



***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 \$44.1 billion in State Fiscal Year 2005-06. 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 significantly over the past ten years, especially for the elderly.

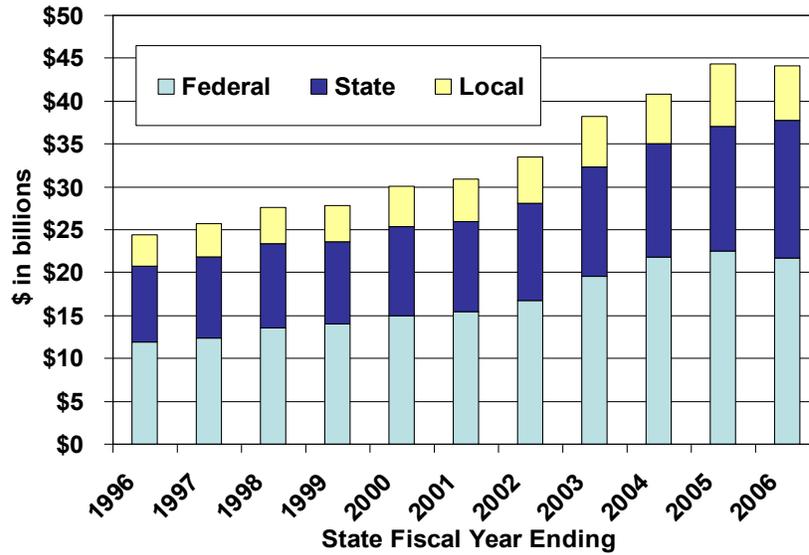
Family Health Plus and the Elderly Pharmaceutical Insurance Coverage (EPIC) programs have all resulted in improving the lives of New York State residents. In addition, enrollment in Medicaid managed care has increased. The Family Health Plus program provides health insurance coverage for low-income New 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).

Various provisions included in the Executive Budget are intended to begin to reform New York's health care system by more directly associating spending with patient needs. Funding shifts can be expected to result in improved patient outcomes as measured by incidence and degree of illness.

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.

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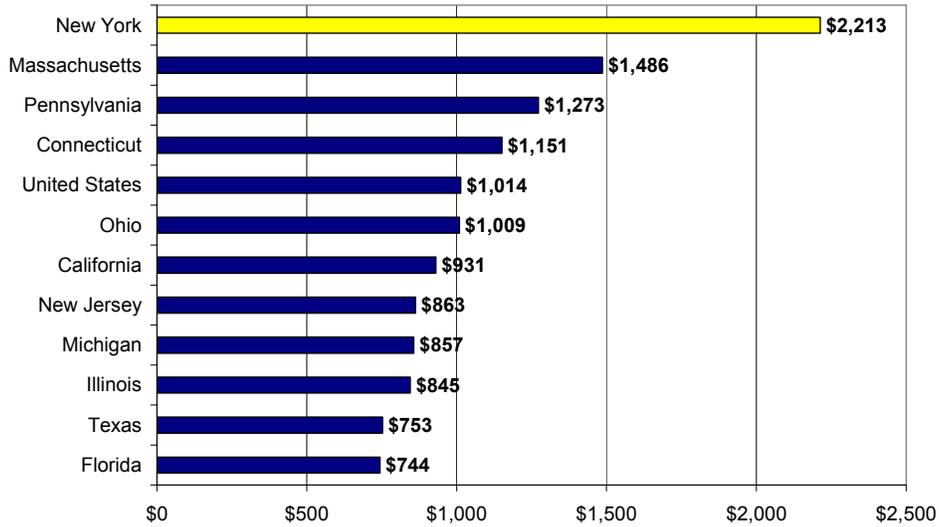
Federal, State and Local Medicaid Spending from 1995-96 through 2005-06



Source: New York State Division of the Budget

Federal, State and local Medicaid spending increased steadily from 1996 through 2005, as caseload and health care costs have increased. Beginning in 2006, however, total costs show a slight decline over the prior year. Total Federal, State and local spending for State Fiscal Year 2005-06 was more than \$44 billion.

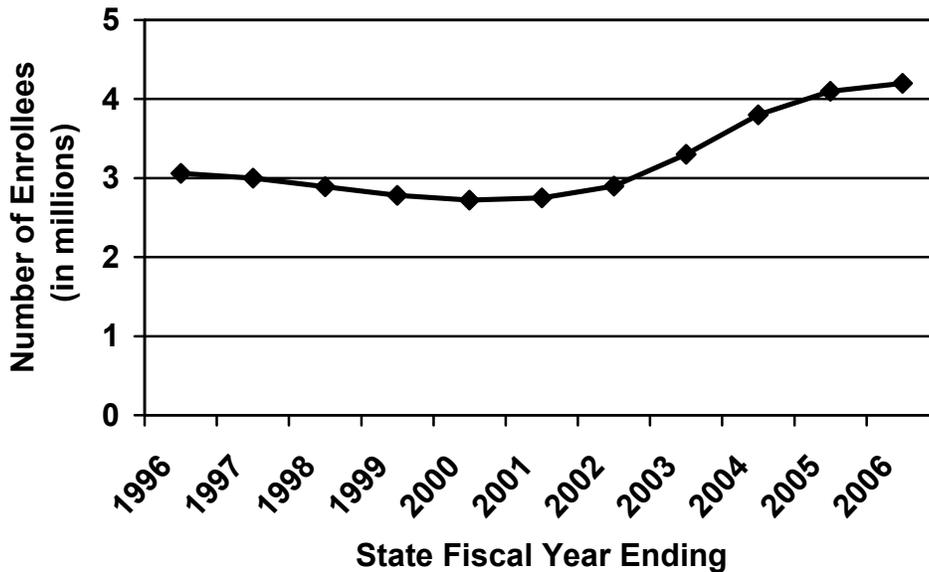
Total Per Capita Medicaid Spending by Selected States



Source: Centers for Medicare and Medicaid Services

New York ranks first in total Medicaid spending compared to a select number of other states. In 2005, New York’s Medicaid spending of \$2,213 per person was over twice the amount of \$1,014 spent nationally.

Total Medicaid Caseload from 1995-96 through 2005-06



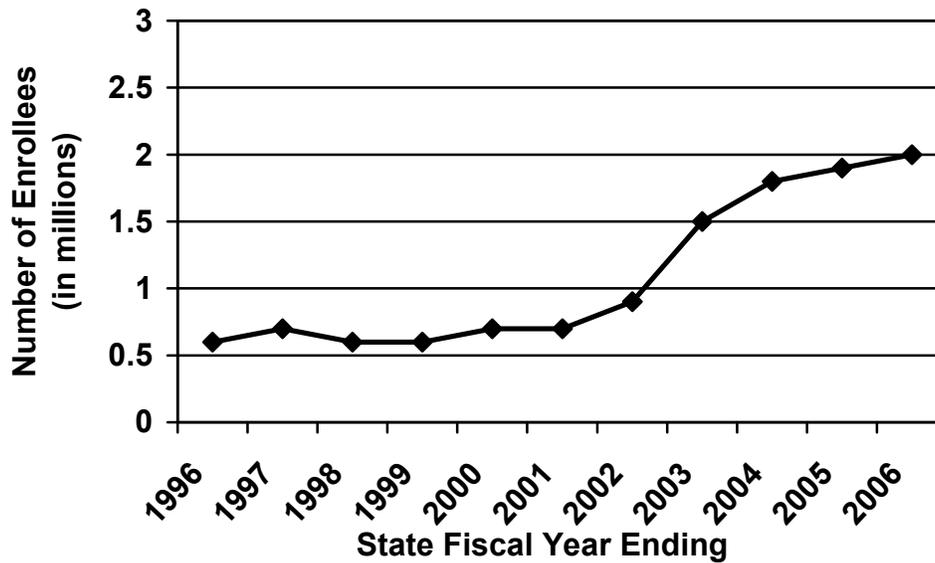
Source: New York State Department of Health

New York State’s Medicaid caseload, including those enrolled in Family Health Plus, has increased by more than 1 million individuals, from 3 million enrollees in 1995-96 to more

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than 4 million in 2005-06. Average annual caseload for the Family Health Plus program, which began in 2001, grew from 5,800 in 2001-02 to 518,000 in 2005-06, representing 12 percent of total caseload.

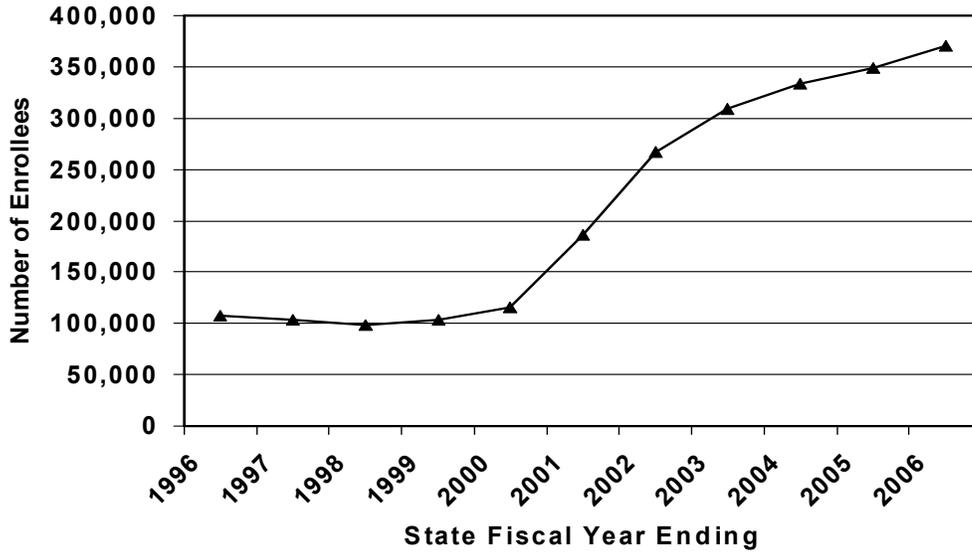
Total Medicaid Managed Care Caseload from 1995-96 through 2005-06



Source: New York State Department of Health

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 600,000 individuals in 1995-96 to slightly more than 2 million in 2005-06. In 1997, New York implemented a mandatory Medicaid managed care program to improve access to coordinated health care and provide a medical "home" to recipients in a cost-effective manner.

Total Caseload for EPIC from 1995-96 through 2005-06



Source: New York State Department of Health

New York State's EPIC program, which assists the elderly with their prescription drug costs, has increased significantly since 1995-96. Caseload increased from nearly 107,000 in 1996 to 370,000 in 2006, representing an increase of 246 percent. In 2001, income eligibility levels were increased to help more seniors enroll in EPIC.

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.

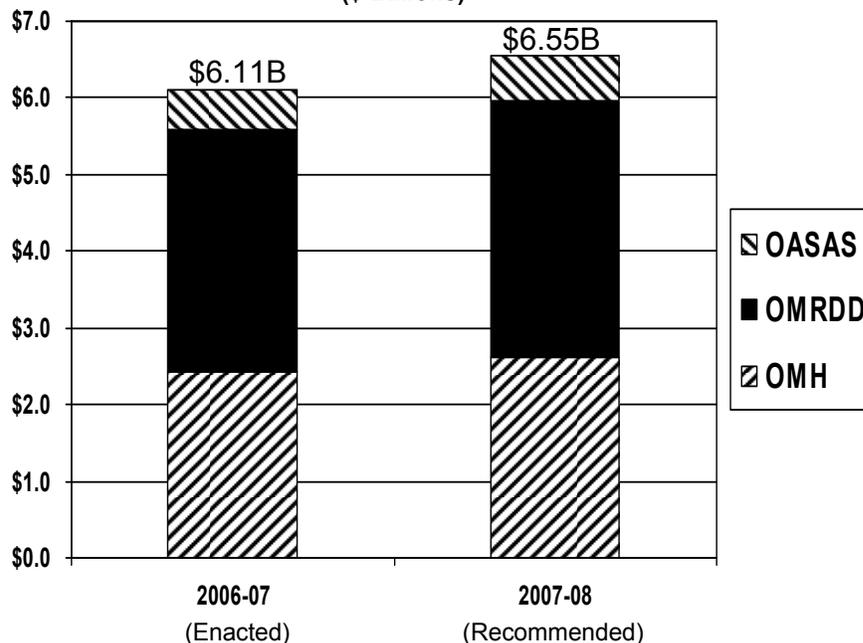
Accordingly, the following charts show that All Funds spending for New York's mental hygiene agencies will increase by over \$440 million from 2006-07 levels, to \$6.55 billion in 2007-08.

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 Mental Hygiene populations also reflect some of the most chronically ill and service intensive populations in the State that often cross over between care systems. In part, this phenomenon explains their high cost of care and New York's overall high per capita spending levels. In order to ensure appropriateness of care and its cost effective delivery, the State must continually strive to ensure that physical and mental health care is integrated and rationally funded. One high cost health area targeted for reform in 2007-08 involves co-morbid populations and detoxification services.

