the AIDS epidemic by providing statewide spending of more than \$3.4 billion, a year-to-year increase of \$128 million, including \$104.6 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;
- Includes \$78 million in direct support for the Roswell Park Cancer Institute Corporation;
- Includes \$95 million, funded largely from HCRA, for an anti-smoking program, including counter advertising, community and school-based education programs, cancer mapping, cancer research, strict enforcement of laws regulating the sale and use of tobacco products. This appropriation includes \$15 million for cancer research at Roswell Park Cancer Institute;
- Supports the optional State supplementation of the Federal nutrition assistance program for women, infants and children (WIC) with \$31 million, as well as an additional \$10.8 million in support of other hunger assistance programs, making New York one of only 7 states to augment Federal nutrition funds; and

HEALTH

- Includes funding to support an ongoing Cost of Living Adjustment tied to the Consumer Price Index, effective October 1, 2006, for various public health and AIDS programs;
- Includes \$2.75 million to continue the State's ongoing commitment to improve the lives of adult home residents in New York. The Department, working with the Office of Mental Health, the Commission on Quality of Care and Advocacy for Persons with Disabilities and the State Office for the Aging, has undertaken a statewide effort to further expand the various initiatives already underway in adult homes, including: vocational and educational training, recreational activities, independent living skills, as well as the general maintenance and upkeep of the homes, which is critical to ensuring the health and safety of residents. Additionally, \$5.25 million is available in the Office of Mental Health for enhanced care coordination and more than 3,500 additional case management slots for mentally ill residents of adult homes.
- Includes additional funding for the Wadsworth Center for Laboratories and Research of \$5 million for the purchase of critical equipment, as well as \$10 million for capital improvements to the Wadsworth Laboratories.
- Includes \$6.7 million in support of the State's seventeen Regional Perinatal Centers to ensure the quality of care for newborns and their mothers.

PROGRAM HIGHLIGHTS

MEDICAID

Medicaid was established in 1965 by the Federal government as a health insurance program for the poor. Absent reform, New York's Medicaid program costs would total \$47.6 billion in 2006-07, and provide coverage to nearly 4 million New Yorkers. Cost containment and revenue maximization initiatives have resulted in the State's General Fund Medicaid spending being held to average annual increases of only 3.5 percent since 1994-95. 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.

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, important 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 and 2005 HCRA was extended for two years, most recently through June 2007. In addition, revenues were enhanced, through increases in health care surcharges and the dedication of insurance conversion proceeds 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 2006-07 Executive Budget ensures HCRA's financial stability through its authorization period. Most significantly, the Budget dedicates \$308 million in new revenues to HCRA by increasing the State cigarette tax to \$2.50 per pack — from the current \$1.50 — and reinvesting a portion of these funds in anti-tobacco initiatives, raising funding levels to \$95 million consistent with Federal Centers for Disease Control and Prevention (CDC) recommendations. In addition, \$138 million in new cost containment actions are proposed (which includes \$118.5 million in General Fund savings) while needed investments are made to support the HEAL NY Program, increase reimbursement through the Excess Medical Malpractice Program and stockpile medications and supplies to respond in the event of a future epidemic

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 Wadsworth Laboratories address public health concerns such as HIV, tuberculosis, environmental contamination and genetic disorders in newborns. In 2005-06, the newborn screening program expanded significantly, and now includes a total of 45 disorders, making New York State a national leader in the area of newborn testing. Ongoing research, largely funded by external grants, is carried out for public health problems such as AIDS, West Nile virus, cancer and the toxic effects of chemical substances and radiation. The Wadsworth Center regulates more than 700 environmental laboratories and more than 1,800 clinical laboratories and patient service centers to ensure testing quality, and the public's health and safety. In addition, the Wadsworth Center and DOH's Centers for Community and Environmental Health continue to play key roles in managing the State's preparation for response to bioterrorism.

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 \$3.4 billion to combat HIV/AIDS next year.

HEALTH

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 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	4,648,552,000	4,645,606,000	(2,946,000)	9,402,411,000
Aid To Localities	44,365,425,185	43,879,956,300	(485,468,885)	24,819,679,000
Capital Projects	326,600,000	300,537,000	(26,063,000)	450,603,000
Total	<u>49,340,577,185</u>	<u>48,826,099,300</u>	<u>(514,477,885)</u>	<u>34,672,693,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Administration and Executive Direction			
General Fund	88	88	0
Special Revenue Funds - Federal	58	58	0
Special Revenue Funds - Other	253	253	0
AIDS Institute			
General Fund	164	164	0
Child Health Insurance			
Special Revenue Funds - Other	37	37	0
Community Health			
General Fund	7	15	8
Special Revenue Funds - Federal	631	631	0
Special Revenue Funds - Other	103	117	14
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Federal	5	5	0
Special Revenue Funds - Other	22	27	5
Environmental Health			
General Fund	99	99	0
Special Revenue Funds - Federal	137	137	0
Special Revenue Funds - Other	84	78	(6)
Capital Projects Funds - Other	80	80	0
Health Care Financing			
General Fund	81	92	11
Special Revenue Funds - Other	57	57	0
Health Care Standards and Surveillance			
General Fund	547	547	0
Special Revenue Funds - Other	314	304	(10)
Health Services			
Enterprise Funds	14	14	0
Institution Management			
Special Revenue Funds - Other	1,672	1,672	0
Laboratories and Research			
General Fund	374	405	31
Special Revenue Funds - Federal	81	81	0
Special Revenue Funds - Other	192	208	16
Managed Care			
General Fund	152	158	6
Medicaid Management, Office of			
General Fund	420	426	6
Special Revenue Funds - Federal	88	88	0
Special Revenue Funds - Other	2	2	0
Total	<u>5,762</u>	<u>5,843</u>	<u>81</u>

HEALTH

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	153,812,000	162,242,000	8,430,000
Special Revenue Funds - Federal	4,004,825,000	3,979,144,000	(25,681,000)
Special Revenue Funds - Other	489,905,000	504,210,000	14,305,000
Enterprise Funds	10,000	10,000	0
Total	<u>4,648,552,000</u>	<u>4,645,606,000</u>	<u>(2,946,000)</u>
Adjustments:			
Transfer(s) To			
Medicaid Inspector General, Office of the			
General Fund	15,753,000		
Special Revenue Funds - Federal	50,073,000		
Special Revenue Funds - Other	4,500,000		
Appropriated 2005-06	<u>4,718,878,000</u>		

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration and Executive Direction			
General Fund	21,063,000	21,953,000	890,000
Special Revenue Funds - Federal	9,824,000	8,984,000	(840,000)
Special Revenue Funds - Other	32,901,000	35,954,000	3,053,000
AIDS Institute			
General Fund	16,238,000	16,329,000	91,000
Child Health Insurance			
Special Revenue Funds - Federal	58,300,000	64,131,000	5,831,000
Special Revenue Funds - Other	11,408,000	11,421,000	13,000
Community Health			
General Fund	0	9,132,000	9,132,000
Special Revenue Funds - Federal	117,128,000	117,128,000	0
Special Revenue Funds - Other	7,746,000	9,084,000	1,338,000
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Federal	34,000,000	0	(34,000,000)
Special Revenue Funds - Other	14,292,000	19,125,000	4,833,000
Environmental Health			
General Fund	9,287,000	9,287,000	0
Special Revenue Funds - Federal	15,678,000	15,678,000	0
Special Revenue Funds - Other	17,208,000	18,166,000	958,000
Health Care Financing			
General Fund	4,807,000	8,414,000	3,607,000
Special Revenue Funds - Other	9,084,000	8,425,000	(659,000)
Health Care Standards and Surveillance			
General Fund	53,806,000	52,681,000	(1,125,000)
Special Revenue Funds - Federal	300,000	0	(300,000)
Special Revenue Funds - Other	65,423,000	64,691,000	(732,000)
Institution Management			
Special Revenue Funds - Other	150,899,000	140,327,000	(10,572,000)
Enterprise Funds	10,000	10,000	0
Laboratories and Research			
General Fund	32,726,000	39,812,000	7,086,000
Special Revenue Funds - Federal	11,448,000	15,076,000	3,628,000
Special Revenue Funds - Other	44,422,000	45,995,000	1,573,000
Maintenance Undistributed			
General Fund	(123,962,000)	(138,962,000)	(15,000,000)
Special Revenue Funds - Other	123,962,000	138,962,000	15,000,000
Managed Care			
General Fund	14,841,000	15,372,000	531,000
Special Revenue Funds - Other	60,000	60,000	0
Medicaid Management, Office of			
General Fund	50,971,000	51,427,000	456,000
Special Revenue Funds - Federal	3,662,424,000	3,662,424,000	0
Special Revenue Funds - Other	12,500,000	12,000,000	(500,000)
Medicaid Management Information System			
General Fund	74,035,000	76,797,000	2,762,000
Special Revenue Funds - Federal	95,723,000	95,723,000	0
Total	<u>4,648,552,000</u>	<u>4,645,606,000</u>	<u>(2,946,000)</u>

HEALTH

STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2006-07 RECOMMENDED
(dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	7,463,000	0	6,958,000	(80,000)
AIDS Institute	10,448,000	91,000	10,448,000	91,000
Environmental Health	7,350,000	0	7,350,000	199,000
Health Care Financing	7,198,000	3,202,000	7,128,000	3,167,000
Health Care Standards and Surveillance	36,691,000	(1,008,000)	36,321,000	(1,008,000)
Laboratories and Research	25,086,000	2,086,000	24,765,000	2,086,000
Managed Care	10,961,000	451,000	10,961,000	451,000
Medicaid Management, Office of	26,418,000	381,000	26,418,000	381,000
Total	131,615,000	5,203,000	130,349,000	5,287,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	250,000	25,000	255,000	55,000
AIDS Institute	0	0	0	0
Environmental Health	0	(187,000)	0	(12,000)
Health Care Financing	0	0	70,000	35,000
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 Management, Office of	0	0	0	0
Total	434,000	(162,000)	832,000	78,000

