

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 \$46.5 billion in State Fiscal Year 2006-07. 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.

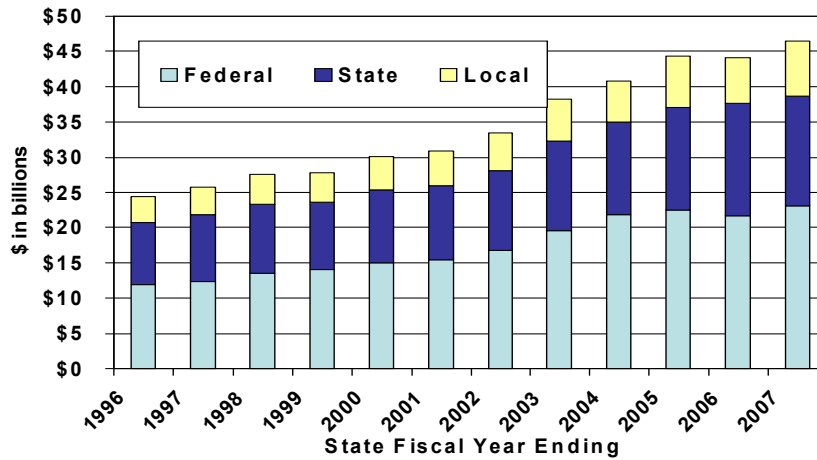
Family Health Plus and the Elderly Pharmaceutical Insurance Coverage (EPIC) programs have all resulted in improving the lives of New York State residents. In addition, enrollment in Medicaid managed care has increased. The Family Health Plus program provides health insurance coverage for low-income New 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 continue and expand on healthcare reform efforts begun in 2007-08 by directly associating spending with patient needs and redirecting resources to primary, preventive and ambulatory care. Funding shifts can be expected to result in improved patient outcomes and the more efficient use of State resources..

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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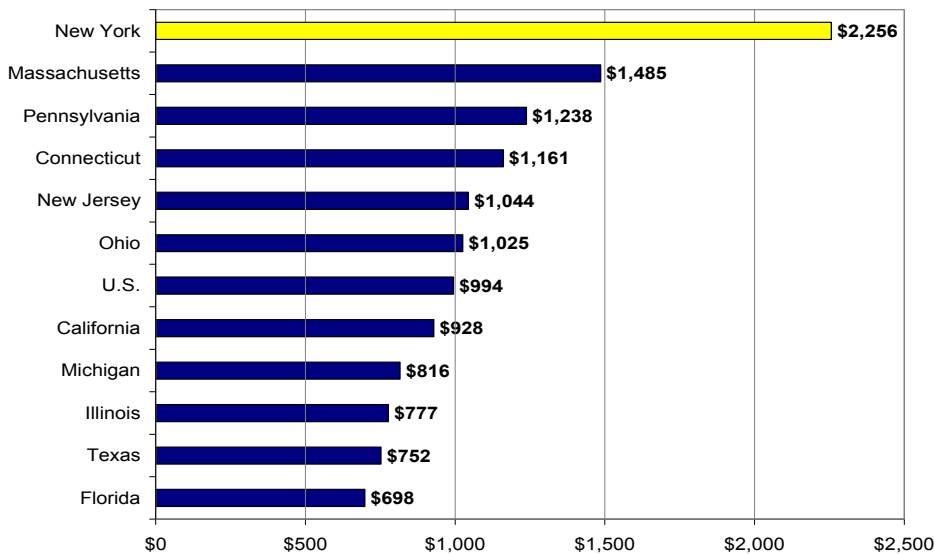
Federal, State and Local Medicaid Spending from 1995-96 through 2006-07



Source: New York State Division of the Budget

Federal, State and local Medicaid spending increased steadily from 1996 through 2007, as enrollment and health care costs have increased. Total Federal, State and local spending for State Fiscal Year 2006-07 nearly \$46.5 billion.