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 by DMH Agency
(\$ Billions)

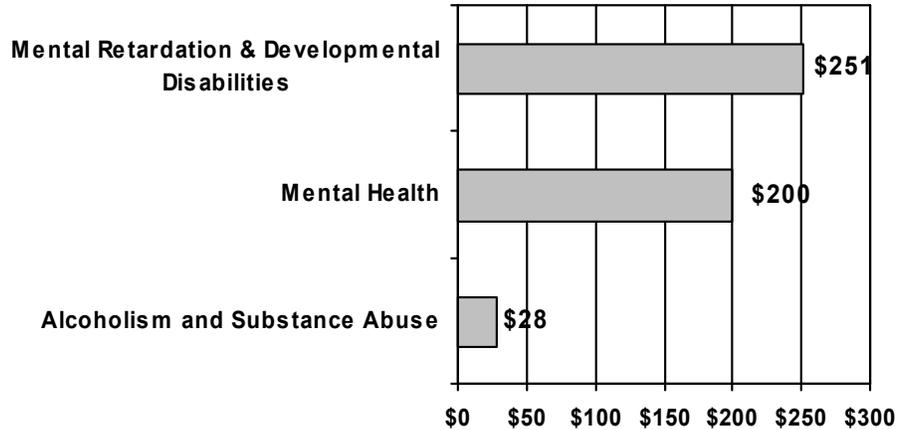


Source: NYS Division of the Budget

MENTAL HYGIENE

All Funds spending for New York’s Mental Hygiene agencies will increase by over \$440 million, or seven percent, from 2006-07 levels. The increase reflects the annualization of prior year initiatives and the initiation of new community-based services expansion, consistent with the U.S. Supreme Court’s *Olmstead* decision, balanced by critical investments to strengthen ongoing programs, particularly in the area of non-profit workforce recruitment and retention. Also reflected is the fixed cost of service delivery in State-operated institutional and community programs.

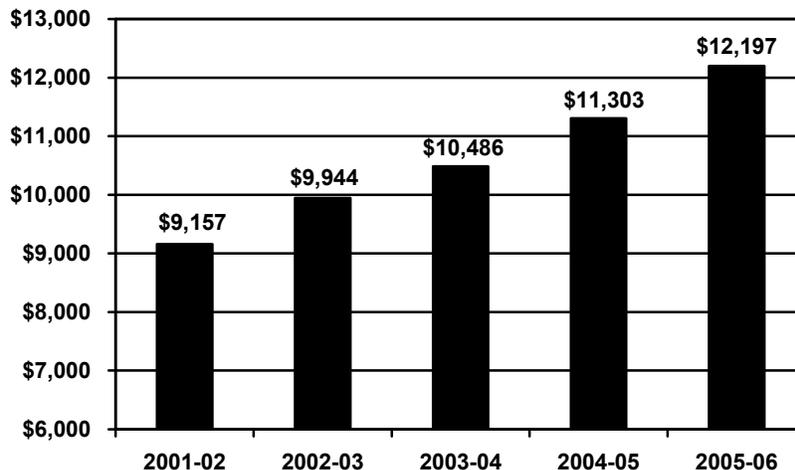
New York Mental Hygiene Per Capita Spending



Source: Coleman Institute for Cognitive Disabilities, National Association of State Mental Health Program Directors Research Institute, Center on Addiction and Substance Abuse

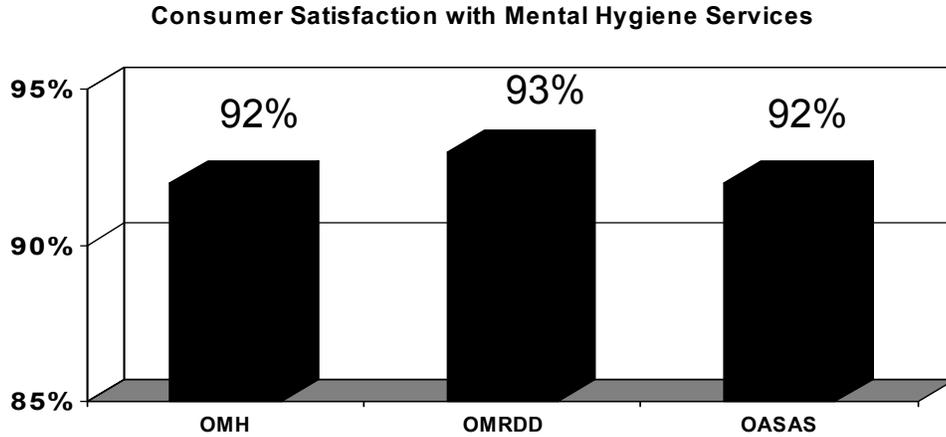
For every New Yorker, the State spends an average of \$250 in services for mental retardation and developmental disabilities; \$200 for mental health care; and \$28 for substance abuse services. New York’s spending on these health services is more than double the national average in all three mental hygiene categories.

Medicaid Spending Per Recipient For Hospital Detox Has Increased By 33% Over The Last 5 Years



Source: NYS Division of the Budget

Unlike other states, nearly all of New York’s detoxification services are provided in hospital-based settings (85 percent of all cases). While costs have continued to escalate (reaching over \$12,000 per recipient), outcomes from this service remain poor – nearly 75 percent of all discharges are not linked to necessary follow-up care and almost 45 percent of those released cycle back to hospitals for crisis detoxification services. These high cost services and patient recycling require reform. The success of reform will be measured by a decrease in repeat hospital services and a correlation between money invested and outcomes for patients.



Assessing customer 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 12,000 consumers 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 141 positions during 2007-08, 135 funded within the agency, and an additional six funded by other State agencies. Approximately 47 percent of Office operations are funded by the General Fund and 53 percent are financed by Federal grants and other revenue sources.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2007-08 Executive Budget recommends \$233 million in State and Federal funds for the operations of the Office and support for community-based services for the elderly. The Budget includes new funding to expand the Supplemental Nutrition Assistance Program (SNAP) and establish a Family Caregiving Council. The Executive Budget also adds funding to support the second year of a three year Cost of Living Adjustment tied to the Consumer Price Index 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 \$400 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 2007-08 Budget continues funding for the Office's community based service programs, including CSE, Naturally Occurring Retirement Communities (NORCs), Neighborhood NORCs, Respite services and operational funding for transportation providers. The Budget also preserves core funding for EISEP. EISEP provides non-medical

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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 2007-08.

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 2007-08 Budget increases funding for the Supplemental Nutrition Assistance Program (SNAP), the State counterpoint to the Federal programs, from \$18 million to \$19 million. This will expand the number of meals provided to elderly individuals by 160,000 annually.

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. The 2007-08 Budget provides funding to establish a Family Caregiving Council to gather information on family caregiving, evaluate how current programs and policies impact caregivers and develop recommendations to address unmet needs.

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 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	13,034,000	13,206,000	172,000	6,595,000
Aid To Localities	209,761,300	219,433,000	9,671,700	120,120,300
Capital Projects	0	0	0	0
Total	222,795,300	232,639,000	9,843,700	126,715,300

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

Full-Time Equivalent Positions (FTE)

Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration and Grants Management			
General Fund	33	33	0
Special Revenue Funds - Federal	107	107	0
Special Revenue Funds - Other	1	1	0
Total	<u>141</u>	<u>141</u>	<u>0</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	2,384,000	2,556,000	172,000
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>13,034,000</u>	<u>13,206,000</u>	<u>172,000</u>

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration and Grants Management			
General Fund	2,384,000	2,556,000	172,000
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>13,034,000</u>	<u>13,206,000</u>	<u>172,000</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Grants Management	2,225,000	322,000	2,211,000	321,500
Total	<u>2,225,000</u>	<u>322,000</u>	<u>2,211,000</u>	<u>321,500</u>

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Administration and Grants Management	14,000	500
Total	<u>14,000</u>	<u>500</u>

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**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Grants Management	331,000	(150,000)	33,000	0
Total	<u>331,000</u>	<u>(150,000)</u>	<u>33,000</u>	<u>0</u>

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

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Grants Management	7,000	0	25,000	(150,000)
Total	<u>7,000</u>	<u>0</u>	<u>25,000</u>	<u>(150,000)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

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

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

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	98,161,300	107,833,000	9,671,700
Special Revenue Funds - Federal	107,600,000	107,600,000	0
Special Revenue Funds - Other	4,000,000	4,000,000	0
Total	<u>209,761,300</u>	<u>219,433,000</u>	<u>9,671,700</u>

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

Program	Available 2006-07	Recommended 2007-08	Change
Community Services			
General Fund	98,161,300	107,833,000	9,671,700
Special Revenue Funds - Federal	107,600,000	107,600,000	0
Special Revenue Funds - Other	4,000,000	4,000,000	0
Total	<u>209,761,300</u>	<u>219,433,000</u>	<u>9,671,700</u>

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 34 current 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 service 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 2007-08 recommendation of \$4.6 million in Federal funds represents the same level of funding as in 2006-07 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 implementing the recently approved five-year State Plan (FFY 2007 – FFY 2011). For 2007-08, 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

DEVELOPMENTAL DISABILITIES

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.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	4,560,000	4,560,000	0	5,538,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	4,560,000	4,560,000	0	5,538,000

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

Full-Time Equivalent Positions (FTE)

Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Developmental Disabilities Planning			
Special Revenue Funds - Federal	18	18	0
Total	18	18	0

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Enterprise Funds	10,000	10,000	0
Total	4,560,000	4,560,000	0

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

Program	Available 2006-07	Recommended 2007-08	Change
Developmental Disabilities Planning			
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Enterprise Funds	10,000	10,000	0
Total	4,560,000	4,560,000	0

DEVELOPMENTAL DISABILITIES

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Developmental Disabilities Planning	4,560,000	0	985,000	(35,000)
Total	<u>4,560,000</u>	<u>0</u>	<u>985,000</u>	<u>(35,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Developmental Disabilities Planning	887,000	(63,000)	2,688,000	98,000
Total	<u>887,000</u>	<u>(63,000)</u>	<u>2,688,000</u>	<u>98,000</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 Office of Homeland 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. In addition, the Office of Health Insurance Programs, a new entity within the Department, will be responsible for developing and implementing strategies to improve access to health insurance coverage for the uninsured and providing for an integrated approach to oversight and administration of the Medicaid program to strengthen coordination within the Department and among State agencies and focus on improving health outcomes.

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 Health Insurance Programs, the Office of Long Term Care Services and Programs, the centers located in the Office of Public Health, and the Office of Health Systems Management. The 2007-08 Executive Budget provides for the Department's reorganization by consolidating all public health insurance programs under a new office, responsible for Medicaid and Family Health Plus, Child Health Plus, Elderly Pharmaceutical Insurance Coverage, and the AIDS Drug Assistance Program, and all long term care services under a single office to improve integration of planning and program development. These entities are responsible for providing 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 patient care: the Helen Hayes Hospital in West Haverstraw which offers specialty rehabilitation services, 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.

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In 2007-08, the Department of Health will have a workforce of 5,998 positions, with 28 percent of those positions employed in the Department's health care facilities.

- Approximately 15 percent of these positions are paid 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 \$48.7 billion in 2007-08. The 2007-08 Medicaid Budget reflects a 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 represent the single largest spending area in the State's budget. While spending growth has moderated recently, it continues to increase at a rate that places an unaffordable burden on State and local governments. Accordingly, the 2007-08 Executive Budget includes funding to support the Medicaid cap legislation which 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 and refocus Medicaid spending, 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. This Budget represents the first stage of a fundamental retooling of New York's health care system by:

- providing resources to facilitate the closure and consolidation of hospitals with excess capacity and investing in health care technologies and infrastructure;
- shifting spending away from expensive institutional nursing homes toward community and home-based alternatives;
- building the bridge to a rational reimbursement system for hospitals, nursing homes, and other services;
- appropriately paying for pharmaceuticals by reducing the cost for prescription drugs and setting the stage for more equitable payment measurements;
- strengthening care coordination and management for high-cost individuals to lower costs and improve treatment outcomes;
- implementing necessary cost containment measures and reforms to make health care more affordable; and
- addressing the uninsured, by simplifying enrollment processes and expanding coverage for children.

In addition, the Executive Budget advances statutory reforms to assist in the fight against fraud including a New York State False Claims Act and a Martin Act for Health Care and provides additional resources for the Office of the Medicaid Inspector General to improve and expand the State's Medicaid fraud, waste and abuse control efforts.

Pharmacy

Absent efforts to control growth, State Medicaid spending on pharmacy services will reach \$1.4 billion in 2007-08. The 2007-08 Executive Budget recommends several measures to control these costs, including: strengthening the Preferred Drug Program; instituting best practices for prescribing mental health drugs; including anti-depressants on the Preferred Drug Program in consultation with the Office of Mental Health; and, reducing pharmacy reimbursement for changes in Federal Upper Payment Limits and changing from Average Wholesale Price (AWP) less 20 percent to AWP less 30 percent for generics and from AWP less 13.25 percent to AWP less 15 percent for brand name drugs. In addition, to encourage the use of lower cost drug alternatives, the Budget provides for a \$1 increase in the dispensing fee paid to pharmacies for generic prescriptions.