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2006-07 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Executive Direction	14,490,000	890,000	740,000	0
AIDS Institute	5,881,000	0	1,333,881	0
Community Health	9,132,000	9,132,000	0	0
Environmental Health	1,937,000	0	0	(159,000)
Health Care Financing	1,216,000	405,000	63,000	51,000
Health Care Standards and Surveillance	15,990,000	(117,000)	279,500	0
Laboratories and Research	14,726,000	5,000,000	3,285,000	0
Managed Care	4,411,000	80,000	114,000	80,000
Medicaid Management, Office of	25,009,000	75,000	0	0
Medicaid Management Information System	76,797,000	2,762,000	0	0
Total	169,589,000	18,227,000	5,815,381	(28,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Executive Direction	262,000	0	12,547,000	0
AIDS Institute	311,700	0	3,556,900	0
Community Health	0	0	0	0
Environmental Health	0	(415,000)	1,937,000	714,000
Health Care Financing	118,300	80,000	934,000	212,000
Health Care Standards and Surveillance	1,247,300	0	13,997,700	110,000
Laboratories and Research	76,000	0	6,060,000	0
Managed Care	0	0	4,297,000	0
Medicaid Management, Office of	0	0	4,955,000	75,000
Medicaid Management Information System	0	0	76,797,000	2,762,000
Total	2,015,300	(335,000)	125,081,600	3,873,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	51,000	0	890,000	890,000
AIDS Institute	228,519	0	450,000	0
Community Health	0	0	9,132,000	9,132,000
Environmental Health	0	(140,000)	0	0
Health Care Financing	100,700	62,000	0	0
Health Care Standards and Surveillance	192,500	0	273,000	(227,000)
Laboratories and Research	5,305,000	5,000,000	0	0
Managed Care	0	0	0	0
Medicaid Management, Office of	0	0	20,054,000	0
Medicaid Management Information System	0	0	0	0
Total	5,877,719	4,922,000	30,799,000	9,795,000

HEALTH

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2006-07 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Executive Direction	44,938,000	2,213,000	16,276,000	(542,000)
Child Health Insurance	75,552,000	5,844,000	2,428,000	0
Community Health	126,212,000	1,338,000	0	0
Elderly Pharmaceutical Insurance Coverage	19,125,000	(29,167,000)	1,701,000	301,000
Environmental Health	33,844,000	958,000	5,643,000	579,000
Health Care Financing	8,425,000	(659,000)	4,467,000	0
Health Care Standards and Surveillance	64,691,000	(1,032,000)	16,529,000	1,249,000
Institution Management	115,893,000	(9,680,000)	0	0
Laboratories and Research	61,071,000	5,201,000	9,450,000	30,000
Managed Care	60,000	0	0	0
Medicaid Management, Office of	3,674,424,000	(500,000)	3,766,000	0
Medicaid Management Information System	95,723,000	0	0	0
Total	4,319,958,000	(25,484,000)	60,260,000	1,617,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	18,450,000	3,558,000	10,212,000	(803,000)
Child Health Insurance	8,993,000	13,000	64,131,000	5,831,000
Community Health	0	0	126,212,000	1,338,000
Elderly Pharmaceutical Insurance Coverage	17,231,000	4,507,000	193,000	(33,975,000)
Environmental Health	11,123,000	379,000	17,078,000	0
Health Care Financing	3,958,000	(659,000)	0	0
Health Care Standards and Surveillance	24,517,000	(181,000)	23,645,000	(2,100,000)
Institution Management	0	0	115,893,000	(9,680,000)
Laboratories and Research	14,039,000	337,000	37,582,000	4,834,000
Managed Care	0	0	60,000	0
Medicaid Management, Office of	11,961,000	0	3,658,697,000	(500,000)
Medicaid Management Information System	0	0	95,723,000	0
Total	110,272,000	7,954,000	4,149,426,000	(35,055,000)

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	9,103,817,600	9,538,589,300	434,771,700
Special Revenue Funds - Federal	25,688,743,585	25,800,206,000	111,462,415
Special Revenue Funds - Other	7,801,664,000	6,769,961,000	(1,031,703,000)
Fiduciary Funds	1,771,200,000	1,771,200,000	0
Total	44,365,425,185	43,879,956,300	(485,468,885)

Adjustments:			
Prior Year Deficiency			
Health, Department of			
General Fund	225,000,000		
Special Revenue Funds - Other	27,000,000		
Recommended Deficiency			
Health, Department of			
General Fund	(606,000,000)		
Transfer(s) To			
Medicaid Inspector General, Office of the			
General Fund (State Operations)	5,550,000		
Appropriated 2005-06	<u>44,016,975,185</u>		

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration and Executive Direction			
General Fund	602,000	608,000	6,000
AIDS Institute			
General Fund	8,564,300	9,187,000	622,700
Special Revenue Funds - Other	88,253,000	88,253,000	0
Child Health Insurance			
Special Revenue Funds - Federal	435,000,000	478,500,000	43,500,000
Special Revenue Funds - Other	435,000,000	435,000,000	0
Community Health			
General Fund	600,847,300	547,117,300	(53,730,000)
Special Revenue Funds - Federal	694,035,000	694,035,000	0
Special Revenue Funds - Other	80,373,000	99,385,000	19,012,000
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	851,000,000	874,075,000	23,075,000
Environmental Health			
General Fund	6,000,000	6,000,000	0
Special Revenue Funds - Federal	3,206,000	3,206,000	0
Special Revenue Funds - Other	200,000	200,000	0
Health Care Reform Act Program			
Special Revenue Funds - Other	1,608,550,000	1,154,310,000	(454,240,000)
Health Care Standards and Surveillance			
General Fund	12,731,000	9,731,000	(3,000,000)
Special Revenue Funds - Federal	350,000	400,000	50,000
Special Revenue Funds - Other	5,500,000	2,750,000	(2,750,000)
Laboratories and Research			
General Fund	931,000	931,000	0
Special Revenue Funds - Federal	3,201,000	3,201,000	0
Maintenance Undistributed			
General Fund	(7,288,000)	(7,288,000)	0
Special Revenue Funds - Other	7,288,000	7,288,000	0
Medicaid Management, Office of			
General Fund	10,108,000	11,477,000	1,369,000
Medical Assistance			
General Fund	8,349,522,000	8,828,821,000	479,299,000
Special Revenue Funds - Federal	24,071,151,585	24,139,064,000	67,912,415
Special Revenue Funds - Other	4,725,500,000	4,108,700,000	(616,800,000)
Fiduciary Funds	1,771,200,000	1,771,200,000	0
Medical Assistance Administration			
General Fund	121,800,000	132,005,000	10,205,000
Special Revenue Funds - Federal	481,800,000	481,800,000	0
Total	<u>44,365,425,185</u>	<u>43,879,956,300</u>	<u>(485,468,885)</u>

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Health Care Efficiency and Affordability Law for New Yorkers				
Capital Projects Fund	65,000,000	165,000,000	100,000,000	65,000,000
Capital Projects Fund - Advances	185,000,000	85,000,000	(100,000,000)	185,000,000
Laboratories and Research				
Capital Projects Fund	4,000,000	10,000,000	6,000,000	13,995,000
Maintenance and Improvements of Existing Institutions				
Capital Projects Fund	7,600,000	7,600,000	0	26,805,000
New Institution Construction				
Capital Projects Fund - Advances	0	0	0	21,000,000
Water Resources				
Federal Capital Projects Fund	65,000,000	32,937,000	(32,063,000)	138,803,000
Total	<u>326,600,000</u>	<u>300,537,000</u>	<u>(26,063,000)</u>	<u>450,603,000</u>

OFFICE OF MEDICAID INSPECTOR GENERAL

MISSION

The 2006-07 Executive Budget establishes the Office of Medicaid Inspector General (OMIG) — an independent entity within the Department of Health — in statute to improve and preserve the integrity of the Medicaid program by conducting and coordinating fraud, waste and abuse control activities for all State agencies responsible for services funded by Medicaid.

In carrying out its mission, the Office will conduct and supervise all prevention, detection, audit and investigation efforts and coordinate such activities with the Department of Health's Office of Medicaid Management, and the Office of Mental Health, Office of Mental Retardation and Developmental Disabilities and Office of Alcoholism and Substance Abuse Services. In addition, the Medicaid Inspector General will work closely with the Attorney General's Medicaid Fraud and Control Unit (MFCU) and strengthen partnerships with Federal and local law enforcement agencies.

ORGANIZATION AND STAFFING

The Office will be headed by the Medicaid Inspector General appointed by the Governor with the advice and consent of the Senate. The Medicaid Inspector General will be headquartered in Albany with five regional field offices located throughout the state.

The Office was created by Executive Order in the current State Fiscal Year. Staff working on Medicaid fraud, waste and abuse prevention activities in the Department of Health and other State agencies will be administratively transferred to OMIG.

The 2006-07 Executive Budget funds 411 existing positions related to fraud, waste and abuse control activities and provides additional resources to establish 81 new positions. In total, the Office of Medicaid Inspector General will have a State workforce of 492 full-time employees, and another 135 employees funded by contractual resources. Approximately 55 percent of the positions are supported by the General Fund and the remaining 45 percent are supported by Federal and other funds.

BUDGET HIGHLIGHTS

The 2006-07 Executive Budget recommends \$94 million to support the operations of the Office of Medicaid Inspector General. The Budget transfers all existing audit and investigative resources to this new Office and provides additional funding totaling \$18.3 million (an increase of 24 percent) to improve the State's ability to combat fraud, waste and abuse by:

- Contracting with clinicians at the State University of New York at Stony Brook and other universities for program expertise to develop clinical guidelines and improve protocols to identify patterns associated with fraud, waste or abuse;
- Strengthening the prepayment identification and verification process to maximize third party recoveries;
- Enhancing the State's ability to investigate fraud and ensure compliance with provider Medicaid standards;
- Implementing new technologies to utilize the capabilities of the eMedNY system for assisting in the detection of fraud, waste and abuse; and
- Improving the coordination of anti-fraud activities with other State agencies in order to improve the procedures and protocols for the detection and prevention of Medicaid fraud.