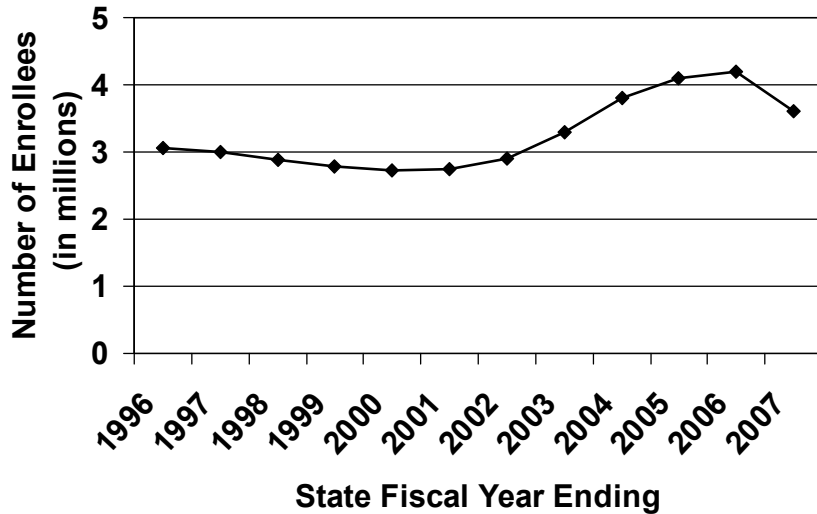
Total Per Capita Medicaid Spending by Selected States



Source: Centers for Medicare and Medicaid Services

New York ranks first in total Medicaid spending compared to a select number of other states. In 2006, New York's Medicaid spending of \$2,256 per person was over twice the amount of \$994 spent nationally.

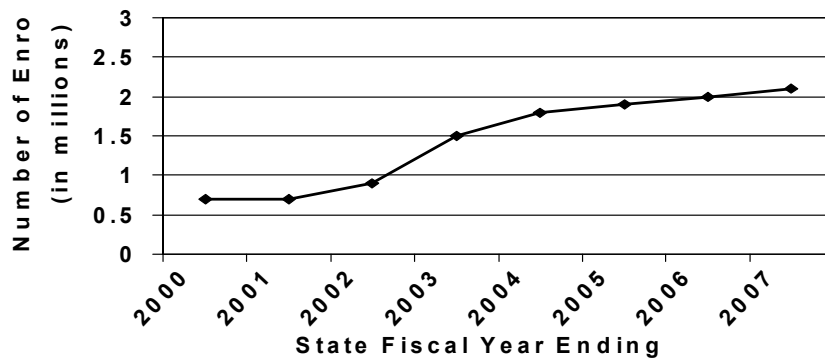
Total Medicaid Enrollment from 1995-96 through 2006-07



Source: New York State Department of Health

New York State’s Medicaid enrollment, including those enrolled in Family Health Plus, has increased by more than 1 million individuals, from 3 million enrollees in 1995-96 to 4.1 million in 2006-07. Average annual enrollment for the Family Health Plus program, which began in 2001, grew from 5,800 in 2001-02 to 514,000 in 2006-07, representing 12.5 percent of total enrollment.

Total Medicaid Managed Care Enrollment from 1995-96 through 2006-07



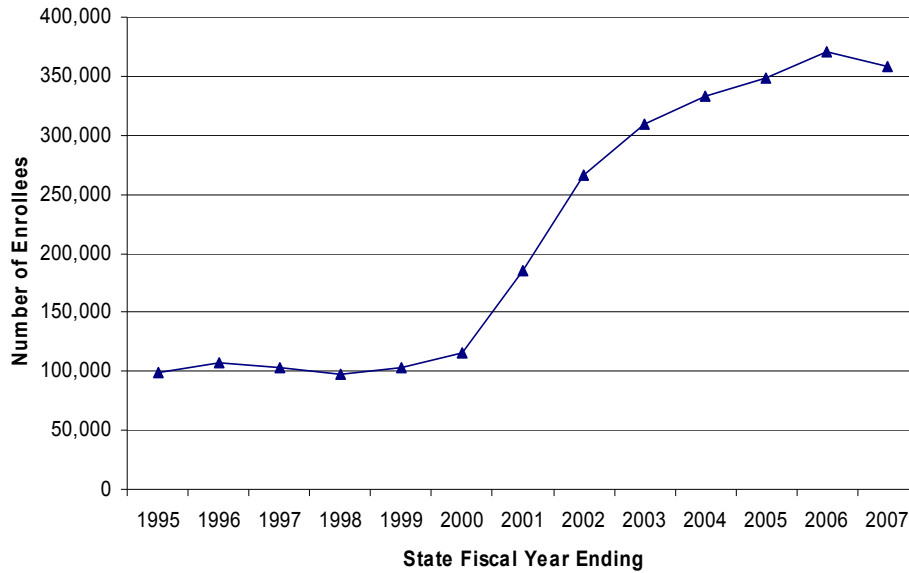
Source: New York State Department of Health