The Department of Health continues to dedicate \$5 million in administrative resources and educational supports to ensure that individuals who are eligible for both Medicaid and Medicare have access to medically necessary drugs under the Medicare Part D prescription drug program. These funds support ongoing Department of Health activities including: education and training for recipients, interventions with pharmacies, prescribers and plans, and monitoring to ensure Medicaid beneficiaries are enrolled and medications are appropriately covered by their Part D plans. In addition, the Budget includes additional funding for the State Medicaid program to continue a wrap around benefit for certain drugs used in the treatment of mental illnesses, HIV/AIDS and organ transplants.

Acute Care

The Health Care Reform Act (HCRA) 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 2007-08 Executive Budget recommendations for HCRA extend the program through March 31, 2008; secure its fiscal stability by increasing available revenues and reducing costs where feasible; continue to provide hospitals and clinics with adequate funding; and, ensure that high quality health care services are accessible and affordable for all New Yorkers.

State Medicaid spending for hospitals and clinics is expected to be approximately \$2.2 billion in 2007-08, 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 the annual inflationary increase; and continuing the hospital assessment at current levels and waiving the reconciliation requirement which caps liability. In addition, the Executive Budget advances a series of reimbursement reforms to move towards a rational reimbursement system including, updating the hospital inpatient rates to realign reimbursement with costs; and redirecting supplemental payments based on Medicaid indicators which more appropriately link funding to need.

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Long Term Care

State spending on nursing home and community-based care comprises more than half the General Fund Medicaid Budget — or an estimated \$5.2 billion in 2007-08. The 2007-08 Executive Budget recommends several initiatives that affect nursing homes including requiring providers to offset inflationary cost increases; eliminating the case mix enhancements for Medicare patients which are inappropriate because of changes in Federal reimbursement policy; and permanently continuing the reimbursable assessment at six percent. In addition, the Executive Budget would eliminate reimbursement for certain non-medically necessary personal care services.

The 2007-08 Executive Budget includes funding for the “rebasings” legislation which updates the nursing home reimbursement methodology, starting January 1, 2007, over a three-year period. Once fully implemented, the rebasing of the rates will provide more than \$400 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, the 2007-08 Executive Budget advances new initiatives to shift spending away from expensive institutional care toward community and home-based alternatives for the elderly and disabled. These include: expanding the managed long-term care program; providing investments to increase reimbursement for traumatic brain injury waiver programs; funding demonstration projects for telehealth care; additional funding for the Office for the Aging’s Supplemental Nutrition Assistance Program for the elderly; and funding targeted investments to expand and promote the provision of care in community-based settings. Also, the Budget recommends requiring that counties — with State guidance and administrative support — aggressively pursue recoveries for individuals inappropriately taking advantage of eligibility loopholes that allow individuals to receive services without contributing to the cost of their care.

The new Office of Long Term Care Services and Programs will assume responsibility for long term care programs currently overseen by several bureaus and offices throughout the Department.

Managed Care

The 2007-08 Executive Budget reflects the continued mandatory enrollment of Medicaid recipients in managed care. To date, New York City and forty-four counties are operating managed care programs. New York City and twenty-three of these counties currently require mandatory enrollment.

A key component of the expansion 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. Managed care enrollment is projected to reach approximately 2.2 million by the end of 2006-07 and 2.4 million in 2007-08. 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 — recently reauthorized through March 2009 — ensures that the neediest people receive high quality, accessible health care. In addition, the program has Special Needs Plans which provide comprehensive services to individuals infected with HIV/AIDS. Medicaid managed care also incorporates a

comprehensive set of consumer protections to ensure that all recipients obtain enrollment assistance and quality care, and understand their rights and responsibilities under managed care plans. The Executive Budget would require that managed care plans offset inflationary increases in 2007-08 to promote efficiencies and make health care coverage more affordable. Premiums will still be adjusted for recently enacted emergency room rate increases and newborn rate adjustments.

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 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. 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 continues to set a national standard for children's health insurance coverage for children up to age 19. Federal funds combined with State HCRA moneys allow CHPlus to provide comprehensive health insurance benefits for nearly 390,000 children.

The 2007-08 Executive Budget proposes new legislation — effective September 1, 2007 — to expand CHPlus eligibility from 250 percent to 400 percent of the Federal Poverty Level (FPL) to provide access to health insurance coverage for all children. With Federal approval for this expansion, New York's CHPlus program would be fully accessible and affordable for families of uninsured children. In addition, legislation is proposed to establish a new program to promote employee sponsored health insurance programs by providing cost effective premium subsidies for families with children eligible for the CHPlus program and individuals eligible for Family Health Plus (FHP).

The Budget would also require that all managed care plans — including CHPlus — offset inflationary increases in 2007-08 to promote efficiencies and make health care coverage more affordable and modify the procedures for temporary enrollment to ensure that Medicaid eligible children are not inappropriately enrolled in CHPlus, thus avoiding Federal disallowances.

FAMILY HEALTH PLUS

The Family Health Plus (FHP) 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

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Health Plus, health coverage is provided to families with incomes up to 150 percent of the gross FPL. For individuals without children, coverage is offered to those at 100 percent of the FPL. When Federal funds are combined with State HCRA and General Fund moneys, FHP provides comprehensive health insurance benefits for 508,000 adults.

The 2007-08 Executive Budget proposes new legislation — effective January 1, 2008 — to streamline the renewal process by eliminating unnecessary documentation requirements for FHP and to provide 12 months guaranteed continuous coverage for certain adults to reduce gaps in coverage. That legislation also advances the same streamlining provisions for certain Medicaid recipients.

The Budget would also require that all managed care plans — including FHP — offset inflationary increases in 2007-08 to promote efficiencies and make health care coverage more affordable.

OTHER PUBLIC HEALTH PROGRAMS

General Fund appropriations finance 18 percent of the Department of Health's budget in 2007-08 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 45 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 37 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 2007-08 Executive Budget:

- Provides the third \$250 million installment, increasing available appropriation levels to \$750 million of the \$1 billion commitment over four-years, for the Healthcare Efficiency and Affordability Law for New Yorkers (HEAL NY) Program authorized in 2005-06. This program supports 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 \$798 million for the Elderly Pharmaceutical Insurance Coverage program (EPIC) to ensure that 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, including the enrollment of all eligible seniors in Medicare Part D unless such enrollment presents a significant financial hardship. The EPIC program will cover Part D premium costs to prevent an increased cost to seniors as a result of coordinating benefits with the new Medicare prescription drug program. The Executive Budget also proposes to reduce pharmacy reimbursement to reflect changes in Federal Upper Payment Limit, reduce AWP reimbursement for brand

- name and generic drugs and increase the generic dispensing fee from \$4.50 to \$5.50, similar to Medicaid. The Budget also proposes to accelerate the implementation of a preferred drug program for EPIC. New York will continue to assist in covering prescription drug costs for more seniors than any other state in the nation;
- Provides \$188 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 enhances the audit capabilities of EI program. The Budget also proposes a new EI fee of \$125 for individual providers and \$225 for agency providers to certify their eligibility to provide EI services. Such certification will be effective for five years and the fee revenue will offset the operational costs of approving provider applications;
 - Includes \$220 million for the General Public Health Work program to reimburse counties for core and optional public health services at a rate of thirty-six percent;
 - Increases from \$20 million to \$40 million a reserve appropriation to address any public health emergencies;
 - Includes \$29 million to stockpile medications and supplies to be used in the event of a pandemic outbreak, such as the avian flu;
 - Sustains the State's commitment to fighting the AIDS epidemic by providing statewide spending of \$3.5 billion for AIDS programs — a year-to-year increase of \$82 million — including \$125 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 \$26 million, as well as an additional \$15 million, an increase of \$5 million, in support for other hunger assistance programs, making New York one of only 7 states to augment Federal nutrition funds;
 - Provides \$6 million, an increase of over \$2 million, for the health and social services human sexuality program to enhance the statewide network of health and human service providers that provide services to lesbian, gay, bisexual and transgender New Yorkers;
 - Includes \$39 million to support the second year of the three year Cost of Living Adjustment tied to the Consumer Price Index, effective October 1, 2006, for various public health and AIDS programs;
 - Includes \$4.75 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

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- 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;
- Maintains funding for the Wadsworth Center for Laboratories and Research to purchase critical equipment, as well as \$10 million for capital improvements to the Wadsworth Laboratories;
 - Includes \$4.3 million in support of the State's seventeen Regional Perinatal Centers to ensure the quality of care for newborns and their mothers;
 - Provides \$2.6 million in new funding for education, training and outreach activities related to emergency contraception;
 - Includes \$2.5 million in new funding for an electronic laboratory and State Health Information Technology Project on the reporting of communicable diseases;
 - Continues more than \$27 million added in 2006-07 that support various public health programs, including funding for AIDS services, family planning, diabetes prevention, school-based health centers, rape crisis centers, breast cancer services, alzheimers assistance and consumer assistance for Medicare Part D; and
 - Includes over \$25 million in new funding for various initiatives, to enhance vital records, promote universal prenatal care and postpartum home visitation, expand access to cervical cancer vaccine, prevent childhood lead poisoning, require reporting of child's Body Mass Index on school physical form, and promote healthy lifestyles, improvements in breast imaging interpretation, colorectal screenings and the use of environmentally friendly cleaning products.

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 \$48.7 billion in 2007-08 including \$10.5 billion in General Fund support which is an increase of 16 percent over 2006-07. Cost containment and revenue maximization initiatives will hold the State's General Fund Medicaid spending to an annual increase of 4.4 percent in 2007-08. 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. The 2007-08 Executive Budget advances initiatives to improve access by expanding eligibility for health insurance coverage for children through the CHPlus program from 250 percent of the Federal Poverty Level (FPL) to 400 percent of FPL and by simplifying the enrollment renewal process for Family Health Plus and Medicaid.

The Budget also extends HCRA by nine months — through March 31, 2008 — and ensures HCRA’s financial stability through its authorization period. Most significantly, the Budget: increases the covered lives assessment by \$75 million; enhances HCRA audit capabilities, reduces and redistributes Hospital Worker Recruitment and Retention and Worker Retraining funding; phases out Nursing Home Worker Recruitment and Retention funding over three-years; discontinues discretionary priority pools; and eliminates funding for Health Care Facility Restructuring, Nursing Home Quality Improvement, home care rural grants and the Adirondack Cancer Network. The Budget also authorizes additional insurance conversions and directs the proceeds to HCRA — similar to the Empire Blue Cross Conversion. In addition, \$228 million in General Fund savings is achieved while needed investments are made to support the HEAL NY Program, simplify enrollment in Family Health Plus and increase enrollment in Child Health Plus.

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, cancer education and outreach 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. The newborn screening program tests for 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 bio-terrorism.

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 \$3.5 billion to combat HIV/AIDS next year.

HEALTH SYSTEMS MANAGEMENT

The Department ensures that quality health care is available to all New York residents by overseeing the services provided by hospitals, nursing homes, diagnostic and treatment centers and home care providers. The Department strives to ensure that limited health care

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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.

Responsibility for setting Medicaid reimbursement rates for hospitals, nursing homes, home health agencies and diagnostic and treatment centers, as well as oversight of the HCRA surcharges and assessments, will be shifted from Health Systems Management to the new Office of Health Insurance Programs.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	4,645,148,000	4,670,021,500	24,873,500	9,605,219,100
Aid To Localities	45,109,837,300	43,212,667,900	(1,897,169,400)	21,889,271,700
Capital Projects	305,537,000	304,412,000	(1,125,000)	660,498,000
Total	<u>50,060,522,300</u>	<u>48,187,101,400</u>	<u>(1,873,420,900)</u>	<u>32,154,988,800</u>

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

Program	Full-Time Equivalent Positions (FTE)		
	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration and Executive Direction			
General Fund	88	117	29
Special Revenue Funds - Federal	58	58	0
Special Revenue Funds - Other	253	253	0
AIDS Institute			
General Fund	164	164	0
Child Health Insurance			
General Fund	0	4	4
Special Revenue Funds - Other	37	37	0
Community Health			
General Fund	15	24	9
Special Revenue Funds - Federal	631	631	0
Special Revenue Funds - Other	131	133	2
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	32	32	0
Environmental Health			
General Fund	99	99	0
Special Revenue Funds - Federal	137	137	0
Special Revenue Funds - Other	92	92	0
Capital Projects Funds - Other	80	80	0
Health Care Financing			
General Fund	67	76	9
Special Revenue Funds - Other	70	75	5
Health Care Standards and Surveillance			
General Fund	598	611	13
Special Revenue Funds - Other	292	292	0
Health Services			
Enterprise Funds	14	14	0
Institution Management			
Special Revenue Funds - Other	1,672	1,672	0
Laboratories and Research			
General Fund	405	410	5
Special Revenue Funds - Federal	81	81	0
Special Revenue Funds - Other	208	208	0
Managed Care			
General Fund	158	165	7
Medicaid Management, Office of			
General Fund	436	443	7
Special Revenue Funds - Federal	88	88	0
Special Revenue Funds - Other	2	2	0
Total	<u>5,908</u>	<u>5,998</u>	<u>90</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	165,484,000	224,025,000	58,541,000
Special Revenue Funds - Federal	3,979,144,000	3,960,840,000	(18,304,000)
Special Revenue Funds - Other	500,510,000	485,146,500	(15,363,500)
Enterprise Funds	10,000	10,000	0
Total	<u>4,645,148,000</u>	<u>4,670,021,500</u>	<u>24,873,500</u>