MEDICAID INSPECTOR GENERAL

In addition, the Budget advances a series of statutory reforms to improve the State's ability to combat Medicaid fraud including: imposing criminal penalties for certain fraudulent health care practices, increasing penalties for the submission of fraudulent claims, establishing whistleblower protections for employees reporting health care fraud, permitting prosecutions for the possession of diverted prescription drugs and changing the court venue consistent with the practice used for other State agencies.

PROGRAM HIGHLIGHTS

The Medicaid program was established by the Federal government in 1965 as a health insurance program for the poor. Absent any additional reforms, New York's Medicaid program costs would total \$47.6 billion in 2006-07. Medicaid provides coverage to nearly 4 million New Yorkers.

The Department of Health now processes more than 400 million Medicaid claims annually to approximately 60,000 active health care providers offering a wide range of services including nursing facility care, inpatient and outpatient hospital care, home health care, physician services, pharmaceuticals, and other services. In the last six years alone, the Department of Health's efforts — aided in large part by the tremendous investments in detection systems upgrades and improvements — have saved the State Medicaid program more than \$12.8 billion.

Building on that record of achievement, the Office of Medicaid Inspector General will improve fraud, waste and abuse control activities by prioritizing and focusing existing fraud efforts and developing new innovative approaches to prevent, detect, investigate and prosecute fraud.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	76,226,000	94,596,000	18,370,000	34,216,400
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	76,226,000	94,596,000	18,370,000	34,216,400

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

Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Medicaid Audit and Fraud Prevention			
General Fund	199	280	81
Special Revenue Funds - Federal	180	180	0
Special Revenue Funds - Other	32	32	0
Total	411	492	81

MEDICAID INSPECTOR GENERAL

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	21,653,000	35,023,000	13,370,000
Special Revenue Funds - Federal	50,073,000	55,073,000	5,000,000
Special Revenue Funds - Other	4,500,000	4,500,000	0
Total	<u>76,226,000</u>	<u>94,596,000</u>	<u>18,370,000</u>

Adjustments:

Transfer(s) From			
Alcoholism and Substance Abuse Services, Office of General Fund	(100,000)		
Health, Department of General Fund	(15,753,000)		
General Fund (Aid To Localities)	(5,550,000)		
Special Revenue Funds - Federal	(50,073,000)		
Special Revenue Funds - Other	(4,500,000)		
Mental Retardation and Developmental Disabilities, Office of General Fund	(250,000)		
Appropriated 2005-06	<u>0</u>		

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

Program	Available 2005-06	Recommended 2006-07	Change
Medicaid Audit and Fraud Prevention			
General Fund	21,653,000	35,023,000	13,370,000
Special Revenue Funds - Federal	50,073,000	55,073,000	5,000,000
Special Revenue Funds - Other	4,500,000	4,500,000	0
Total	<u>76,226,000</u>	<u>94,596,000</u>	<u>18,370,000</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	18,872,000	6,725,000	18,872,000	6,725,000
Total	<u>18,872,000</u>	<u>6,725,000</u>	<u>18,872,000</u>	<u>6,725,000</u>

MEDICAID INSPECTOR GENERAL

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Supplies and Materials</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Medicaid Audit and Fraud Prevention	16,151,000	6,645,000	800,000	800,000
Total	<u>16,151,000</u>	<u>6,645,000</u>	<u>800,000</u>	<u>800,000</u>

<u>Program</u>	<u>Travel</u>		<u>Contractual Services</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Medicaid Audit and Fraud Prevention	45,000	45,000	7,807,000	0
Total	<u>45,000</u>	<u>45,000</u>	<u>7,807,000</u>	<u>0</u>

<u>Program</u>	<u>Equipment</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Medicaid Audit and Fraud Prevention	800,000	800,000	6,699,000	5,000,000
Total	<u>800,000</u>	<u>800,000</u>	<u>6,699,000</u>	<u>5,000,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Medicaid Audit and Fraud Prevention	59,573,000	5,000,000	13,935,000	0
Total	<u>59,573,000</u>	<u>5,000,000</u>	<u>13,935,000</u>	<u>0</u>

<u>Program</u>	<u>Nonpersonal Service</u>	
	<u>Amount</u>	<u>Change</u>
Medicaid Audit and Fraud Prevention	45,638,000	5,000,000
Total	<u>45,638,000</u>	<u>5,000,000</u>

DEPARTMENT OF MENTAL HYGIENE

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

The recommended \$150 million in new appropriations 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 2005-06	Recommended 2006-07	Change
General Fund	(150,000,000)	(150,000,000)	0
Special Revenue Funds - Other	150,000,000	150,000,000	0
Total	<u>0</u>	<u>0</u>	<u>0</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Mental Hygiene			
General Fund	(150,000,000)	(150,000,000)	0
Special Revenue Funds - Other	150,000,000	150,000,000	0
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, treatment, and recovery for chemical dependency and compulsive gambling. In conjunction with other State agencies, 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 and compulsive gambling. The Office 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 chemical dependence and compulsive gambling prevention and treatment services and as a conduit for Federal and State financial assistance. The Office also furthers 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 2006-07, OASAS will have a workforce of 963, of which nearly 60 percent provide an array of clinical treatment services through the ATCs.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2006-07 Executive Budget recommends \$592 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.

OASAS will achieve administrative and other operational efficiencies in 2006-07 by developing and implementing Business Plans for both State Operations and Local Assistance that will generate savings as well as provide resources to reinvest in key program initiatives. 2006-07 activities include:

- Collaborating with the newly-created Office of the State Medicaid Inspector General in the area of Medicaid regulatory compliance and enforcement and saving a projected \$9 million in wasteful, inappropriate or unnecessary spending;
- Reducing funding to local chemical dependency prevention and treatment services providers, whose agency administration and overhead costs are higher than system-wide and regional averages, saving a projected \$1.3 million;
- Implementing initiatives to shift detoxification services from high cost over-utilized medically-managed to medically-supervised withdrawal services models, as appropriate; expanding other intensive case management initiatives to improve patient care and outcomes while reducing costs; coordinating and enhancing care for individuals with both mental illness and chemical dependence; continuing to implement a new residential treatment model for adolescents; and
- Maximizing non-General Fund revenue sources and effectively managing cash outlays to minimize State taxpayers support by implementing structural and procedural changes in business practices.

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

As a result of these cost savings efforts, and in conjunction with other savings achieved by the Governor's recommendations, this Budget supports several new initiatives in the chemical dependence area. The recommendation includes \$4.1 million in funding to support partial-year funding of an annual cost-of-living adjustment (COLA) for three years tied to the Consumer Price Index for existing funded providers of chemical dependence and compulsive gambling services. Effective October 1, 2006, this COLA will be used by OASAS to enhance funding by nearly 2.5 percent for localities and not-for-profit providers to strengthen efforts to recruit and retain qualified direct care and clinical staff and respond to other inflationary pressures.

The Budget also provides \$2 million to support a new initiative, Veterans' Enhanced Treatment Services (VETS), to develop 50 residential treatment beds to provide a comprehensive range of services to meet the unique needs of veterans, primarily those returning home from fighting the War on Terror in Iraq and Afghanistan.

In 2006-07, recommendations also enable OASAS to work with other State and local service delivery systems to improve and better coordinate services. Specifically, \$5.3 million in combined funding has been provided to support a demonstration between OASAS and the Office of Children and Family Services to reduce the incidence of foster care placements by appropriately assessing and screening family members for alcohol and other drug use and by encouraging their entry into OASAS treatment programs. In addition, OASAS and the Division of Parole will collaborate using \$6 million in combined funding in a pilot initiative to forge effective societal re-entry linkages to chemical dependence treatment and such other support services as housing and employment, to reduce recidivism rates amongst those released from prison. Moreover, in conjunction with the New York City Department of Homeless Services, OASAS will use \$2.3 million in new resources to pilot the establishment of at least three medically-supervised outpatient detoxification units in the City's homeless shelters to ensure the chronically homeless enter long-term addiction treatment and find permanent housing and employment opportunities. In the area of co-occurring disorders involving New Yorkers with both a mental illness and a chemical dependence, OASAS will collaborate with OMH to utilize \$2 million in combined, new funding for a co-occurring disorder pilot program.

\$2 million in new funding will also strengthen OASAS' collaboration with institutions of higher education and communities to combat underage drinking through OASAS' nationally recognized "Underage Drinking — Not a Minor Problem" Campaign. Another \$2 million is provided to implement four pilot programs for an outpatient treatment alternative for youth at-risk of placement in the child welfare and/or juvenile justice systems.

The Budget also provides a total commitment of over \$24 million in bonded capital funds to develop a total of 108 non-profit-operated residential treatment beds to bolster capacity to meet the needs of two specialty populations — adolescents and women with children.

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, OASAS licenses and regulates program providers, ensures that fiscal resources are appropriately spent, and assists local programs in providing the highest quality services.