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 enrollment has increased from 600,000 individuals in 1995-96 to

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slightly more than 2 million in 2006-07. 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 Enrollment for EPIC from 1995-96 through 2006-07



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. Enrollment increased from nearly 107,000 in 1996 to 358,000 in 2007, representing an increase of 235 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.

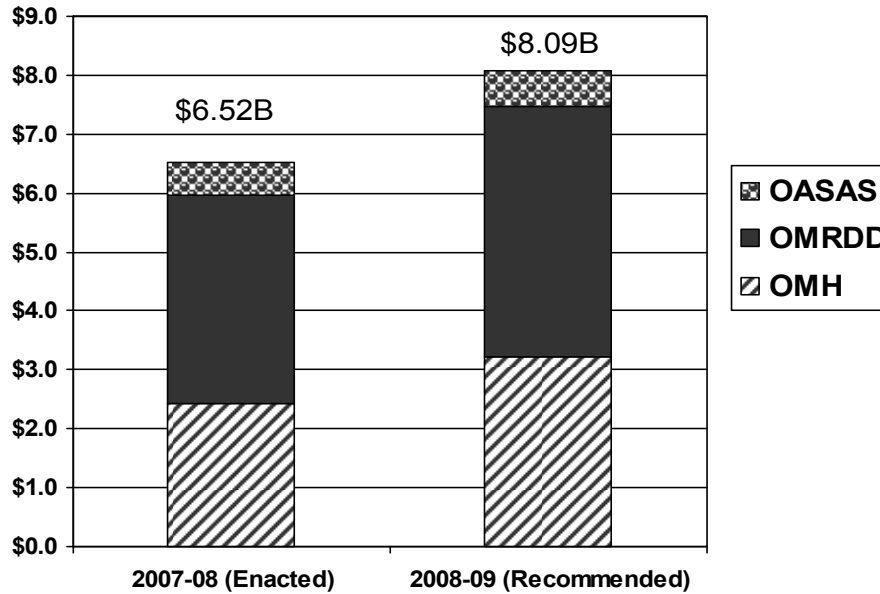
The State's Department of Mental Hygiene (DMH) agencies – Office of Mental Health (OMH); Office of Mental Retardation and Developmental Disabilities (OMRDD); and Office of Alcoholism and Substance Abuse Services (OASAS) – as well as the Commission on Quality of Care and Advocacy for Persons with Disabilities and the Developmental Disabilities Planning Council, are responsible for providing and overseeing services for these at-risk populations.

Funding for New York's Mental Hygiene agencies will increase by over \$1.57 billion from 2007-08 levels, to \$8.09 billion in 2008-09. This level of support places New York as the leading state in the nation for providing these services, with per capita funding levels that are more than double the national average.

The Mental Hygiene populations 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 2008-09 involves co-morbid populations and detoxification services.

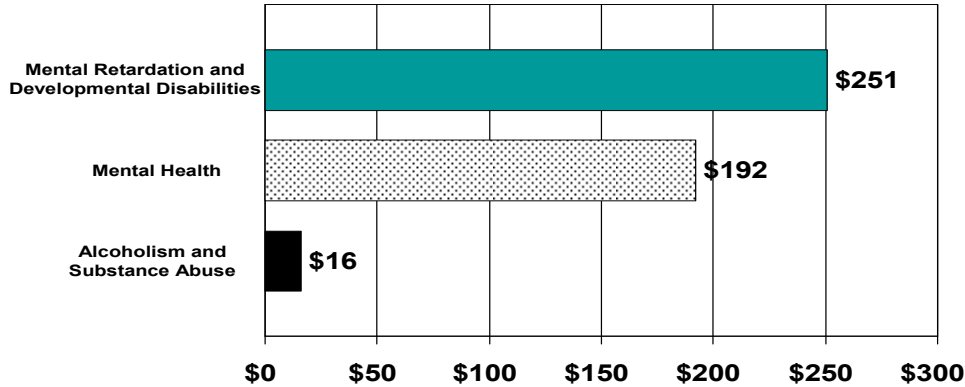
While major advances are being made in the development of outcome measures in the mental hygiene field, consumer satisfaction remains one of the most significant performance value indicators. New York scores high (over 90 percent of consumers satisfied) in all three mental hygiene areas and is still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