Adjustments:	
Transfer(s) To	
Executive Chamber	
General Fund	258,000
Appropriated 2006-07	<u>4,645,406,000</u>

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Administration and Executive Direction			
General Fund	20,775,000	28,222,500	7,447,500
Special Revenue Funds - Federal	8,984,000	9,146,000	162,000
Special Revenue Funds - Other	35,954,000	35,653,800	(300,200)
AIDS Institute			
General Fund	16,329,000	16,714,000	385,000
Child Health Insurance			
Special Revenue Funds - Federal	64,131,000	64,130,000	(1,000)
Special Revenue Funds - Other	11,421,000	11,559,000	138,000
Community Health			
General Fund	7,132,000	7,684,000	552,000
Special Revenue Funds - Federal	117,128,000	118,018,000	890,000
Special Revenue Funds - Other	9,084,000	10,984,000	1,900,000
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	19,125,000	20,333,000	1,208,000
Environmental Health			
General Fund	9,287,000	9,317,500	30,500
Special Revenue Funds - Federal	15,678,000	15,678,000	0
Special Revenue Funds - Other	18,166,000	19,963,700	1,797,700
Health Care Financing			
General Fund	6,482,000	7,371,000	889,000
Special Revenue Funds - Other	8,425,000	10,378,000	1,953,000
Health Care Standards and Surveillance			
General Fund	55,333,000	62,345,000	7,012,000
Special Revenue Funds - Other	64,691,000	70,698,000	6,007,000
Institution Management			
Special Revenue Funds - Other	140,327,000	139,340,000	(987,000)
Enterprise Funds	10,000	10,000	0
Laboratories and Research			
General Fund	39,812,000	41,431,000	1,619,000
Special Revenue Funds - Federal	15,076,000	11,448,000	(3,628,000)
Special Revenue Funds - Other	45,995,000	46,015,000	20,000
Maintenance Undistributed			
General Fund	(135,262,000)	(105,262,000)	30,000,000
Special Revenue Funds - Other	135,262,000	105,262,000	(30,000,000)
Managed Care			
General Fund	15,372,000	17,461,000	2,089,000
Special Revenue Funds - Other	60,000	60,000	0
Medicaid Management, Office of			
General Fund	53,427,000	57,892,000	4,465,000
Special Revenue Funds - Federal	3,662,424,000	3,646,697,000	(15,727,000)
Special Revenue Funds - Other	12,000,000	14,900,000	2,900,000
Medicaid Management Information System			
General Fund	76,797,000	80,849,000	4,052,000
Special Revenue Funds - Federal	95,723,000	95,723,000	0
Total	<u>4,645,148,000</u>	<u>4,670,021,500</u>	<u>24,873,500</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	8,172,300	967,300	7,667,300	967,300
AIDS Institute	10,833,000	385,000	10,816,000	385,000
Community Health	1,672,000	969,000	1,672,000	969,000
Environmental Health	7,080,500	(269,500)	6,859,000	(491,000)
Health Care Financing	4,864,000	(724,000)	4,854,000	(664,000)
Health Care Standards and Surveillance	40,297,000	1,996,000	39,172,000	1,241,000
Laboratories and Research	25,813,000	727,000	25,486,000	721,000
Managed Care	11,381,000	420,000	11,381,000	420,000
Medicaid Management, Office of	27,660,000	1,242,000	27,660,000	1,242,000
Total	137,772,800	5,712,800	135,567,300	4,790,300

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	250,000	0	255,000	0
AIDS Institute	0	0	17,000	0
Community Health	0	0	0	0
Environmental Health	210,000	210,000	11,500	11,500
Health Care Financing	5,000	5,000	5,000	(65,000)
Health Care Standards and Surveillance	125,000	5,000	1,000,000	750,000
Laboratories and Research	70,000	6,000	257,000	0
Managed Care	0	0	0	0
Medicaid Management, Office of	0	0	0	0
Total	660,000	226,000	1,545,500	696,500

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**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Executive Direction	20,050,200	6,480,200	1,077,400	337,400
AIDS Institute	5,881,000	0	1,333,881	0
Community Health	6,012,000	(417,000)	10,000	10,000
Environmental Health	2,237,000	300,000	133,600	133,600
Health Care Financing	2,507,000	1,613,000	119,000	56,000
Health Care Standards and Surveillance	22,048,000	5,016,000	426,000	146,500
Laboratories and Research	15,618,000	892,000	3,352,000	67,000
Managed Care	6,080,000	1,669,000	156,000	42,000
Medicaid Management, Office of	30,232,000	3,223,000	536,000	536,000
Medicaid Management Information System	80,849,000	4,052,000	0	0
Total	191,514,200	22,828,200	7,143,881	1,328,500

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Executive Direction	381,500	119,500	18,517,000	7,470,000
AIDS Institute	311,700	0	3,556,900	0
Community Health	32,000	32,000	1,615,000	100,000
Environmental Health	374,400	374,400	1,622,600	(314,400)
Health Care Financing	30,000	(66,300)	2,318,000	1,684,000
Health Care Standards and Surveillance	1,247,000	(22,300)	18,837,000	3,819,300
Laboratories and Research	76,000	0	6,885,000	825,000
Managed Care	128,000	128,000	5,666,000	1,369,000
Medicaid Management, Office of	823,000	823,000	26,042,000	1,033,000
Medicaid Management Information System	0	0	80,849,000	4,052,000
Total	3,403,600	1,388,300	165,908,500	20,037,900

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	74,300	23,300	0	(1,470,000)
AIDS Institute	228,519	0	450,000	0
Community Health	5,000	5,000	4,350,000	(564,000)
Environmental Health	106,400	106,400	0	0
Health Care Financing	40,000	(60,700)	0	0
Health Care Standards and Surveillance	515,000	322,500	1,023,000	750,000
Laboratories and Research	5,305,000	0	0	0
Managed Care	130,000	130,000	0	0
Medicaid Management, Office of	831,000	831,000	2,000,000	0
Medicaid Management Information System	0	0	0	0
Total	7,235,219	1,357,500	7,823,000	(1,284,000)

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Executive Direction	44,799,800	(138,200)	16,370,000	94,000
Child Health Insurance	75,689,000	137,000	2,601,000	173,000
Community Health	129,002,000	2,790,000	2,328,000	2,328,000
Elderly Pharmaceutical Insurance Coverage	20,333,000	1,208,000	2,116,000	415,000
Environmental Health	35,641,700	1,797,700	7,066,200	1,423,200
Health Care Financing	10,378,000	1,953,000	5,312,000	845,000
Health Care Standards and Surveillance	70,698,000	6,007,000	16,061,000	(468,000)
Institution Management	139,350,000	(987,000)	83,387,000	(1,190,000)
Laboratories and Research	57,463,000	(3,608,000)	13,562,316	3,929,158
Managed Care	60,000	0	30,000	0
Medicaid Management, Office of	3,661,597,000	(12,827,000)	2,093,000	1,393,000
Medicaid Management Information System	95,723,000	0	0	0
Total	4,340,734,500	(3,667,500)	150,926,516	8,942,358

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	19,283,800	833,800	9,146,000	(1,066,000)
Child Health Insurance	8,958,000	(35,000)	64,130,000	(1,000)
Community Health	8,656,000	8,656,000	118,018,000	(8,194,000)
Elderly Pharmaceutical Insurance Coverage	18,017,000	786,000	200,000	7,000
Environmental Health	11,497,500	374,500	17,078,000	0
Health Care Financing	5,066,000	1,108,000	0	0
Health Care Standards and Surveillance	27,342,000	(515,000)	27,295,000	6,990,000
Institution Management	55,963,000	203,000	0	0
Laboratories and Research	40,952,684	18,596,842	2,948,000	(26,134,000)
Managed Care	30,000	0	0	0
Medicaid Management, Office of	12,807,000	1,507,000	3,646,697,000	(15,727,000)
Medicaid Management Information System	0	0	95,723,000	0
Total	208,572,984	31,515,142	3,981,235,000	(44,125,000)

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	10,035,134,300	10,149,844,900	114,710,600
Special Revenue Funds - Federal	26,345,255,000	24,921,322,000	(1,423,933,000)
Special Revenue Funds - Other	6,458,248,000	6,370,301,000	(87,947,000)
Fiduciary Funds	2,271,200,000	1,771,200,000	(500,000,000)
Total	45,109,837,300	43,212,667,900	(1,897,169,400)

Adjustments:

Prior Year Deficiency	
Health, Department of	
General Fund	606,000,000
Transfer(s) To	
Medicaid Inspector General, Office of the	
General Fund (State Operations)	500,000
Appropriated 2006-07	<u>45,716,337,300</u>

HEALTH

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Administration and Executive Direction			
General Fund	608,000	632,000	24,000
AIDS Institute			
General Fund	13,623,700	20,301,700	6,678,000
Special Revenue Funds - Other	88,253,000	88,253,000	0
Child Health Insurance			
Special Revenue Funds - Federal	478,500,000	487,800,000	9,300,000
Special Revenue Funds - Other	435,000,000	442,500,000	7,500,000
Community Health			
General Fund	574,593,600	627,943,500	53,349,900
Special Revenue Funds - Federal	694,035,000	682,915,000	(11,120,000)
Special Revenue Funds - Other	99,385,000	70,385,000	(29,000,000)
Elderly Pharmaceutical Insurance Coverage			
General Fund	39,200,000	40,300,000	1,100,000
Special Revenue Funds - Other	874,075,000	737,275,000	(136,800,000)
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 Financing			
General Fund	0	150,000	150,000
Health Care Reform Act Program			
Special Revenue Funds - Other	1,215,060,000	1,261,100,000	46,040,000
Health Care Standards and Surveillance			
General Fund	12,551,000	20,028,700	7,477,700
Special Revenue Funds - Federal	400,000	400,000	0
Special Revenue Funds - Other	4,750,000	4,750,000	0
Laboratories and Research			
General Fund	931,000	4,943,000	4,012,000
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	13,477,000	17,048,000	3,571,000
Special Revenue Funds - Federal	0	300,000,000	300,000,000
Special Revenue Funds - Other	0	300,000,000	300,000,000
Medical Assistance			
General Fund	8,973,988,000	8,978,836,000	4,848,000
Special Revenue Funds - Federal	24,684,113,000	22,962,000,000	(1,722,113,000)
Special Revenue Funds - Other	3,734,237,000	3,458,550,000	(275,687,000)
Fiduciary Funds	2,271,200,000	1,771,200,000	(500,000,000)
Medical Assistance Administration			
General Fund	407,450,000	440,950,000	33,500,000
Special Revenue Funds - Federal	481,800,000	481,800,000	0
Total	<u>45,109,837,300</u>	<u>43,212,667,900</u>	<u>(1,897,169,400)</u>

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Health Care Efficiency and Affordability Law for New Yorkers				
Capital Projects Fund	165,000,000	165,000,000	0	211,250,000
Capital Projects Fund - Advances	85,000,000	85,000,000	0	270,000,000
Laboratories and Research				
Capital Projects Fund	10,000,000	10,000,000	0	19,670,000
Capital Projects Fund - Authority Bonds	5,000,000	0	(5,000,000)	5,000,000
Maintenance and Improvements of Existing Institutions				
Capital Projects Fund	7,600,000	7,600,000	0	26,026,000
New Institution Construction				
Cap Proj Fund - DOH (Direct Auth Bonds)	0	0	0	21,000,000
Water Resources				
Federal Capital Projects Fund	32,937,000	36,812,000	3,875,000	107,552,000
Total	<u>305,537,000</u>	<u>304,412,000</u>	<u>(1,125,000)</u>	<u>660,498,000</u>

OFFICE OF MEDICAID INSPECTOR GENERAL

MISSION

The Office of Medicaid Inspector General (OMIG) was statutorily established in 2006 — as an independent entity within the Department of Health — 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 conducts and supervises all prevention, detection, audit and investigation efforts and coordinates such activities with the Department of Health, 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 works closely with the Attorney General's Medicaid Fraud and Control Unit (MFCU) and Federal and local law enforcement agencies.

ORGANIZATION AND STAFFING

The Office is headed by the Medicaid Inspector General who is appointed by the Governor with the advice and consent of the Senate. The Office of Medicaid Inspector General is headquartered in Albany with six regional field offices located throughout the state — in Buffalo, Hauppauge (Long Island), Rochester, Syracuse, White Plains and New York City.

The Office is organized into four bureaus — Information Technology and Fraud Detection Systems, Investigations and Enforcement, Medicaid Audit and Revenue Initiatives.