Approximately 300,000 patients are served annually in New York State's licensed chemical dependence treatment and rehabilitation and compulsive gambling system, which consists of approximately 1,200 community-based programs. 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 alcohol and substance abuse, and lack of commitment to school, which research shows are predictive of adolescent problem behaviors like alcohol and substance abuse, delinquency,

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

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 alcohol and substance abuse.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	77,634,000	81,912,000	4,278,000	4,695,000
Aid To Localities	413,326,000	432,949,000	19,623,000	152,927,000
Capital Projects	38,650,000	77,416,000	38,766,000	163,608,000
Total	<u>529,610,000</u>	<u>592,277,000</u>	<u>62,667,000</u>	<u>321,230,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Community Treatment Services Program			
Special Revenue Funds - Federal	0	2	2
Executive Direction			
General Fund	317	319	2
Special Revenue Funds - Federal	70	70	0
Special Revenue Funds - Other	12	12	0
Capital-Administration			
Capital Projects Funds - Other	8	8	0
Institutional Services			
General Fund	531	536	5
Special Revenue Funds - Federal	16	16	0
Total	<u>954</u>	<u>963</u>	<u>9</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	46,581,000	52,721,000	6,140,000
Special Revenue Funds - Federal	6,221,000	6,359,000	138,000
Special Revenue Funds - Other	24,832,000	22,832,000	(2,000,000)
Total	<u>77,634,000</u>	<u>81,912,000</u>	<u>4,278,000</u>

Adjustments:

Transfer(s) To

Medicaid Inspector General, Office of the

General Fund

Appropriated 2005-06

100,000
<u>77,734,000</u>

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

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

Program	Available 2005-06	Recommended 2006-07	Change
Executive Direction			
General Fund	21,956,000	23,509,000	1,553,000
Special Revenue Funds - Federal	5,021,000	5,159,000	138,000
Special Revenue Funds - Other	9,232,000	9,232,000	0
Institutional Services			
General Fund	24,625,000	29,212,000	4,587,000
Special Revenue Funds - Federal	1,200,000	1,200,000	0
Special Revenue Funds - Other	15,600,000	13,600,000	(2,000,000)
Total	<u>77,634,000</u>	<u>81,912,000</u>	<u>4,278,000</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	22,363,000	349,000	22,183,000	349,000
Institutional Services	31,842,000	1,194,000	30,945,000	1,158,000
Total	<u>54,205,000</u>	<u>1,543,000</u>	<u>53,128,000</u>	<u>1,507,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	112,000	0	68,000	0
Institutional Services	472,000	18,000	425,000	18,000
Total	<u>584,000</u>	<u>18,000</u>	<u>493,000</u>	<u>18,000</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Executive Direction	9,046,000	1,204,000	600,000	98,000
Institutional Services	10,970,000	1,393,000	3,775,000	487,000
Total	<u>20,016,000</u>	<u>2,597,000</u>	<u>4,375,000</u>	<u>585,000</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Executive Direction	600,000	10,000	7,746,000	1,021,000
Institutional Services	283,000	24,000	6,488,000	820,000
Total	<u>883,000</u>	<u>34,000</u>	<u>14,234,000</u>	<u>1,841,000</u>

Program	Equipment	
	Amount	Change
Executive Direction	100,000	75,000
Institutional Services	424,000	62,000
Total	<u>524,000</u>	<u>137,000</u>

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Executive Direction	6,491,000	138,000	3,351,000	(14,000)
Institutional Services	1,200,000	0	865,000	0
Total	<u>7,691,000</u>	<u>138,000</u>	<u>4,216,000</u>	<u>(14,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Executive Direction	1,263,000	2,000	1,877,000	150,000
Institutional Services	335,000	0	0	0
Total	<u>1,598,000</u>	<u>2,000</u>	<u>1,877,000</u>	<u>150,000</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	261,475,000	286,595,000	25,120,000
Special Revenue Funds - Federal	145,311,000	138,314,000	(6,997,000)
Special Revenue Funds - Other	6,540,000	8,040,000	1,500,000
Total	<u>413,326,000</u>	<u>432,949,000</u>	<u>19,623,000</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Community Treatment Services Program			
General Fund	211,575,000	231,437,000	19,862,000
Special Revenue Funds - Federal	102,185,000	98,523,000	(3,662,000)
Prevention and Program Support			
General Fund	49,900,000	55,158,000	5,258,000
Special Revenue Funds - Federal	43,126,000	39,791,000	(3,335,000)
Special Revenue Funds - Other	6,540,000	8,040,000	1,500,000
Total	<u>413,326,000</u>	<u>432,949,000</u>	<u>19,623,000</u>

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Design and Construction Supervision				
Capital Projects Fund	1,500,000	2,500,000	1,000,000	2,403,000
MH Capital Improvements - Authority Bonds	500,000	500,000	0	500,000
Administration				
Capital Projects Fund	1,140,000	1,170,000	30,000	0
Community Alcoholism and Substance Abuse Facilities				
Capital Projects Fund	5,310,000	4,810,000	(500,000)	20,776,000
MH Capital Improvements - Authority Bonds	26,250,000	59,386,000	33,136,000	121,347,000
Institutional Services Program				
Capital Projects Fund	500,000	500,000	0	2,713,000
MH Capital Improvements - Authority Bonds	2,700,000	7,800,000	5,100,000	15,869,000
Non-Bondable				
Capital Projects Fund	750,000	750,000	0	0
Total	<u>38,650,000</u>	<u>77,416,000</u>	<u>38,766,000</u>	<u>163,608,000</u>

OFFICE OF MENTAL HEALTH

MISSION

The mission of the Office of Mental Health (OMH) is to promote the mental health of all New Yorkers, with a particular focus on providing hope and recovery for adults with serious mental illness and children with serious emotional disturbances.

VISION

OMH envisions a future when everyone with a mental illness will recover, when all mental illnesses can be prevented or cured, when everyone with a mental illness at any stage of life has access to effective treatment and supports — essential for living, working, learning, and participating fully in the community.

OMH's vision and mission are embodied in a strategic planning and management framework known as the "ABCDs of mental health care" — **A**ccountability for Results, **B**est Practices, **C**oordination of Care, and **D**isparities Elimination and Cultural Competence.

OPERATING HIGHLIGHTS

OMH's two primary functions as New York's mental health authority are to promote overall public mental health for all New Yorkers through education and advocacy, and to ensure access to quality services for adults with severe mental illness and children with serious emotional disturbances, with the goal of helping individuals to live productive, full lives in their communities. The agency has four lines of business underpinning these functions:

- **Regulating, Certifying, Financing and Overseeing New York's Public Mental Health System.** Regulates and licenses more than 2,500 mental health programs operated by local governments and private agencies serving 600,000 persons annually, and includes inpatient, outpatient, emergency, residential, and community support services. Will oversee All Funds appropriations of \$2.9 billion in State Fiscal Year 2006-07 and employ a workforce of 17,506.
- **Providing State-operated Inpatient and Outpatient Mental Health Services.** Manages State-operated inpatient services through a network of 25 psychiatric centers that include 16 psychiatric centers serving adults with serious mental illness, six serving children with serious emotional disturbances, and three serving forensic patients involved with the criminal justice system.
- **Conducting Basic and Applied Research to Advance Prevention, Treatment, and Recovery.** Conducts basic and applied research at the New York State Psychiatric Institute and Nathan S. Kline Institute for Psychiatric Research focused on identifying interventions that have been proven by scientific research to be effective and that can be incorporated into mainstream practice.
- **Promoting Public Mental Health.** Supports a variety of educational activities focusing on the nature and impact of mental illness, effective treatments and services, useful preventive and coping strategies, and how to get help.

In addition, OMH has developed key measures to track progress in meeting the agency's strategic goals. Through a web-based tool known as the OMH Balanced Scorecard, the agency tracks system-wide performance in such measures as reduced hospitalizations for recipients enrolled in the Assertive Community Treatment program; quality of care in OMH

MENTAL HEALTH

licensed outpatient programs; obtainment of treatment goals for children enrolled in the Home and Community-Based Services (HCBS) waiver; and the reduction of high-risk behaviors for recipients receiving Assisted Outpatient Treatment services under Kendra's Law, among others.

ENVIRONMENTAL CHALLENGES AND OPPORTUNITIES

OMH faces several significant fiscal, programmatic and workforce challenges that are addressed in the 2006-07 Executive Budget. These challenges include the following:

- **Funding and management strategies for the voluntary-operated, community-based service system need to balance expansion efforts with ongoing infrastructure needs to address staff recruitment and retention issues and other inflationary pressures.** Accordingly, OMH will need to continue working with community-based providers to ensure that all available funding is used in the most efficient and effective manner to meet the needs of consumers and their families, and that stable funding sources are pursued to ensure adequate support for agency operating expenses.
- **Epidemiological studies demonstrate that the onset of serious mental illness often occurs in adolescence and that a significant delay occurs between onset and diagnosis and treatment, resulting in more intensive and costly treatment interventions that require out-of-home placements during adolescence as well as more serious mental illness and disability later in life.** In response, OMH will need to develop initiatives to identify high-risk children for mental illness and increase access at a much earlier age to appropriate and cost-effective mental health services that alleviate distress and keep children at home with their families.
- **According to the Federal New Freedom Commission report, the lack of decent, safe, affordable, and integrated housing is one of the most significant barriers to full participation in community life for people with mental illness.** This suggests that OMH will need to continue developing integrated and affordable housing opportunities and accompanying support services for individuals with mental illness.
- **Public safety in New York State communities needs to be increased via civil commitment, where appropriate, for the care and treatment of sexually violent predators in secure facilities.** OMH will need to establish discrete, secure treatment facility capacity to support the Governor's ongoing civil commitment initiative.
- **A disproportionate share of OMH's funding of the State's public mental health system supports the 25 State-operated psychiatric centers (PCs) serving slightly more than 5,000 inpatients contrasted to over 93,000 inpatients served in 1955. The declining need for adult, inpatient psychiatric center beds allowed the State to eliminate unneeded capacity and invest savings in expanded evidence-based, community based services. The ability to further close or consolidate inpatient capacity is currently infeasible due to the leveling off of previously declining demand for inpatient services, utilization of current inpatient capacity, and the need to evaluate future inpatient capacity needs.** These challenges present two important opportunities. First, OMH will need to assure that adequate, ongoing inpatient capacity is provided in the most efficient and cost-effective manner possible. Second, OMH will need to continuously evaluate the need for inpatient capacity and propose further consolidations or closures when they are feasible, including working with the Commission on Health Care Facilities in the 21st

Century with regard to non-State-operated psychiatric inpatient capacity. Both of these opportunities will support the delivery of quality inpatient services and maximize the availability of financial support for evidence-based, community-based services.