The 2007-08 Executive Budget recommends 678 State staff for the OMIG, an increase of 157 over the level funded in 2006-07. In addition to the State positions, another 207 staff are funded by contractual resources. Approximately 48 percent of the positions are supported by the General Fund and the remaining 52 percent are supported by Federal and other funds.

BUDGET HIGHLIGHTS

The 2007-08 Executive Budget recommends \$98 million to support the continued operations of the Office of Medicaid Inspector General. This includes \$5 million to be transferred to the State University of New York to develop clinical expertise and establish guidelines and improved protocols to identify patterns of waste, fraud or abuse. The Budget also adds \$4.8 million to support new staff — including 100 new auditors, 35 staff to strengthen fiscal and personnel operations and 22 information technology staff — and necessary investments in technology to improve the State's ability to combat fraud, waste and abuse by:

- 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;

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- 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.

In addition, the Budget advances a series of statutory reforms to improve the State's ability to combat Medicaid fraud including the establishment of a False Claims Act to allow private persons to bring civil actions for damages and a Martin Act to strengthen the Attorney General's authority to investigate and prosecute health care fraud. Other statutory measures include: strengthening criminal penalties for certain fraudulent health care practices, establishing whistleblower protections for employees reporting health care fraud, permitting prosecutions for the possession of diverted prescription drugs, changing the court venue consistent with the practice used for other State agencies and providing OMIG with access to vital statistics, Tax Department and Wage Compensation Board records.

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 would cost \$48.7 billion in 2007-08. 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.

The 2007-08 Executive Budget provides the resources needed to support the Office of Medicaid Inspector General's mission to prevent, detect, investigate and prosecute Medicaid fraud.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	96,096,000	97,995,000	1,899,000	33,536,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	96,096,000	97,995,000	1,899,000	33,536,000

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

Program	Full-Time Equivalent Positions (FTE)		
	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
	Medicaid Audit and Fraud Prevention		
General Fund	245	323	78
Special Revenue Funds - Federal	260	339	79
Special Revenue Funds - Other	16	16	0
Total	521	678	157

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	29,631,000	32,052,000	2,421,000
Special Revenue Funds - Federal	58,265,000	60,686,000	2,421,000
Special Revenue Funds - Other	8,200,000	5,257,000	(2,943,000)
Total	<u>96,096,000</u>	<u>97,995,000</u>	<u>1,899,000</u>
Adjustments:			
Transfer(s) From			
Health, Department of			
General Fund (Aid To Localities)	(500,000)		
Medicaid Inspector General, Office of the			
General Fund	(3,192,000)		
Transfer(s) To			
Medicaid Inspector General, Office of the			
Special Revenue Funds - Federal	3,192,000		
Appropriated 2006-07	<u>95,596,000</u>		

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

Program	Available 2006-07	Recommended 2007-08	Change
Medicaid Audit and Fraud Prevention			
General Fund	33,331,000	35,752,000	2,421,000
Special Revenue Funds - Federal	58,265,000	60,686,000	2,421,000
Special Revenue Funds - Other	4,500,000	1,557,000	(2,943,000)
Maintenance Undistributed			
General Fund	(3,700,000)	(3,700,000)	0
Special Revenue Funds - Other	3,700,000	3,700,000	0
Total	<u>96,096,000</u>	<u>97,995,000</u>	<u>1,899,000</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	17,008,000	1,328,000	16,851,000	1,328,000
Total	<u>17,008,000</u>	<u>1,328,000</u>	<u>16,851,000</u>	<u>1,328,000</u>
Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	1,000	0	156,000	0
Total	<u>1,000</u>	<u>0</u>	<u>156,000</u>	<u>0</u>

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**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	18,744,000	1,093,000	973,250	184,250
Total	<u>18,744,000</u>	<u>1,093,000</u>	<u>973,250</u>	<u>184,250</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	288,500	65,500	4,266,000	660,000
Total	<u>288,500</u>	<u>65,500</u>	<u>4,266,000</u>	<u>660,000</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	1,017,250	183,250	12,199,000	0
Total	<u>1,017,250</u>	<u>183,250</u>	<u>12,199,000</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	62,243,000	(522,000)	19,003,000	885,000
Maintenance Undistributed	3,700,000	0	0	0
Total	<u>65,943,000</u>	<u>(522,000)</u>	<u>19,003,000</u>	<u>885,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	31,740,000	(1,407,000)	11,500,000	0
Maintenance Undistributed	0	0	3,700,000	0
Total	<u>31,740,000</u>	<u>(1,407,000)</u>	<u>15,200,000</u>	<u>0</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 with Medicaid funds.

Patient revenues in the Patient Income Account 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 2006-07	Recommended 2007-08	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 2006-07	Recommended 2007-08	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 mission of the Office of Alcoholism and Substance Abuse Services (OASAS) is to improve the lives of New Yorkers by ensuring quality prevention and treatment services for chemical dependence and compulsive gambling, and promoting recovery from addiction.

ORGANIZATION AND STAFFING

Headed by a Commissioner appointed by the Governor, OASAS is 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 2007-08, OASAS will have a workforce of 983, of which nearly 60 percent provide an array of clinical treatment services through the ATCs.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2007-08 Executive Budget recommends approximately \$678 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 2007-08 by developing and implementing Strategic Business Plans for both State Operations and Local Assistance that will generate savings as well as provide resources to reinvest in key program initiatives to support fundamental principles of the State's health care reform agenda. 2007-08 activities include:

- Collaborating with the Office of the State Medicaid Inspector General and the Department of Health in the area of Medicaid regulatory compliance and enforcement and saving an additional \$18.7 million in wasteful, inappropriate or unnecessary spending;
- Coordinating, with the Department of Health and key stakeholders (including representatives of the hospital industry and chemical dependence treatment providers), a task force charged with reform of the expensive hospital-based detoxification service system. Reforms will improve treatment outcomes addressing the problem that only some 20 percent of hospital admissions for non-complicated detoxification are currently linked to follow-up treatment within 30 days of

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discharge. The task force's goals include developing more person-centered approaches to care, implementing equitable reimbursement methodologies with incentives to improve treatment outcomes, and ensuring services are delivered in clinically appropriate settings;

- Expanding other intensive care coordination initiatives with the Office of Mental Health, the Department of Health and other stakeholders to improve patient care and outcomes while reducing costs, particularly for individuals with both mental illness and chemical dependence;
- Continuing to collaborate with the State's criminal justice agencies to streamline and fund community re-entry protocols and initiatives for chemically dependent parolees requiring treatment, employment and housing;
- Expanding residential treatment options for targeted populations and continuing to implement innovative prevention strategies;
- Eliminating unnecessary and inappropriate transition funding for freestanding inpatient rehabilitation; and
- Achieving non-personal service savings through such creative management strategies as shared services, energy efficiencies and exploring bulk information technology purchasing with other agencies.

As a result of these cost savings efforts, and in conjunction with other savings achieved by the Executive Budget recommendations, this Budget supports several new initiatives in the chemical dependence area. Recommendations provide \$25.4 million in bonded capital funding to expand the Veterans' Enhanced Treatment Services (VETS) initiative by adding 100 new intensive and community residential beds, primarily for both men and women returning home from fighting the War on Terror in Iraq and Afghanistan. Further, \$26.6 million in new bonded capital funding is included to develop an additional 100 community residential treatment beds in Nassau and Suffolk Counties for persons receiving outpatient chemical dependence treatment services.

Preserving the infrastructure of the current statewide service network is critical, and this Budget also provides an investment of \$120 million in bonded capital funds over five years to either relocate or extensively renovate existing chemical dependence treatment programs, whose aging infrastructure results in the inefficient delivery of treatment services and jeopardizes the health and safety of clients and staff.

The recommendation fully supports the second year of a three-year cost of living adjustment (COLA) tied to the Consumer Price Index for existing funded providers of chemical dependence and compulsive gambling services. This COLA will enhance funding by an additional \$12 million in 2007-08 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.

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.

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

Approximately 324,000 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, 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 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	82,212,000	89,820,000	7,608,000	5,019,000
Aid To Localities	436,674,000	468,665,000	31,991,000	172,919,000
Capital Projects	77,416,000	119,606,000	42,190,000	202,230,000
Total	<u>596,302,000</u>	<u>678,091,000</u>	<u>81,789,000</u>	<u>380,168,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Community Treatment Services Program			
Special Revenue Funds - Federal	2	2	0
Executive Direction			
General Fund	330	340	10
Special Revenue Funds - Federal	79	79	0
Special Revenue Funds - Other	12	2	(10)
Capital-Administration			
Capital Projects Funds - Other	8	8	0
Institutional Services			
General Fund	536	536	0
Special Revenue Funds - Federal	16	16	0
Total	<u>983</u>	<u>983</u>	<u>0</u>

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

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

<u>Fund Type</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
General Fund	53,021,000	60,543,000	7,522,000
Special Revenue Funds - Federal	6,359,000	6,445,000	86,000
Special Revenue Funds - Other	22,832,000	22,832,000	0
Total	<u>82,212,000</u>	<u>89,820,000</u>	<u>7,608,000</u>

Adjustments:

Transfer(s) From	
Alcoholism and Substance Abuse Services, Office of General Fund (Aid To Localities)	(300,000)
Appropriated 2006-07	<u>81,912,000</u>

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Executive Direction			
General Fund	23,809,000	27,837,000	4,028,000
Special Revenue Funds - Federal	5,159,000	5,245,000	86,000
Special Revenue Funds - Other	9,232,000	9,232,000	0
Institutional Services			
General Fund	29,212,000	32,706,000	3,494,000
Special Revenue Funds - Federal	1,200,000	1,200,000	0
Special Revenue Funds - Other	13,600,000	13,600,000	0
Total	<u>82,212,000</u>	<u>89,820,000</u>	<u>7,608,000</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Executive Direction	23,909,000	1,546,000	23,721,000	1,538,000
Institutional Services	32,624,000	782,000	31,705,000	760,000
Total	<u>56,533,000</u>	<u>2,328,000</u>	<u>55,426,000</u>	<u>2,298,000</u>

<u>Program</u>	<u>Temporary Service (Nonannual Salaried)</u>		<u>Holiday/Overtime Pay (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Executive Direction	119,000	7,000	69,000	1,000
Institutional Services	489,000	17,000	430,000	5,000
Total	<u>608,000</u>	<u>24,000</u>	<u>499,000</u>	<u>6,000</u>

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Executive Direction	11,828,000	2,482,000	665,000	65,000
Institutional Services	13,682,000	2,712,000	4,102,400	327,400
Total	<u>25,510,000</u>	<u>5,194,000</u>	<u>4,767,400</u>	<u>392,400</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Executive Direction	865,000	265,000	8,050,000	4,000
Institutional Services	290,100	7,100	8,854,900	2,366,900
Total	<u>1,155,100</u>	<u>272,100</u>	<u>16,904,900</u>	<u>2,370,900</u>

Program	Equipment	
	Amount	Change
Executive Direction	2,248,000	2,148,000
Institutional Services	434,600	10,600
Total	<u>2,682,600</u>	<u>2,158,600</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Executive Direction	6,577,000	86,000	4,078,000	727,000
Institutional Services	1,200,000	0	865,000	0
Total	<u>7,777,000</u>	<u>86,000</u>	<u>4,943,000</u>	<u>727,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Executive Direction	1,809,000	546,000	690,000	(1,187,000)
Institutional Services	335,000	0	0	0
Total	<u>2,144,000</u>	<u>546,000</u>	<u>690,000</u>	<u>(1,187,000)</u>

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

Fund Type	Available	Recommended	Change
	2006-07	2007-08	
General Fund	292,230,000	325,157,000	32,927,000
Special Revenue Funds - Federal	136,404,000	135,468,000	(936,000)
Special Revenue Funds - Other	8,040,000	8,040,000	0
Total	<u>436,674,000</u>	<u>468,665,000</u>	<u>31,991,000</u>

Adjustments:

Transfer(s) To

Alcoholism and Substance Abuse Services, Office of General Fund (State Operations)	300,000
Temporary and Disability Assistance, Office of General Fund	<u>2,000,000</u>
Appropriated 2006-07	<u><u>438,974,000</u></u>

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Community Treatment Services Program			
General Fund	237,380,000	265,755,000	28,375,000
Special Revenue Funds - Federal	97,413,000	97,413,000	0
Prevention and Program Support			
General Fund	54,850,000	59,402,000	4,552,000
Special Revenue Funds - Federal	38,991,000	38,055,000	(936,000)
Special Revenue Funds - Other	8,040,000	8,040,000	0
Total	<u>436,674,000</u>	<u>468,665,000</u>	<u>31,991,000</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>	<u>Reappropriations 2007-08</u>
Design and Construction Supervision				
Capital Projects Fund	2,500,000	4,000,000	1,500,000	2,748,000
MH Capital Improvements - Authority Bonds	500,000	500,000	0	500,000
Administration				
Capital Projects Fund	1,170,000	1,200,000	30,000	0
Community Alcoholism and Substance Abuse Facilities				
Capital Projects Fund	4,810,000	4,810,000	0	22,487,000
MH Capital Improvements - Authority Bonds	59,386,000	106,846,000	47,460,000	153,531,000
Institutional Services Program				
Capital Projects Fund	500,000	500,000	0	2,884,000
MH Capital Improvements - Authority Bonds	7,800,000	1,000,000	(6,800,000)	20,080,000
Non-Bondable				
Capital Projects Fund	750,000	750,000	0	0
Total	<u>77,416,000</u>	<u>119,606,000</u>	<u>42,190,000</u>	<u>202,230,000</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. Oversees All Funds appropriations of \$3.1 billion in State Fiscal Year 2007-08 and employs a workforce of 17,670.
- **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. New York State's investment in research is augmented by many grants from Federal and other sources through the Research Foundation for Mental Hygiene (RFMH), Inc.
- **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.