- **As the population ages, there is a greater need for mental health services for older adults.** Under the Geriatric Mental Health Act, a geriatric service demonstration program to provide grants to providers of mental health care to the elderly will be established. Such programs will be administered by the Office of Mental Health and the Office of the Aging. OMH will need to provide collaboration and support for these demonstration efforts.
- **Suicide continues to be a major concern. Ten percent of adolescents experience suicidal ideation, and the risk of suicide for individuals over 55 years of age is nearly double that of other age groups.** This means the agency will have to improve public understanding of the causes, effects and treatment of serious emotional disturbances and mental illnesses that increase individuals' susceptibility to suicidal ideation. OMH will need to increase the number of localities that have developed and implemented local suicide prevention plans tailored to their communities.
- **A key Governor's priority in the mental hygiene area is the importance of accountability and performance management, as well as transforming government operations through structural and service enhancements and improving efficiency through technology.** Accordingly, OMH will continue to make available the necessary data and information to the State and counties to monitor quality of care and cost-effectiveness as well as improve performance-based outcomes measurement and provider certification and licensing process.

KEY AGENCY STRATEGIES

OMH has thoroughly assessed the environmental challenges and opportunities addressed above and their impact on the agency mission, vision, management strategies and lines of business. This assessment has led to identification of the following key agency strategies:

- **Enhancing community-based program models to recruit and retain a qualified workforce and respond to other inflationary pressures**
- **Enhancing access to effective community-based services for children and families**
- **Providing access to safe and affordable community housing**
- **Increasing public safety through the civil commitment of sexually violent predators, where appropriate, to secure treatment facilities for care and treatment**
- **Providing access to efficient and high-quality inpatient services**
- **Enhancing access to effective community-based services for older adults**
- **Promoting public mental health by reducing the risk of suicide**
- **Implementing an effective performance and accountability infrastructure**

The section below details the specific management actions that OMH will take to implement these key strategies, and the specific performance indicators it will use to measure and report progress. As indicated in the earlier Vision statement, OMH is committed to Disparities Elimination and Cultural Competence as a priority focus in advancing its strategic priorities. Each performance measure will be assessed to address disparities in access to, and participation in, services based on race, ethnicity, age and gender.

MENTAL HEALTH

ACTIONS TO IMPLEMENT THE STRATEGIES

Enhance community-based program models to recruit and retain a qualified workforce and respond to other inflationary pressures.

Actions to implement this strategy include providing a three-year, annual cost-of-living adjustment tied to the Consumer Price Index for targeted OMH non-trended programs to reflect actual inflation-related growth and/or providing targeted resources to shore up certain residential models.

Action	SFY 2006-07 Funding Levels	Performance indicators
➤ Cost of Living Adjustment (COLA).	\$16.6 million (\$22.1 million annualized)	• Increase proportion of culturally competent, qualified clinical staff recruited and retained.
➤ Supported Housing Stipend Increase.	\$6.5 million	• Maintain existing base of supported housing capacity.

Enhance access to effective community-based services for children and families.

New York's public mental health system serves about 130,000 children with serious emotional disturbances (SED) annually. To reach more children, the Governor's Budget includes an interrelated series of new initiatives that support early identification of, and interventions for, high-risk children, expand access to new and existing in-home, and community-based services, and emphasize best practices education and consultation for community-based providers in the diagnosis and treatment of serious emotional disturbances in children and adolescents.

Action	SFY 2006-07 Funding Levels	Performance indicators
➤ Child and Family Clinic Plus.	\$16.1 million (\$21.5 million annualized)	• Increase number of at-risk children and adolescents screened, assessed and treated for serious emotional disturbance, with up to 400,000 children screened; up to 76,000 children assessed; up to 36,000 additional children admitted to clinic services; and up to 22,400 children receiving in-home treatment services.
➤ New Home and Community Based (HCBS) Waiver Slots.	\$5.2 million (\$7 million annualized)	• Increase number of children receiving HCBS waiver services by expanding HCBS capacity by 300 slots, bringing total slots to some 1,440; provides HCBS services for up to 2,160 children.
➤ Child and Adolescent Tele-psychiatry for Rural/Shortage Area.	\$0.4 million	• Increase number of children and adolescents receiving comprehensive evaluations in target rural areas by achieving 600 additional comprehensive evaluations in 2006-07.
➤ Evidence-Based Practices (EBP) Dissemination Center.	\$0.5 million	• Increase the number of clinicians with demonstrated competency in EBPs for the treatment of depression and trauma in children and adolescents by providing education on EBPs for up to 400 clinicians. in 2006-07

Provide access to safe and affordable community housing.

Building on the success of prior supportive housing initiatives that will provide more than 31,000 beds in community settings when fully-developed for persons with mental illness, the 2006-07 Executive Budget includes strategies to develop additional housing capacity in a partnership with New York City.

Action	SFY 2006-07 Funding Levels	Performance indicators
<ul style="list-style-type: none"> ➤ New York/New York III Supportive Housing Agreement. 	\$7.7 million	<ul style="list-style-type: none"> • Increase the proportion of individuals and families affected by homelessness and serious mental illness who gain stable housing in the community by increasing housing capacity in NYC by 5,550 beds over the next 10 years (as part of an overall 9,000 bed effort, which will also serve individuals with HIV/AIDS; youth leaving foster care; and individuals/families with substance abuse disorders).

Increase public safety through the treatment of sexually violent predators.

The SFY 2006-07 Executive Budget includes funding to support, where appropriate, the civil commitment of sexually violent predators (SVPs) upon their release from prison, providing care and treatment in secure facilities. Committing these individuals will protect the public and provide these persons with continued and needed treatment.

Action	SFY 2006-07 Funding Levels	Performance indicators
<ul style="list-style-type: none"> ➤ Develop protocols and deliver services tailored to treat sexually violent predators that are civilly committed for secure care and treatment. 	\$26.8 million	<ul style="list-style-type: none"> • Provide care and treatment to SVPs who are civilly committed for such care upon their release from prison.
<ul style="list-style-type: none"> ➤ Provide capital resources for new (or modification of existing) facilities and programs related to civil commitment. This includes constructing a new facility on the grounds of the Pharsalia Correctional Facility. 	\$165 million (capital)	<ul style="list-style-type: none"> • Increase short- and long-term capacity to provide care and treatment to SVPs in secure facilities.

MENTAL HEALTH

Provide access to efficient and high-quality inpatient services.

Actions to implement this strategy include the more efficient deployment of inpatient staff, initiatives to generate more patient-driven revenue and capital investments to improve patient milieus where health and safety deficiencies have been identified.

Action	SFY 2006-07 Funding Levels	Performance indicators
➤ Reduce mandatory overtime through deployment of an expanded workforce.	-\$1.6 million	<ul style="list-style-type: none"> • Achieve lower levels of overtime worked and personal service savings.
➤ Access new pharmacy billing opportunities with the implementation of the new Medicare Prescription Drug, Improvement and Modernization Act to generate net revenues of about \$10 million when annualized.	-\$0.5 million	<ul style="list-style-type: none"> • Increase collection of Medicare revenues to support pharmaceutical costs.
➤ Further enhance services to mentally ill inmates.	\$0.3 million	<ul style="list-style-type: none"> • Increase number of inmates receiving mental health services in correctional settings.
➤ Begin Phase I of a \$226 million capital plan to reconstruct inpatient units at the Bronx Adult and Children's psychiatric centers.	\$68 million (capital)	<ul style="list-style-type: none"> • Increase number of adult and children's inpatient beds fully compliant with standards.
➤ Begin Phase I of the re-location of Kirby Forensic PC to avoid \$25 million in net capital costs.	\$28 million (capital)	<ul style="list-style-type: none"> • Increase number of forensic inpatient beds fully compliant with standards.

Enhance access to effective community-based services for older adults.

Actions in the 2006-07 Executive Budget include initiatives to implement access strategies by focusing on the unique needs of this target population.

Action	SFY 2006-07 Funding Levels	Performance indicators
➤ Provide funding for demonstration programs under Geriatric Mental Health Act.	\$2.0 million	<ul style="list-style-type: none"> • Increase the proportion of older adults receiving mental health services tailored to their unique needs via the establishment of demonstration programs.

Promote public mental health by reducing the risk of suicide.

Actions to implement this strategy include supporting initiatives to increase awareness of the prevalence of suicide and improving public understanding of the causes, effects and treatment of emotional disturbances that underlie suicidal ideation and behavior. OMH will also support programs that promote screening, early intervention and prevention strategies, particularly with primary care physicians, and other healthcare providers.

Action	SFY 2006-07 Funding Levels	Performance indicators
➤ Implementation of the New York State Suicide Prevention Plan.	\$1.5 million	<ul style="list-style-type: none"> • Increase number of localities that have developed and implemented local suicide prevention plans tailored to their communities. • Improve public awareness of suicide risk and preventive factors.

Implementing an effective performance and accountability infrastructure.

The SFY 2006-07 Executive Budget includes an array of initiatives to implement this strategy by focusing on the unique needs of targeted populations and ensuring that programs are not only funded effectively and efficiently, but that funding levels are equitable among providers. Actions to implement this strategy also include supporting initiatives that allow OMH to have the capacity to conduct intensive strategic financial analysis and develop the infrastructure it needs to monitor quality of care and improve performance-based outcomes measurement.

Action	SFY 2006-07 Funding Levels	Performance indicators
➤ Develop strategic financial directions to not only shore up base revenues and funding streams, but to also identify opportunities for additional revenue maximization.	\$0.5 million	<ul style="list-style-type: none"> • Protect and enhance revenue streams and pursue approaches to improve the efficiency of community mental health programs
➤ Provide more efficient and effective services to persons with co-occurring disorders through the implementation of a coordinated care demonstrations by OMH and OASAS.	N/A	<ul style="list-style-type: none"> • Increase proportion of individuals with co-occurring substance abuse and mental illness receiving evidence-based dual disorder treatment
➤ Personalized Recovery Oriented Services (PROS) client registration.	\$0.2 million	<ul style="list-style-type: none"> • Enroll eligible recipients in PROS efficiently to ensure continuity of care in a more cost effective environment.
➤ Eliminate special, unjustified Medicaid rates for certain Article 28 mental health programs which have not enhanced the treatment of clients.	-\$0.6 million	<ul style="list-style-type: none"> • Inequitable funding enhancements are eliminated, resulting in taxpayer savings.

MENTAL HEALTH

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	1,205,536,000	1,302,099,000	96,563,000	1,272,000
Aid To Localities	897,933,000	968,736,000	70,803,000	42,124,000
Capital Projects	263,814,000	610,285,000	346,471,000	615,127,000
Total	2,367,283,000	2,881,120,000	513,837,000	658,523,000

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

Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration and Finance			
General Fund	542	547	5
Special Revenue Funds - Federal	14	14	0
Enterprise Funds	20	20	0
Internal Service Funds	24	24	0
Adult Services			
General Fund	11,531	11,972	441
Capital Planning			
Capital Projects Funds - Other	41	41	0
Children and Youth Services			
General Fund	2,037	2,042	5
Forensic Services			
General Fund	1,943	1,951	8
Maintenance Undistributed			
Special Revenue Funds - Other	397	397	0
Research			
General Fund	471	471	0
Special Revenue Funds - Other	27	27	0
Total	17,047	17,506	459

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	589,210,000	771,407,000	182,197,000
Special Revenue Funds - Federal	1,272,000	1,358,000	86,000
Special Revenue Funds - Other	604,196,000	518,476,000	(85,720,000)
Enterprise Funds	8,349,000	8,349,000	0
Internal Service Funds	2,509,000	2,509,000	0
Total	1,205,536,000	1,302,099,000	96,563,000

Adjustments:

Transfer(s) From	
Mental Health, Office of	
General Fund (Aid To Localities)	(2,600,000)
Appropriated 2005-06	1,202,936,000

MENTAL HEALTH

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration and Finance			
General Fund	58,382,000	65,947,000	7,565,000
Special Revenue Funds - Federal	1,272,000	1,358,000	86,000
Special Revenue Funds - Other	1,870,000	3,870,000	2,000,000
Enterprise Funds	8,349,000	8,349,000	0
Internal Service Funds	2,509,000	2,509,000	0
Adult Services			
General Fund	804,378,000	876,361,000	71,983,000
Children and Youth Services			
General Fund	129,765,000	136,755,000	6,990,000
Enhanced Community Services			
General Fund	19,600,000	19,600,000	0
Forensic Services			
General Fund	129,975,000	136,012,000	6,037,000
Maintenance Undistributed			
General Fund	(595,201,000)	(507,481,000)	87,720,000
Special Revenue Funds - Other	595,201,000	507,481,000	(87,720,000)
Research			
General Fund	42,311,000	44,213,000	1,902,000
Special Revenue Funds - Other	7,125,000	7,125,000	0
Total	<u>1,205,536,000</u>	<u>1,302,099,000</u>	<u>96,563,000</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Finance	40,895,000	1,706,000	39,482,000	1,706,000
Adult Services	686,587,000	42,978,000	646,600,000	41,690,000
Children and Youth Services	120,284,000	5,174,000	112,915,000	5,174,000
Forensic Services	122,401,000	4,369,000	114,063,000	4,369,000
Research	39,148,000	1,180,000	38,551,000	1,180,000
Total	<u>1,009,315,000</u>	<u>55,407,000</u>	<u>951,611,000</u>	<u>54,119,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Finance	1,080,000	0	333,000	0
Adult Services	5,023,000	0	34,964,000	1,288,000
Children and Youth Services	2,429,000	0	4,940,000	0
Forensic Services	2,280,000	0	6,058,000	0
Research	55,000	0	542,000	0
Total	<u>10,867,000</u>	<u>0</u>	<u>46,837,000</u>	<u>1,288,000</u>

MENTAL HEALTH

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2006-07 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Finance	25,052,000	5,859,000	1,265,000	276,000
Adult Services	189,774,000	29,005,000	88,898,000	14,850,000
Children and Youth Services	16,471,000	1,816,000	7,708,000	884,000
Enhanced Community Services	19,600,000	0	0	0
Forensic Services	13,611,000	1,668,000	8,093,000	1,339,000
Research	5,065,000	722,000	2,927,000	585,000
Total	269,573,000	39,070,000	108,891,000	17,934,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Finance	1,649,000	360,000	19,835,000	4,720,000
Adult Services	3,077,000	321,000	92,006,000	13,616,000
Children and Youth Services	542,000	23,000	7,644,000	883,000
Enhanced Community Services	0	0	0	0
Forensic Services	665,000	43,000	4,641,000	273,000
Research	67,000	2,000	2,015,000	134,000
Total	6,000,000	749,000	126,141,000	19,626,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	2,303,000	503,000	0	0
Adult Services	2,628,000	218,000	3,165,000	0
Children and Youth Services	577,000	26,000	0	0
Enhanced Community Services	0	0	19,600,000	0
Forensic Services	212,000	13,000	0	0
Research	56,000	1,000	0	0
Total	5,776,000	761,000	22,765,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2006-07 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Finance	16,086,000	2,086,000	4,403,000	24,000
Research	7,125,000	0	1,915,000	0
Total	23,211,000	2,086,000	6,318,000	24,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	8,383,000	62,000	3,300,000	2,000,000
Research	5,210,000	0	0	0
Total	13,593,000	62,000	3,300,000	2,000,000

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	777,064,000	847,953,000	70,889,000
Special Revenue Funds - Federal	40,584,000	40,498,000	(86,000)
Special Revenue Funds - Other	80,285,000	80,285,000	0
Total	<u>897,933,000</u>	<u>968,736,000</u>	<u>70,803,000</u>

Adjustments:
Transfer(s) To
Mental Health, Office of
General Fund (State Operations) 2,600,000
Appropriated 2005-06 900,533,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Adult Services			
General Fund	615,490,450	656,235,000	40,744,550
Special Revenue Funds - Federal	32,749,000	32,663,000	(86,000)
Special Revenue Funds - Other	7,735,000	7,735,000	0
Children and Youth Services			
General Fund	154,573,550	184,718,000	30,144,450
Special Revenue Funds - Federal	7,835,000	7,835,000	0
Enhanced Community Services			
Special Revenue Funds - Other	72,550,000	72,550,000	0
Community Support and Workforce Reinvestment			
General Fund	7,000,000	7,000,000	0
Total	<u>897,933,000</u>	<u>968,736,000</u>	<u>70,803,000</u>

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Design and Construction Supervision				
Capital Projects Fund	2,000,000	2,000,000	0	2,000,000
MH Capital Improvements - Authority Bonds	8,000,000	8,000,000	0	10,935,000
Executive Direction				
Capital Projects Fund	0	0	0	3,245,000
MH Capital Improvements - Authority Bonds	3,591,000	3,591,000	0	5,308,000
Community Mental Health Facilities				
Capital Projects Fund	6,000,000	6,000,000	0	27,831,000
MH Capital Improvements - Authority Bonds	80,513,000	226,525,000	146,012,000	193,918,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	34,010,000	34,010,000	0	47,300,000
MH Capital Improvements - Authority Bonds	128,700,000	329,159,000	200,459,000	316,590,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	8,000,000
Total	<u>263,814,000</u>	<u>610,285,000</u>	<u>346,471,000</u>	<u>615,127,000</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 individuals with disabilities, their families, advocates, local governments, and non-profit providers to oversee a comprehensive system for delivery of services. Services are delivered through a network of programs operated by non-profit providers and OMRDD.

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 23,267 for 2006-07, 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 2006-07, OMRDD will operate approximately 500 developmental center beds, along with 1,249 special unit beds. From 1995 to the end of the 2006-07 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 \$3.4 billion supports a comprehensive system of care serving more than 140,000 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 2006-07 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.

OMRDD continues to improve the efficiency and cost-effectiveness of its operations and the network of non-profit providers it supports. In 2006-07, the Agency will achieve efficiencies through such Business Plan strategies as:

- Collaborating with the newly-created Office of the State Medicaid Inspector General (MIG) in the area of Medicaid regulatory compliance and enforcement;
- Aggressively pursuing non-General Fund financial support for all programs;
- Maximizing use of existing service capacity and emphasizing use of less costly services, when appropriate;
- Utilizing internal controls on billing procedures and diligently reviewing eligibility for services;
- Streamlining and updating, as appropriate, non-profit provider funding to realize efficiencies, while at the same time providing resources to stabilize the non-profit workforce;
- Providing more efficient employee and provider training, including working in partnership with voluntary providers to identify unmet staff training needs in the service system and to engage in collaborative training efforts; and
- Maintaining strict controls on hiring in administrative positions in both the DDSOs and Central Office, and continuing overtime abatement strategies.

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

One of the centerpieces of OMRDD's 2006-07 Executive Budget recommendation is funding to support an annual cost-of-living adjustment (COLA) for three years tied to the Consumer Price Index (CPI) to improve existing services for non-trended voluntary programs. Effective October 1, 2006, this COLA will be used by OMRDD to enhance funding by nearly 2.5 percent for not-for-profit providers to strengthen efforts to recruit and retain qualified direct care and clinical staff and respond to other critical inflationary pressures.