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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 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 2007-08 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.
- **A key 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 other State agencies and counties to monitor quality of care and program cost-effectiveness, as well as improve performance-based outcomes measurement and enhance quality assurance and fraud prevention activities in conjunction with the Office of the Medicaid Inspector General.
- **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.** OMH will need to continue developing integrated and affordable housing opportunities and accompanying support services for individuals with mental illness committed to in previous budget cycles, and initiate new priority housing opportunities as State financial resources allow.
- **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 continue to support 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.

- **Public safety in New York State communities needs to be increased via civil commitment, where appropriate, for the care and treatment of sexually violent persons in secure facilities.** OMH will need to continue establishing discrete, secure treatment facility capacity to support the growing population of individuals who have been and will be civilly committed.
- **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. Despite significant reductions in inpatient capacity, which allowed for reinvestment of resources into the community, the current institutional service system now being operated by OMH needs to be right-sized, in order to be more cost effective and to better meet regional needs.** OMH will continue to explore ways to transform its inpatient public mental health system by seeking out opportunities to eliminate unnecessary State inpatient capacity while continuing to provide the highest quality mental health services in the least restrictive setting. In order to be successful, efforts to right-size OMH's inpatient public mental health system will require the full cooperation of all key stakeholders, including the State, local governments, State employee unions, as well as local Article 28 hospitals and mental health providers and, most importantly, the patients and their families, who depend on access to quality inpatient and community services.
- **As the population ages, there is a greater need for mental health services for older adults.** This means that OMH will need to continue providing collaboration and support for the geriatric service demonstration program being developed under the Geriatric Mental Health Act, which provides grants to providers of mental health care to the elderly.
- **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.** OMH has made substantial progress in improving public understanding of the causes, effects and treatment of serious emotional disturbances and mental illnesses that increase an individual's susceptibility to suicidal ideation. Progress also has been made in increasing the number of localities that have developed and implemented local suicide prevention plans tailored to their communities. Continued financial support for this ongoing work will increase public awareness and ultimately save lives.

KEY AGENCY STRATEGIES¹

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;**
- **Implementing an effective performance accountability and care coordination infrastructure;**

¹ The Office of Mental Health is among the State agencies that have actively participated in Strategic Planning and Performance Management exercises. The goal of these initiatives is to develop baseline metrics that provide for an objective measure of performance.

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- **Providing access to safe and affordable community housing for adults with serious mental illness;**
- **Enhancing access to effective community-based services for children, adolescents and their families;**
- **Increasing public safety through the civil commitment of sexually violent persons, 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; and**
- **Promoting public mental health by reducing the risk of suicide.**

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.

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 the second year of the three-year Cost of Living Adjustment tied to the Consumer Price Index for targeted OMH non-trended programs to reflect actual inflation-related growth and/or targeted resources to shore up certain residential models.

Action	SFY 2007-08 Funding Levels	Performance indicators
➤ Second year of a three-year Cost of Living Adjustment (COLA). Estimated at 2.5% in 2007-08.	\$30 million	<ul style="list-style-type: none"> • Increase proportion of culturally competent, qualified clinical staff recruited and retained.
➤ Increase funding for existing Community Residence programs and implement the final year of a three-year Supported Housing stipend increase for "base" beds.	\$19 million	<ul style="list-style-type: none"> • Increase financial stability for community providers and enhance efforts to recruit and retain a qualified workforce responsible for serving a more challenging population. • Increase provider compliance with regulatory standards.

Implement an effective performance, accountability and care coordination infrastructure.

The SFY 2007-08 Executive Budget includes an array of initiatives to implement this strategy by focusing on the unique needs of targeted populations and by fostering an enhanced audit and oversight agency capability. This will ensure effective and appropriate utilization of financial resources, including Medicaid, reimbursement in the delivery of mental health services in New York State.

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Action	SFY 2007-08 Funding Levels	Performance indicators
➤ Joint initiative with Department of Health (DOH) to expand Psychiatric Clinical Knowledge Enhancement System (PSYCKES) medication management system.	- \$4.3 million (savings are net of \$1.3M in new OMH staff resources)	<ul style="list-style-type: none"> • Savings (primarily in the Medicaid program) will be achieved by increased occurrence of appropriate and cost-effective medication prescribing practices for mental health drugs.
➤ Expand quality management and regulatory compliance and enforcement activities in conjunction with the Office of Medicaid Inspector General.	-\$7.7 million (savings are net of \$300,000 in new OMH staff)	<ul style="list-style-type: none"> • Increased identification of fiscal and/or programmatic actions requiring examination and resolution. (Savings are primarily anticipated in the Medicaid program).
➤ Develop demonstration programs in conjunction with DOH to improve care coordination for both health and mental health services.	\$4 million (included in DOH budget)	<ul style="list-style-type: none"> • Improve health and mental health treatment outcomes and serve high-cost Medicaid recipients in more appropriate settings.

Provide access to safe and affordable community housing for adults with serious mental illness.

Building on the success of prior supportive housing initiatives that will provide more than 36,900 beds in community settings when fully-developed for persons with mental illness, the 2007-08 Executive Budget includes strategies to develop additional housing capacity throughout New York State.

Action	SFY 2007-08 Funding Levels	Performance indicators
➤ Add 1,000 new Congregate Care beds.	\$200 million (Capital)	<ul style="list-style-type: none"> • Increase the number of individuals with serious mental illness in safe and affordable housing
➤ Add 1,000 new Supported Housing beds.	\$6.0 million (annualizing to \$12.1 million)	<ul style="list-style-type: none"> • Increase the number of individuals with serious mental illness in safe and affordable housing.
➤ Continued support for New York/New York III – Supportive Housing Agreement.	\$12.9 million	<ul style="list-style-type: none"> • Increase housing opportunities for homeless mentally ill individuals and their families by increasing housing capacity in NYC by 5,550 beds over the next 10 years (as part of an overall 9,000 bed effort).

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

New York's public mental health system serves about 130,000 children with serious emotional disturbances (SED) annually. To reach more children, the 2007-08 Budget includes support for initiatives that expand access to new and existing in-home and community-based services and for initiatives that advance early identification of, and interventions for, high-risk children.

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Action	SFY 2007-08 Funding Levels	Performance indicators
➤ Additional Home and Community Based (HCBS) Waiver Slots.	\$1.2 million (annualizing to \$4.7 million)	<ul style="list-style-type: none"> • Increase number of children receiving HCBS waiver services by expanding HCBS capacity by 180 slots, bringing total slots to 1,620; provides HCBS services for up to 2,430 children.
➤ Continue support for Child and Family Clinic Plus	\$21.5 million	<ul style="list-style-type: none"> • 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 assessed; up to 36,000 children admitted to clinic services; and up to 22,400 children receiving in-home treatment services.

Increase public safety through the treatment of sexually violent persons.

The 2007-08 Executive Budget continues funding to support, and provides new resources for, the civil commitment of sexually violent persons (SVPs). Where appropriate, upon their release from prison, SVPs will receive care and treatment in secure facilities. Committing these individuals will protect the public while continued and needed treatment is provided.

Action	SFY 2007-08 Funding Levels	Performance indicators
➤ Modify commitment protocols consistent with recent court decision and deliver services tailored to treat sexually violent persons that are civilly committed for secure care and treatment	\$46 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.

Provide access to efficient and high-quality inpatient services.

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

Action	SFY 2007-08 Funding Levels	Performance indicators
➤ Reduce non-personal service costs up to 5 percent for Central Office and up to 3 percent for Institutional programs.	-\$8 million	<ul style="list-style-type: none"> • Savings will be achieved via a Business Plan which will include initiatives to reduce utility costs, expand Cook/Chill, maximize bulk purchasing for computers and other equipment.
➤ Prepaid Mental Health Plan enrollments, and retro-claiming for residential treatment facilities.	-\$16 million	<ul style="list-style-type: none"> • Increase Medicaid receipts by expanding enrollment in OMH's PMHP program by 1,000 persons and more efficient billing for services and retro-claiming for residential treatment facilities.
➤ Further enhance service to mentally ill State prison inmates	\$2.0 million (annualizing to \$9 million)	<ul style="list-style-type: none"> • Increase number of prison inmates that have access to mental health services in State correctional facilities.

Enhance access to effective community-based services for older adults and promote public mental health by reducing the risk of suicide.

The 2007-08 Executive Budget continues support to implement access strategies focusing on the unique needs of older adults, and continues support for initiatives that increase awareness of, and that promote screening, early intervention and prevention strategies, particularly with primary care physicians and other healthcare providers.

Action	SFY 2007-08 Funding Levels	Performance indicators
➤ Continue 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.
➤ Implementation of the New York State Suicide Prevention Plan initiated in SFY 2006-07.	\$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.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	1,303,249,000	1,350,914,000	47,665,000	1,508,000
Aid To Localities	979,381,000	1,069,022,000	89,641,000	44,335,000
Capital Projects	485,285,000	646,052,000	160,767,000	892,309,000
Total	2,767,915,000	3,065,988,000	298,073,000	938,152,000

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

Program	Full-Time Equivalent Positions (FTE)		
	2006-07	2007-08	FTE Change
	Estimated FTEs 03/31/07	Estimated FTEs 03/31/08	
Administration and Finance			
General Fund	547	564	17
Special Revenue Funds - Federal	14	14	0
Enterprise Funds	20	20	0
Internal Service Funds	24	24	0
Adult Services			
General Fund	11,722	12,057	335
Capital Planning			
Capital Projects Funds - Other	41	41	0
Children and Youth Services			
General Fund	2,042	2,042	0
Forensic Services			
General Fund	1,951	1,989	38
Maintenance Undistributed			
Special Revenue Funds - Other	397	397	0
Research			
General Fund	480	495	15
Special Revenue Funds - Other	27	27	0
Total	17,265	17,670	405

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

<u>Fund Type</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
General Fund	772,557,000	764,555,000	(8,002,000)
Special Revenue Funds - Federal	1,358,000	1,358,000	0
Special Revenue Funds - Other	518,476,000	573,867,000	55,391,000
Enterprise Funds	8,349,000	8,514,000	165,000
Internal Service Funds	2,509,000	2,620,000	111,000
Total	<u>1,303,249,000</u>	<u>1,350,914,000</u>	<u>47,665,000</u>

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Administration and Finance			
General Fund	66,097,000	62,872,000	(3,225,000)
Special Revenue Funds - Federal	1,358,000	1,358,000	0
Special Revenue Funds - Other	3,870,000	3,870,000	0
Enterprise Funds	8,349,000	8,514,000	165,000
Internal Service Funds	2,509,000	2,620,000	111,000
Adult Services			
General Fund	876,361,000	917,013,000	40,652,000
Children and Youth Services			
General Fund	136,755,000	139,610,000	2,855,000
Enhanced Community Services			
General Fund	19,600,000	19,600,000	0
Forensic Services			
General Fund	136,012,000	140,714,000	4,702,000
Maintenance Undistributed			
General Fund	(507,481,000)	(562,767,000)	(55,286,000)
Special Revenue Funds - Other	507,481,000	562,767,000	55,286,000
Research			
General Fund	45,213,000	47,513,000	2,300,000
Special Revenue Funds - Other	7,125,000	7,230,000	105,000
Total	<u>1,303,249,000</u>	<u>1,350,914,000</u>	<u>47,665,000</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration and Finance	43,462,000	2,452,000	42,049,000	2,602,000
Adult Services	718,844,000	32,950,000	676,025,000	30,118,000
Children and Youth Services	122,848,000	2,817,000	115,479,000	2,817,000
Forensic Services	126,668,000	4,317,000	118,330,000	4,317,000
Research	42,315,000	2,186,000	41,718,000	2,186,000
Total	<u>1,054,137,000</u>	<u>44,722,000</u>	<u>993,601,000</u>	<u>42,040,000</u>

<u>Program</u>	<u>Temporary Service (Nonannual Salaried)</u>		<u>Holiday/Overtime Pay (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration and Finance	1,080,000	(150,000)	333,000	0
Adult Services	5,038,000	15,000	37,781,000	2,817,000
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>10,882,000</u>	<u>(135,000)</u>	<u>49,654,000</u>	<u>2,817,000</u>