The 2006-07 Executive Budget also 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 a wide range of developmentally disabled New Yorkers including those who are medically frail on waiting lists for residential services. Over 12,000 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. 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 2006-07 recommendation 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 including those who are medically frail 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. OMRDD has already approved over 60 NYS-OPTS proposals and over 25 have been implemented. Several hundred residential opportunities are expected to be converted or developed through NYS-OPTS by March 31, 2007.

The 2006-07 recommendation provides \$3 million in new funding — growing to \$5 million in 2007-08 — to expand Family Support Services such as respite and after-school services to families with autistic loved ones. The alarming increase in the incidence and identification of autism is a national and State phenomenon, and these funds should help families maintain their autistic family members at home. The recommendation also enhances OMRDD's Institute for Basic Research's (IBR) role in autism by adding five new research scientists that should qualify for the considerable extramural funding available for autism research and by establishing, in conjunction with IBR, two six-person community homes to serve individuals with autism. These additional resources are consistent with the recommendations of the Governor's Task Force on the future of IBR to render its research more programmatically relevant and cost effective. Other Task Force recommendations that OMRDD will implement in 2006-07 include: establishment of a Research Advisory Board comprising nationally renowned research scientists, parents and advocates to improve oversight of research activities; a review of billing practices and procedures to improve collection rates for the clinical services provided at IBR; and exploration of other options to maximize non-State revenues for IBR.

The 2006-07 Executive Budget continues to support access to existing, out-of-home, site-based respite and recreation services for eligible at-risk children who live in certain foster family boarding homes and kinship foster homes and additional family support services including services for children with autism.

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

The effort to place individuals residing in institutional settings into more appropriate community settings will also continue in 2006-07. More than 60 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 2006-07, there will be approximately 500 people statewide living in developmental centers. OMRDD remains committed to deinstitutionalization for individuals with developmental disabilities who can be appropriately cared for in community settings.

The 2006-07 Executive Budget also supports additional residential capacity through the opening of 22 new State-operated community beds to accommodate individuals with severe behavioral issues, affording them the opportunity to move from an institutional setting to the most integrated and least restrictive setting possible. In addition, the Budget funds 15 new Multiply Disabled Unit openings for Office of Mental Health (OMH) 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 OMH's auspice to OMRDD, where they will receive more appropriate care.

Infrastructure throughout the State and not-for-profit systems will be maintained through new capital appropriations of \$147.6 million and reappropriations of \$273.7 million. Capital appropriations for institutional projects will focus on the need to reinvest resources into preserving and maintaining long-term facilities, mostly for a core population of consumers who have severe behavioral treatment needs and/or have been involved with the criminal justice system.

Capital projects in the community reflect a continued investment to maintain both State and voluntary not-for-profit community-based sites, and to develop State-operated residential placements for individuals in institutional settings 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 both new and existing services — will support nearly 5,900 new day and residential opportunities in the community during 2006-07. This reflects nearly 1,500 people newly-placed in residential settings and almost 4,400 new service opportunities in non-residential programs. Community opportunities 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 been expanded within family support services.

PROGRAM HIGHLIGHTS

OMRDD serves more than 140,000 New Yorkers with developmental disabilities, which include primarily 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, individuals with developmental disabilities 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, 63 percent of the homes in the community are six beds or less; two-thirds of these are four beds or less.

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

- Provides approximately 38,000 persons with certified residential services;
- Provides about 64,000 persons with community day services; and
- Assists in the care of more than 61,000 persons with developmental disabilities who are living in their own homes.

An overview of these services is provided below.

RESIDENTIAL SERVICES

Residential services are offered through a continuum of programs in both community and institutional settings. The alternative that provides the most intensive services in a community setting is the Intermediate Care Facility for the Developmentally Disabled (ICF/DD). These facilities — some 6,900 beds operated statewide by both State and not-for-profit providers — are appropriate for individuals requiring 24-hour care.

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 nearly 25,000 IRA beds and accompanying service coordination. Other community living arrangements include Community Residences and Family Care homes, which serve almost 4,500 people.

In addition to these community-based programs, OMRDD operates 10 campuses across the State. Some 1,700 people will be served in these settings by the end of 2006-07, of which 72 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. These services will be expanded by the infusion of \$3 million in 2006-07, growing to \$5 million in 2007-08, including a focus on families with autistic loved ones.

The Individualized Support Services program provides services to nearly 1,800 disabled individuals who live independently. In addition, approximately 9,000 individuals living in their own homes receive residential habilitation under the Federal Medicaid waiver.

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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. Support for up to 600 children is provided by the Executive Budget Recommendations.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	1,355,774,000	1,454,196,000	98,422,000	280,000
Aid To Localities	1,623,069,000	1,818,919,000	195,850,000	392,000
Capital Projects	136,280,000	147,600,000	11,320,000	273,675,000
Total	<u>3,115,123,000</u>	<u>3,420,715,000</u>	<u>305,592,000</u>	<u>274,347,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Central Coordination and Support			
General Fund	824	824	0
Community Services			
General Fund	16,343	16,419	76
Institutional Services			
General Fund	5,672	5,839	167
Research in Mental Retardation			
General Fund	180	185	5
Total	<u>23,019</u>	<u>23,267</u>	<u>248</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	502,371,000	537,123,000	34,752,000
Special Revenue Funds - Federal	230,000	230,000	0
Special Revenue Funds - Other	850,649,000	914,319,000	63,670,000
Enterprise Funds	2,374,000	2,374,000	0
Internal Service Funds	150,000	150,000	0
Total	<u>1,355,774,000</u>	<u>1,454,196,000</u>	<u>98,422,000</u>

Adjustments:
Transfer(s) To
 Medicaid Inspector General, Office of the
 General Fund

250,000
<u>1,356,024,000</u>

Appropriated 2005-06

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

Program	Available 2005-06	Recommended 2006-07	Change
Central Coordination and Support			
General Fund	67,252,000	71,864,000	4,612,000
Special Revenue Funds - Federal	230,000	230,000	0
Internal Service Funds	150,000	150,000	0
Community Services			
General Fund	820,589,000	876,486,000	55,897,000
Institutional Services			
General Fund	448,318,000	485,666,000	37,348,000
Special Revenue Funds - Other	504,000	504,000	0
Enterprise Funds	2,374,000	2,374,000	0
Maintenance Undistributed			
General Fund	(850,095,000)	(913,765,000)	(63,670,000)
Special Revenue Funds - Other	850,095,000	913,765,000	63,670,000
Research in Mental Retardation			
General Fund	16,307,000	16,872,000	565,000
Special Revenue Funds - Other	50,000	50,000	0
Total	<u>1,355,774,000</u>	<u>1,454,196,000</u>	<u>98,422,000</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Central Coordination and Support	50,100,000	1,618,000	47,721,000	1,542,000
Community Services	740,978,000	38,577,000	722,027,000	37,590,000
Institutional Services	284,157,000	21,043,000	273,278,000	20,258,000
Research in Mental Retardation	14,691,000	300,000	14,254,000	296,000
Total	<u>1,089,926,000</u>	<u>61,538,000</u>	<u>1,057,280,000</u>	<u>59,686,000</u>
Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Central Coordination and Support	2,116,000	68,000	263,000	8,000
Community Services	5,560,000	290,000	13,391,000	697,000
Institutional Services	2,119,000	153,000	8,760,000	632,000
Research in Mental Retardation	262,000	0	175,000	4,000
Total	<u>10,057,000</u>	<u>511,000</u>	<u>22,589,000</u>	<u>1,341,000</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Central Coordination and Support	21,764,000	2,994,000	609,000	84,000
Community Services	135,508,000	17,320,000	49,392,000	6,543,000
Institutional Services	201,509,000	16,305,000	33,489,000	3,849,000
Research in Mental Retardation	2,181,000	265,000	984,000	265,000
Total	<u>360,962,000</u>	<u>36,884,000</u>	<u>84,474,000</u>	<u>10,741,000</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Central Coordination and Support	1,369,000	188,000	17,991,000	2,475,000
Community Services	8,130,000	1,077,000	61,958,000	8,208,000
Institutional Services	2,271,000	253,000	38,495,000	3,216,000
Research in Mental Retardation	57,000	0	871,000	0
Total	<u>11,827,000</u>	<u>1,518,000</u>	<u>119,315,000</u>	<u>13,899,000</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	1,795,000	247,000	0	0
Community Services	7,184,000	952,000	8,844,000	540,000
Institutional Services	3,968,000	443,000	123,286,000	8,544,000
Research in Mental Retardation	269,000	0	0	0
Total	<u>13,216,000</u>	<u>1,642,000</u>	<u>132,130,000</u>	<u>9,084,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Coordination and Support	380,000	0	0	0
Institutional Services	2,878,000	0	282,000	0
Research in Mental Retardation	50,000	0	0	0
Total	<u>3,308,000</u>	<u>0</u>	<u>282,000</u>	<u>0</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	0	0	380,000	0
Institutional Services	2,596,000	0	0	0
Research in Mental Retardation	50,000	0	0	0
Total	<u>2,646,000</u>	<u>0</u>	<u>380,000</u>	<u>0</u>

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
General Fund	410,374,000	529,509,000	119,135,000
Special Revenue Funds - Other	1,212,695,000	1,289,410,000	76,715,000
Total	<u>1,623,069,000</u>	<u>1,818,919,000</u>	<u>195,850,000</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

Program	Available 2005-06	Recommended 2006-07	Change
Community Services			
General Fund	410,374,000	529,509,000	119,135,000
Special Revenue Funds - Other	1,212,695,000	1,289,410,000	76,715,000
Total	<u>1,623,069,000</u>	<u>1,818,919,000</u>	<u>195,850,000</u>

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Design and Construction Supervision				
Capital Projects Fund	2,000,000	3,000,000	1,000,000	0
MH Capital Improvements - Authority Bonds	3,000,000	4,000,000	1,000,000	1,793,000
Voluntary-Operated Community Facilities				
Capital Projects Fund	20,800,000	20,800,000	0	18,064,000
MH Capital Improvements - Authority Bonds	5,152,000	5,922,000	770,000	22,490,000
State-Operated Community Services Program				
Capital Projects Fund	16,438,000	19,320,000	2,882,000	13,474,000
MH Capital Improvements - Authority Bonds	5,000,000	20,300,000	15,300,000	18,319,000
Institutional Services Program				
Capital Projects Fund	16,019,000	14,115,000	(1,904,000)	49,235,000
MH Capital Improvements - Authority Bonds	66,871,000	59,143,000	(7,728,000)	149,300,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	1,000,000
Total	<u>136,280,000</u>	<u>147,600,000</u>	<u>11,320,000</u>	<u>273,675,000</u>

COMMISSION ON QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

MISSION

The Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD) reflects the successful merger of the former Office of Advocate for Persons with Disabilities (APD) and the former Commission on Quality of Care for the Mentally Disabled (CQC), effective April 1, 2005. The merged entity strengthens the similar functions performed by the stand-alone agencies (i.e., outreach, information and referral and advocacy services) by leveraging financial and personnel resources.