MENTAL HEALTH

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Finance	19,410,000	(5,677,000)	1,081,000	(201,000)
Adult Services	198,169,000	7,702,000	98,079,000	8,851,000
Children and Youth Services	16,762,000	38,000	8,392,000	566,000
Enhanced Community Services	19,600,000	0	0	0
Forensic Services	14,046,000	385,000	8,759,000	636,000
Research	5,198,000	114,000	3,134,000	196,000
Total	<u>273,185,000</u>	<u>2,562,000</u>	<u>119,445,000</u>	<u>10,048,000</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Finance	1,084,000	(566,000)	15,062,000	(4,789,000)
Adult Services	2,798,000	(290,000)	91,438,000	(909,000)
Children and Youth Services	488,000	(62,000)	7,284,000	(477,000)
Enhanced Community Services	0	0	0	0
Forensic Services	609,000	(58,000)	4,461,000	(197,000)
Research	69,000	(4,000)	1,937,000	(79,000)
Total	<u>5,048,000</u>	<u>(980,000)</u>	<u>120,182,000</u>	<u>(6,451,000)</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	2,183,000	(121,000)	0	0
Adult Services	2,689,000	50,000	3,165,000	0
Children and Youth Services	598,000	11,000	0	0
Enhanced Community Services	0	0	19,600,000	0
Forensic Services	217,000	4,000	0	0
Research	58,000	1,000	0	0
Total	<u>5,745,000</u>	<u>(55,000)</u>	<u>22,765,000</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Finance	16,362,000	276,000	4,432,000	29,000
Research	7,230,000	105,000	1,915,000	0
Total	<u>23,592,000</u>	<u>381,000</u>	<u>6,347,000</u>	<u>29,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	8,630,000	247,000	3,300,000	0
Research	5,315,000	105,000	0	0
Total	<u>13,945,000</u>	<u>352,000</u>	<u>3,300,000</u>	<u>0</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	858,598,000	950,903,000	92,305,000
Special Revenue Funds - Federal	40,498,000	37,834,000	(2,664,000)
Special Revenue Funds - Other	80,285,000	80,285,000	0
Total	<u>979,381,000</u>	<u>1,069,022,000</u>	<u>89,641,000</u>

MENTAL HEALTH

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Adult Services			
General Fund	660,169,838	731,407,000	71,237,162
Special Revenue Funds - Federal	32,663,000	30,772,000	(1,891,000)
Special Revenue Funds - Other	7,735,000	7,735,000	0
Children and Youth Services			
General Fund	191,233,264	212,011,000	20,777,736
Special Revenue Funds - Federal	7,835,000	7,062,000	(773,000)
Enhanced Community Services			
Special Revenue Funds - Other	72,550,000	72,550,000	0
Community Support and Workforce Reinvestment			
General Fund	7,194,898	7,485,000	290,102
Total	<u>979,381,000</u>	<u>1,069,022,000</u>	<u>89,641,000</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>	<u>Reappropriations 2007-08</u>
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	12,000,000	4,000,000	9,185,000
Executive Direction				
Capital Projects Fund	0	0	0	3,245,000
MH Capital Improvements - Authority Bonds	3,591,000	3,717,000	126,000	5,727,000
Community Mental Health Facilities				
Capital Projects Fund	6,000,000	6,000,000	0	28,941,000
MH Capital Improvements - Authority Bonds	226,525,000	312,555,000	86,030,000	382,884,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	39,010,000	34,010,000	(5,000,000)	52,109,000
MH Capital Improvements - Authority Bonds	199,159,000	274,770,000	75,611,000	400,218,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	8,000,000
Total	<u>485,285,000</u>	<u>646,052,000</u>	<u>160,767,000</u>	<u>892,309,000</u>

OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

MISSION

The mission of the Office of Mental Retardation and Developmental Disabilities (OMRDD) is to develop the highest quality, most comprehensive, integrated and innovative services and supports for New Yorkers with mental retardation and developmental disabilities and their families.

ORGANIZATION AND STAFFING

Under the direction of a Commissioner appointed by the Governor, OMRDD currently operates through 14 district offices called Developmental Disabilities Services Offices (DDSO). Its Central Office oversees and supports operations of the district offices. OMRDD also operates the Institute for Basic Research in Developmental Disabilities (IBR) on Staten Island.

OMRDD will have a workforce of 23,509 for 2007-08, 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 2007-08, OMRDD will operate approximately 500 developmental center beds, along with over 1,200 special unit beds. Over the past two decades, the State has moved nearly 9,000 people from institutional care into more appropriate community settings.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Total funding of nearly \$3.7 billion supports a comprehensive system of care serving more than 140,000 persons with disabilities and their families, reflecting the State's commitment to serving the needs of persons with developmental disabilities. The Executive Budget recommendations for 2007-08 preserve essential direct care and maintain the quality of services for individuals with developmental disabilities 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 2007-08, the Agency will achieve efficiencies through such Business Plan strategies as:

- 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, diligently reviewing eligibility for services and collaborating with the Office of the State Medicaid Inspector General (OMIG) in the area of Medicaid regulatory compliance and enforcement;
- Streamlining and updating, as appropriate, non-profit provider funding to realize efficiencies and to enhance recruitment and retention for a qualified workforce;

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- Collaborating with voluntary providers to identify unmet staff training needs in the service system and engaging in training efforts to professionalize the workforce and encourage career tracks within the mental retardation and developmental disabilities services field;
- Maintaining strict controls on hiring in administrative positions in both the DDSOs and Central Office, and continuing overtime abatement strategies;
- Achieving non-personal service savings through such creative management strategies as shared services, energy efficiencies, conversion of contract consulting staff to State positions and exploring bulk information technology purchasing with other agencies; and
- Continuing to reconfigure research goals and initiate more cost effective business protocols at IBR.

The 2007-08 Executive Budget maintains the State's commitment to serve a wide range of developmentally disabled New Yorkers, including those who are medically frail and behaviorally challenged — either in institutions or on community waiting lists for residential services — as well as consumers who have been placed out-of-State or who are “aging out” of other child care systems, by funding support for residential developments through the New York State-Creating Alternatives in Residential Environments and Services (NYS-CARES) initiative. Over 12,000 persons have already left the waiting list for homes in the community since 1998.

During this time, OMRDD has continually worked with families to review the waiting list and verify their needs. OMRDD has also instituted a recurring survey designed by consumers, families and other stakeholders, which is used to evaluate individuals' satisfaction and the success of residential placements under NYS-CARES, as well as identify areas in need of improvement. Based on the results of the latest survey, the Budget includes resources for a third phase of the NYS-CARES initiative by adding 1,000 residential placements, 2,400 at-home residential habilitation and 200 day habilitation opportunities over the next five years, with first year costs of \$12 million when fully annualized, and a commitment of over \$60 million when fully implemented. By the end of 2012, OMRDD will have developed a total of 7,800 new residential beds under NYS-CARES which, when coupled with the more than 38,000 funded community beds already in the system, will provide ample placement opportunities to individuals on the residential waiting list.

Beyond NYS-CARES development, OMRDD also will open 140 new beds to accommodate consumers aging out of other human services or educational environments as well as 125 new beds to either repatriate children placed out-of-State, or to mitigate such future placements. Additionally, the 2007-08 Executive Budget provides \$7.9 million in new resources to expand Family Support Services to another 5,000 families to help them care for loved ones with disabilities at home, including new respite opportunities and other requested services. Competitive work opportunities for 750 new consumers as well as 500 consumers currently in such non-competitive employment programs as sheltered work and day training also will be enhanced by \$3.1 million in new resources to help expand the Supported Employment program. The monies will be used to improve job development and job coaching services as well as short-term subsidies for newly-developed jobs.

The Budget also provides new funding for the second year of a three-year cost-of-living adjustment (COLA), which is tied to the Consumer Price Index (CPI) to improve existing services for non-trended voluntary programs. The 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

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inflationary pressures. Improving non-profit provider staff recruitment and retention activities will likewise be enhanced by the third and final year of OMRDD's innovative health care initiative. The 2007-08 Executive Budget also acknowledges the Federal Systems Transformation Grant (FY 2006), awarded to New York State for its New York State — Options for People Through Services (NYS-OPTS) Real Choice Systems Change (RCSC) initiative. 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. Specifically, the RCSC grant awards New York State \$2.8 million dollars to enhance OMRDD's ability to increase delivery of services through NYS-OPTS to individuals that are dually diagnosed, aging-out, and residing in, or at risk of placement into, a nursing home. The RCSC grant also expands the NYS-OPTS infrastructure to enable OMRDD to increase individualized services and supports to persons with developmental disabilities seeking flexible, person-centered approaches to meeting their needs. Statewide, OMRDD has already approved over 130 NYS-OPTS proposals and nearly 70 have been implemented.

In total, these recommendations — through the combination of both new and existing services — will support almost 4,300 new day and residential opportunities in the community during 2007-08. This reflects nearly 1,100 people newly-placed in residential settings and almost 3,200 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.

Infrastructure throughout the State and not-for-profit systems will be maintained through new capital appropriations of \$138.3 million and reappropriations of \$282.8 million. Capital appropriations for institutional projects continue to support the relocation of the Bernard Fineson Developmental Center in Queens, as well as 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 new State-operated community residential placements for individuals currently in institutional settings, including consumers who have severe behavioral treatment needs or who are medically frail, 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.

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.

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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 twice as much as the next highest state offering services under a waiver, with the exception of California, and has a lower cost per consumer than other comparable states. The HCBS Waiver also promotes smaller, more natural home environments. Home size has continued to decrease, thereby supporting individualized, quality services. Today, 85 percent of the homes in the community are six beds or less; two-thirds of these are four beds or less.

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

- Provides approximately 38,000 persons with certified residential services;
- Provides about 64,000 persons with community day services; and
- Assists in the care of more than 20,000 persons with developmental disabilities who live alone and another 41,000 persons who live with their families.

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 5,900 beds operated statewide by both State and not-for-profit providers — are appropriate for individuals requiring intensive 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 3,800 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 2007-08, of which more than 70 percent will be receiving specialized services. OMRDD remains committed to providing community residential opportunities for all those in State institutions who can receive appropriate care in the community. Currently, New York serves more persons in community residential settings than any other state, with the exception of California.

DAY SERVICES

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

- Day treatment which provides diagnostic, treatment and rehabilitative services;
- Day habilitation, a smaller more individualized service for persons under the Federal Medicaid waiver for home and community based services;
- Supported employment, which provides the opportunity for individuals to work in competitive positions, usually in integrated settings in the private sector;

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- 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 currently assists approximately 41,000 persons with developmental disabilities and their families, enabling these individuals to remain at home and receive nearly 65,000 individualized services. Services offered include respite, crisis intervention, case management, recreation, information and referral and home care.

The Individualized Support Services program provides services to 1,900 disabled individuals who live independently. In addition, approximately 8,000 individuals living in their own homes receive residential habilitation under the Federal Medicaid waiver.

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

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	1,454,246,000	1,465,083,000	10,837,000	280,000
Aid To Localities	1,823,599,000	2,067,751,000	244,152,000	4,232,000
Capital Projects	147,600,000	138,355,000	(9,245,000)	282,815,000
Total	<u>3,425,445,000</u>	<u>3,671,189,000</u>	<u>245,744,000</u>	<u>287,327,000</u>

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

Program	Full-Time Equivalent Positions (FTE)		
	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
	Central Coordination and Support General Fund	829	849
Community Services General Fund	16,419	16,562	143
Institutional Services General Fund	5,839	5,913	74
Research in Mental Retardation General Fund	185	185	0
Total	<u>23,272</u>	<u>23,509</u>	<u>237</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

<u>Fund Type</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
General Fund	530,123,000	472,028,000	(58,095,000)
Special Revenue Funds - Federal	280,000	3,495,000	3,215,000
Special Revenue Funds - Other	921,319,000	986,804,000	65,485,000
Enterprise Funds	2,374,000	2,406,000	32,000
Internal Service Funds	150,000	350,000	200,000
Total	<u>1,454,246,000</u>	<u>1,465,083,000</u>	<u>10,837,000</u>

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Central Coordination and Support			
General Fund	71,864,000	75,155,000	3,291,000
Special Revenue Funds - Federal	280,000	3,495,000	3,215,000
Internal Service Funds	150,000	350,000	200,000
Community Services			
General Fund	876,486,000	873,797,200	(2,688,800)
Institutional Services			
General Fund	485,666,000	492,121,000	6,455,000
Special Revenue Funds - Other	504,000	504,000	0
Enterprise Funds	2,374,000	2,406,000	32,000
Maintenance Undistributed			
General Fund	(920,765,000)	(986,250,000)	(65,485,000)
Special Revenue Funds - Other	920,765,000	986,250,000	65,485,000
Research in Mental Retardation			
General Fund	16,872,000	17,204,800	332,800
Special Revenue Funds - Other	50,000	50,000	0
Total	<u>1,454,246,000</u>	<u>1,465,083,000</u>	<u>10,837,000</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Central Coordination and Support	51,336,000	1,236,000	48,851,000	1,130,000
Community Services	737,115,000	(3,863,000)	718,825,000	(3,202,000)
Institutional Services	293,028,000	8,871,000	282,771,000	9,493,000
Research in Mental Retardation	15,028,000	337,000	14,846,000	592,000
Total	<u>1,096,507,000</u>	<u>6,581,000</u>	<u>1,065,293,000</u>	<u>8,013,000</u>

<u>Program</u>	<u>Temporary Service (Nonannual Salaried)</u>		<u>Holiday/Overtime Pay (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Central Coordination and Support	2,192,000	76,000	293,000	30,000
Community Services	5,589,000	29,000	12,701,000	(690,000)
Institutional Services	2,193,000	74,000	8,064,000	(696,000)
Research in Mental Retardation	0	(262,000)	182,000	7,000
Total	<u>9,974,000</u>	<u>(83,000)</u>	<u>21,240,000</u>	<u>(1,349,000)</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Central Coordination and Support	23,819,000	2,055,000	1,576,000	967,000
Community Services	136,682,200	1,174,200	59,550,000	10,158,000
Institutional Services	199,093,000	(2,416,000)	9,990,000	(23,499,000)
Research in Mental Retardation	2,176,800	(4,200)	1,300,000	316,000
Total	361,771,000	809,000	72,416,000	(12,058,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Central Coordination and Support	1,180,000	(189,000)	19,500,000	1,509,000
Community Services	11,425,000	3,295,000	53,550,000	(8,408,000)
Institutional Services	5,208,000	2,937,000	56,625,000	18,130,000
Research in Mental Retardation	109,000	52,000	566,800	(304,200)
Total	17,922,000	6,095,000	130,241,800	10,926,800

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	1,563,000	(232,000)	0	0
Community Services	2,873,200	(4,310,800)	9,284,000	440,000
Institutional Services	6,874,000	2,906,000	120,396,000	(2,890,000)
Research in Mental Retardation	201,000	(68,000)	0	0
Total	11,511,200	(1,704,800)	129,680,000	(2,450,000)

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Coordination and Support	3,845,000	3,415,000	0	0
Institutional Services	2,910,000	32,000	282,000	0
Research in Mental Retardation	50,000	0	0	0
Total	6,805,000	3,447,000	282,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	0	0	3,845,000	3,415,000
Institutional Services	2,628,000	32,000	0	0
Research in Mental Retardation	50,000	0	0	0
Total	2,678,000	32,000	3,845,000	3,415,000

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	534,189,000	662,413,000	128,224,000
Special Revenue Funds - Other	1,289,410,000	1,405,338,000	115,928,000
Total	1,823,599,000	2,067,751,000	244,152,000

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Community Services			
General Fund	534,189,000	662,413,000	128,224,000
Special Revenue Funds - Other	1,289,410,000	1,405,338,000	115,928,000
Total	<u>1,823,599,000</u>	<u>2,067,751,000</u>	<u>244,152,000</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>	<u>Reappropriations 2007-08</u>
Design and Construction Supervision				
Capital Projects Fund	3,000,000	5,000,000	2,000,000	1,000,000
MH Capital Improvements - Authority Bonds	4,000,000	4,000,000	0	2,585,000
Voluntary-Operated Community Facilities				
Capital Projects Fund	20,800,000	21,245,000	445,000	20,420,000
MH Capital Improvements - Authority Bonds	5,922,000	6,350,000	428,000	5,920,000
State-Operated Community Services Program				
Capital Projects Fund	19,320,000	19,465,000	145,000	18,400,000
MH Capital Improvements - Authority Bonds	20,300,000	23,200,000	2,900,000	28,690,000
Institutional Services Program				
Capital Projects Fund	14,115,000	14,805,000	690,000	44,530,000
MH Capital Improvements - Authority Bonds	59,143,000	43,290,000	(15,853,000)	161,270,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	0
Total	<u>147,600,000</u>	<u>138,355,000</u>	<u>(9,245,000)</u>	<u>282,815,000</u>

COMMISSION ON QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

MISSION

The mission of the Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD) is to improve the quality of life for individuals with disabilities in New York State, protect their rights and advocate for needed change by:

- Promoting the inclusion of persons with disabilities in all aspects of community life and ensuring that persons with disabilities are afforded the opportunity to exercise the full range of rights and responsibilities accorded to all New Yorkers;
- Ensuring programmatic and fiscal accountability and monitoring care and treatment of people with disabilities within the State's \$7 billion mental hygiene system, making recommendations for improvements, when warranted;
- Providing individual and systemic investigative and advocacy services;
- Advancing the availability and use of assistive technology for persons with disabilities; and
- Offering impartial and informed advice, training and recommendations on a broad range of disability issues.

A Commission priority has been to enhance advocacy services for all populations. The Commission's focus has been to increase its outreach efforts, provide a single point of access for disability information and expand disability rights and awareness training over the prior year. The Commission's Advocacy Council has expanded its membership to include individuals with a broader range of disabilities to better fulfill its mission in advising the Governor and Legislature regarding all New Yorkers with disabilities.

ORGANIZATION AND STAFFING

The Commission comprises 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 2007-08, 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.

The Commission carries out its work through four major programmatic divisions:

- The Division of Quality Assurance and Investigation;
- The Fiscal and Policy Bureaus, coordinated by the Office of Counsel, which also provides legal support for all Commission initiatives;
- The Division of Protection and Advocacy Program Administration; and
- The Division of Advocacy and Outreach for Persons with Physical Disabilities.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Commission's State Operations appropriation is supported by the General Fund (28 percent), Federal grants (46 percent) and other funding, primarily Medicaid revenue related to program oversight activities (26 percent).

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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 \$15.8 million fully supports existing program and service levels.

PROGRAM HIGHLIGHTS

STATEWIDE CLEARINGHOUSE

The Commission operates a statewide clearinghouse through which individuals can access information and obtain referrals to a variety of disability-related services. The system features a 24-hour statewide telephone hotline (800-624-4143) and a dynamic full-featured Web site (www.cqcapd.state.ny.us). CQCAPD has responded to over 51,000 calls through its hotline, and the Web site has attracted more than one million visitors.

TECHNOLOGY SERVICES TO PERSONS WITH DISABILITIES

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 full integration into 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 2006, the Regional TRAIID Centers provided awareness training, device demonstrations, information, education and referrals to over 33,400 persons with disabilities. Over 850 people attended the NYS Assistive Technology Expo in Albany, which was coordinated by the CQCAPD's TRAIID Project.

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 programs serving individuals with mental illness, developmental disabilities, and chemical dependence. Most importantly, it investigates allegations of consumer abuse or mistreatment in facilities operated or licensed by these agencies. The Commission reviews approximately 13,000 reports of abuse, neglect or death and conducts investigations on nearly 1,400 cases annually. By realigning existing resources and staff, the Commission established a new Children's Oversight and Technical Assistance team in 2006 to more efficiently carry out children's oversight activities and enhance the Commission's capacity to provide technical assistance to other agencies, enabling them to better respond to emerging issues.

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

PROTECTION AND ADVOCACY

Through a combination of staff resources 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 Traumatic Brain Injury; and Protection and Advocacy for Voting Access. These programs assist the Commission in strengthening the non-profit contract network by providing individuals with severe disabilities with Federally-mandated protection and advocacy services. Annually, more than 74,000 individuals with disabilities are served through the Commission's protection and advocacy programs.

ADULT HOMES

The Commission contracts with local non-profit organizations to provide advocacy services to protect the rights of residents of adult homes who have been consumers in the mental hygiene system. The Commission's dedicated team will continue to work collaboratively with the Department of Health (DOH) and the Office of Mental Health (OMH) 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 new State initiatives already underway to improve the quality of life and safety of adult home residents. Last Year, Commission staff conducted comprehensive reviews of 19 adult homes serving over 1,600 people and collaborated with DOH and OMH in on-site monitoring of the closure of eight homes serving approximately 1,700 people.

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 comprising medical, legal and health care professionals and advocates work via local dispute resolution centers located throughout the State to represent these individuals. More than 1,600 SDMC cases are resolved, and no less than 700 volunteers and providers are trained to utilize these services annually.

ADVOCACY AND OUTREACH

The Division of Advocacy and Outreach coordinates the Commission's efforts to provide information, support and technical assistance to empower people with disabilities, family members, advocates, local government officials and others to identify and undertake the actions necessary to support people with disabilities in becoming fully participating members of their chosen communities. In 2005-06, Commission staff made more than 125 presentations which reached over 2,500 people on such disability related topics as Disability

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

Awareness and Inclusion, the Americans with Disabilities Act, Reasonable Accommodations and Barrier Reduction, Accessibility and the State Building Code, Educational Rights and Advocacy Skills. In addition, the Commission partnered with the State Board of Elections to conduct trainings statewide for local election officials to improve accessibility of the voting process.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	15,685,000	15,126,000	(559,000)	14,182,000
Aid To Localities	711,000	711,000	0	0
Capital Projects	0	0	0	0
Total	16,396,000	15,837,000	(559,000)	14,182,000

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

Program	Full-Time Equivalent Positions (FTE)		
	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration			
General Fund	46	46	0
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	8	(1)
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	2	2	0
Technology Related Protection and Advocacy			
Special Revenue Funds - Federal	0	1	1
Total	105	105	0

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	4,156,000	4,316,000	160,000
Special Revenue Funds - Federal	7,625,000	6,990,000	(635,000)
Special Revenue Funds - Other	3,859,000	3,775,000	(84,000)
Enterprise Funds	45,000	45,000	0
Total	15,685,000	15,126,000	(559,000)

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
General Fund	4,156,000	4,316,000	160,000
Special Revenue Funds - Federal	300,000	300,000	0
Special Revenue Funds - Other	3,859,000	3,775,000	(84,000)
Enterprise Funds	45,000	45,000	0
Client Assistance			
Special Revenue Funds - Federal	671,000	651,000	(20,000)
Protection and Advocacy for Beneficiaries of Social Security			
Special Revenue Funds - Federal	313,000	344,000	31,000
Protection and Advocacy for the Developmentally Disabled			
Special Revenue Funds - Federal	2,039,000	2,010,000	(29,000)
Protection and Advocacy Help America Vote Act			
Special Revenue Funds - Federal	195,000	179,000	(16,000)
Protection and Advocacy for Individual Rights			
Special Revenue Funds - Federal	916,000	902,000	(14,000)
Protection and Advocacy for the Mentally Ill			
Special Revenue Funds - Federal	1,615,000	1,610,000	(5,000)
Protection and Advocacy for Persons with Traumatic Brain Injury			
Special Revenue Funds - Federal	86,000	85,000	(1,000)
Technology Related Assistance for Individuals with Disabilities			
Special Revenue Funds - Federal	1,088,000	679,000	(409,000)
Technology Related Protection and Advocacy			
Special Revenue Funds - Federal	402,000	230,000	(172,000)
Total	<u>15,685,000</u>	<u>15,126,000</u>	<u>(559,000)</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,150,000	0	3,150,000	0
Total	<u>3,150,000</u>	<u>0</u>	<u>3,150,000</u>	<u>0</u>

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,166,000	160,000	53,800	6,800
Total	1,166,000	160,000	53,800	6,800

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	138,600	(8,400)	802,900	24,900
Total	138,600	(8,400)	802,900	24,900

Program	Equipment	
	Amount	Change
Administration	170,700	136,700
Total	170,700	136,700

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	4,120,000	(84,000)	2,059,000	47,000
Client Assistance	651,000	(20,000)	38,000	(70,000)
Protection and Advocacy for Beneficiaries of Social Security	344,000	31,000	66,000	11,000
Protection and Advocacy for the Developmentally Disabled	2,010,000	(29,000)	439,000	(20,000)
Protection and Advocacy Help America Vote Act	179,000	(16,000)	0	(6,000)
Protection and Advocacy for Individual Rights	902,000	(14,000)	131,000	(33,000)
Protection and Advocacy for the Mentally Ill	1,610,000	(5,000)	503,000	(69,000)
Protection and Advocacy for Persons with Traumatic Brain Injury	85,000	(1,000)	0	0
Technology Related Assistance for Individuals with Disabilities	679,000	(409,000)	0	0
Technology Related Protection and Advocacy	230,000	(172,000)	0	0
Total	10,810,000	(719,000)	3,236,000	(140,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,460,000	(13,000)	601,000	(118,000)
Client Assistance	613,000	50,000	0	0
Protection and Advocacy for Beneficiaries of Social Security	278,000	20,000	0	0
Protection and Advocacy for the Developmentally Disabled	1,571,000	(9,000)	0	0
Protection and Advocacy Help America Vote Act	179,000	(10,000)	0	0
Protection and Advocacy for Individual Rights	771,000	19,000	0	0
Protection and Advocacy for the Mentally Ill	1,107,000	64,000	0	0
Protection and Advocacy for Persons with Traumatic Brain Injury	85,000	(1,000)	0	0
Technology Related Assistance for Individuals with Disabilities	0	0	679,000	(409,000)
Technology Related Protection and Advocacy	0	0	230,000	(172,000)
Total	6,064,000	120,000	1,510,000	(699,000)

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 2006-07</u>	<u>Recommended 2007-08</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 2006-07</u>	<u>Recommended 2007-08</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>