The mission of the Commission on Quality of Care and Advocacy for Persons with Disabilities is to:

- Promote the inclusion of persons with disabilities in all aspects of community life. Accordingly, the Commission will ensure 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.
- Play an active role in developing innovative opportunities and supports that respond to the needs of New Yorkers with disabilities.
- Provide oversight of the Department of Mental Hygiene that collectively spends more than \$6 billion annually.
- Monitor conditions of care for people with mental disabilities in State institutions, licensed residential facilities, and outpatient programs.
- Report 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
- Make recommendations to improve quality of care with respect to persons with mental disabilities.

ORGANIZATION AND STAFFING

The Commission on Quality of Care and Advocacy for Persons with Disabilities is comprised 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 2006-07, the agency's workforce will consist of 105 positions funded by the General Fund, Federal grants and other Federal revenues related to oversight of Medicaid programs.

To integrate the functions of the former stand alone agencies while ensuring continuing levels of advocacy for all populations, the Commission created three new programmatic divisions in 2005-06:

- The Division of Advocacy and Outreach for Persons with Physical Disabilities, which provides advocacy and outreach services on behalf of individuals with physical and/or sensory disabilities.
- The Division of Protection and Advocacy Program Administration, which administers the agency's varied and effective federally-funded advocacy programs.
- The Division of Quality Assurance and Investigation, which monitors the quality of care and treatment received by individuals in programs operated or licensed by the Department of Mental Hygiene and in adult homes licensed by the Department of Health which serve individuals with mental disabilities.

Additionally, the Commission continues its efforts to streamline administrative functions; including consolidating such activities as hotlines and other clearing-house type activities.

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Commission's State Operations appropriation is supported by the General Fund (27 percent), Federal grants (47 percent) and other funding, primarily receipts from the Medicaid program related to program oversight activities (26 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 \$16.4 million fully supports existing program and service levels.

PROGRAM HIGHLIGHTS

TECHNOLOGY SERVICES TO PERSONS WITH DISABILITIES

The Commission 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 the Commission's website (www.cqcapd.state.ny.us).

The Commission'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 facilitate their participation 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 2005, the Regional TRAIID Centers provided awareness training, device demonstrations, information, education and referrals to over 25,800 persons with disabilities.

The Commission'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 Act (ADA).

OVERSIGHT OF SERVICE DELIVERY IN THE MENTAL HYGIENE AREA

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 allegations of patient abuse or mistreatment in facilities operated or licensed by these agencies, including those received through the Commission's toll-free hotline (800-624-4143).

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 Advocacy of Individual Rights; Protection and Advocacy for Beneficiaries of Social Security; Protection and Advocacy for Assistive Technology; Protection and Advocacy for

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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 focus on protecting and promoting residents' rights. The Commission's dedicated team will continue to work collaboratively with the Department of Health and the Office of Mental Health to conduct programmatic and fiscal investigations into the quality of care provided to individuals living in adult homes. The Commission's efforts have been expanded to assist in the implementation of the new State initiatives already underway to improve the quality of life and safety of adult home residents.

SURROGATE DECISION MAKING COMMITTEE

The Surrogate Decision Making Committee (SDMC) program reviews recommendations for medical services on behalf of individuals receiving mental hygiene residential services who have neither a legal guardian nor the ability to make decisions for themselves. Volunteer teams comprised of medical, legal and health care professionals and advocates work via local dispute resolution centers located throughout the State to represent these individuals.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	15,157,000	15,685,000	528,000	14,064,000
Aid To Localities	711,000	711,000	0	0
Capital Projects	0	0	0	0
Total	<u>15,868,000</u>	<u>16,396,000</u>	<u>528,000</u>	<u>14,064,000</u>

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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

Full-Time Equivalent Positions (FTE)			
Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration			
General Fund	46	46	0
Special Revenue Funds - Federal	2	0	(2)
Special Revenue Funds - Other	31	31	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
Technology Related Assistance for Individuals with Disabilities			
Special Revenue Funds - Federal	0	2	2
Total	105	105	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	4,012,000	4,156,000	144,000
Special Revenue Funds - Federal	7,249,000	7,625,000	376,000
Special Revenue Funds - Other	3,851,000	3,859,000	8,000
Enterprise Funds	45,000	45,000	0
Total	15,157,000	15,685,000	528,000

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	4,012,000	4,156,000	144,000
Special Revenue Funds - Federal	760,000	300,000	(460,000)
Special Revenue Funds - Other	3,851,000	3,859,000	8,000
Enterprise Funds	45,000	45,000	0
Client Assistance			
Special Revenue Funds - Federal	745,000	671,000	(74,000)
Protection and Advocacy for Beneficiaries of Social Security			
Special Revenue Funds - Federal	326,000	313,000	(13,000)
Protection and Advocacy for the Developmentally Disabled			
Special Revenue Funds - Federal	2,149,000	2,039,000	(110,000)
Protection and Advocacy Help America Vote Act			
Special Revenue Funds - Federal	200,000	195,000	(5,000)
Protection and Advocacy for Individual Rights			
Special Revenue Funds - Federal	1,025,000	916,000	(109,000)
Protection and Advocacy for the Mentally Ill			
Special Revenue Funds - Federal	1,702,000	1,615,000	(87,000)
Protection and Advocacy for Persons with Traumatic Brain Injury			
Special Revenue Funds - Federal	90,000	86,000	(4,000)
Technology Related Assistance for Individuals with Disabilities			
Special Revenue Funds - Federal	0	1,088,000	1,088,000
Technology Related Protection and Advocacy			
Special Revenue Funds - Federal	252,000	402,000	150,000
Total	<u>15,157,000</u>	<u>15,685,000</u>	<u>528,000</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,150,000	84,000	3,150,000	84,000
Total	<u>3,150,000</u>	<u>84,000</u>	<u>3,150,000</u>	<u>84,000</u>

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,006,000	60,000	47,000	(158,000)
Total	<u>1,006,000</u>	<u>60,000</u>	<u>47,000</u>	<u>(158,000)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	147,000	(10,000)	778,000	221,000
Total	<u>147,000</u>	<u>(10,000)</u>	<u>778,000</u>	<u>221,000</u>

Program	Equipment	
	Amount	Change
Administration	34,000	7,000
Total	<u>34,000</u>	<u>7,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	4,204,000	(452,000)	2,012,000	(65,000)
Client Assistance	671,000	(74,000)	108,000	(22,000)
Protection and Advocacy for Beneficiaries of Social Security	313,000	(13,000)	55,000	(5,000)
Protection and Advocacy for the Developmentally Disabled	2,039,000	(110,000)	459,000	43,000
Protection and Advocacy Help America Vote Act	195,000	(5,000)	6,000	6,000
Protection and Advocacy for Individual Rights	916,000	(109,000)	164,000	14,000
Protection and Advocacy for the Mentally Ill	1,615,000	(87,000)	572,000	(34,000)
Protection and Advocacy for Persons with Traumatic Brain Injury	86,000	(4,000)	0	0
Technology Related Assistance for Individuals with Disabilities	1,088,000	1,088,000	0	0
Technology Related Protection and Advocacy	402,000	150,000	0	0
Total	<u>11,529,000</u>	<u>384,000</u>	<u>3,376,000</u>	<u>(63,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,473,000	65,000	719,000	(452,000)
Client Assistance	563,000	(52,000)	0	0
Protection and Advocacy for Beneficiaries of Social Security	258,000	(8,000)	0	0
Protection and Advocacy for the Developmentally Disabled	1,580,000	(153,000)	0	0
Protection and Advocacy Help America Vote Act	189,000	(11,000)	0	0
Protection and Advocacy for Individual Rights	752,000	(123,000)	0	0
Protection and Advocacy for the Mentally Ill	1,043,000	(53,000)	0	0
Protection and Advocacy for Persons with Traumatic Brain Injury	86,000	(4,000)	0	0
Technology Related Assistance for Individuals with Disabilities	0	0	1,088,000	1,088,000
Technology Related Protection and Advocacy	0	0	402,000	150,000
Total	<u>5,944,000</u>	<u>(339,000)</u>	<u>2,209,000</u>	<u>786,000</u>

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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

<u>Fund Type</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
General Fund	293,000	293,000	0
Special Revenue Funds - Other	418,000	418,000	0
Total	<u>711,000</u>	<u>711,000</u>	<u>0</u>

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

<u>Program</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Adult Homes			
General Fund	170,000	170,000	0
Surrogate Decision Making			
General Fund	123,000	123,000	0
Special Revenue Funds - Other	418,000	418,000	0
Total	<u>711,000</u>	<u>711,000</u>	<u>0</u>