DMH Agency Appropriations - Operating Funds
(\$ Billions)



All Funds spending for New York’s Mental Hygiene agencies will increase by over \$1.57 billion, or 24 percent, from 2007-08 levels. The increase reflects, in part the results of a statewide Medicaid Appropriation Restructuring Initiative designed to promote transparency in how the State’s Medicaid budget is accounted for, as well as the budgeting for the first time in the Mental Hygiene agencies of the appropriate share of State employee fringe benefits. Also reflected is the annualization of prior year initiatives, new community-based services expansion, critical investments to strengthen ongoing programs, particularly in the area of non-profit workforce recruitment and retention, the fixed cost of service delivery in State-operated institutional and community programs, as well as savings associated with State Operations efficiencies and revenue generation that otherwise offsets General Fund spending.

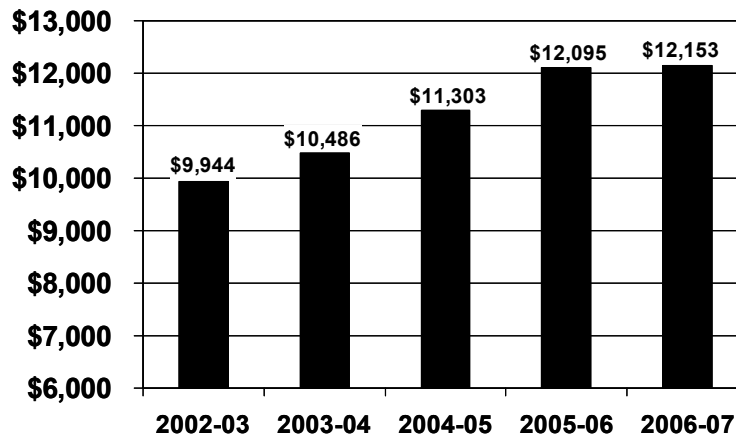
New York Mental Hygiene Per Capita Spending



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; \$190 for mental health care; and almost \$20 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. In the area of total spending, New York ranks first in the nation for both mental retardation and developmental disabilities and alcoholism and substance abuse services, and second in the nation for spending on mental health services.

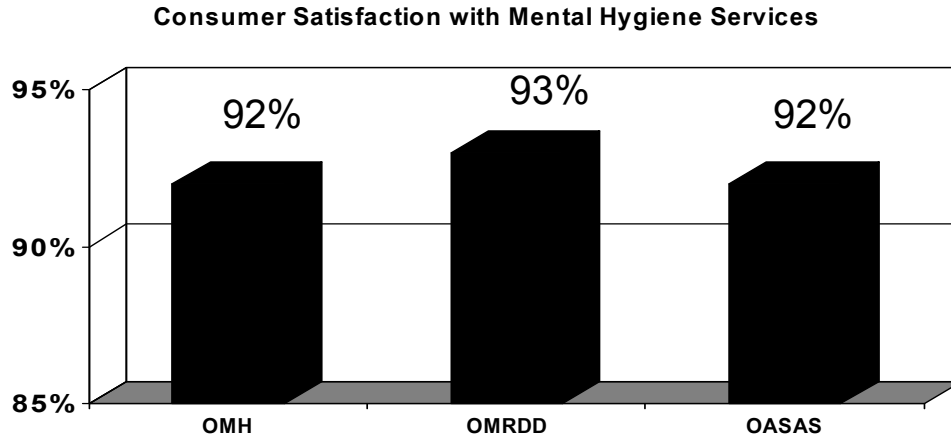
Medicaid Spending Per Recipient For Hospital Detox Has Increased By More Than 22% Over The Last 5 years



Source: NYS Division of the Budget

MENTAL HYGIENE

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 recent surveys 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 four divisions: Executive, Finance and Administration, Policy, Management and Public Information and Community Service. The Office will have a workforce of 141 positions in 2008-09, 135 funded within the agency, and an additional six funded by other State agencies. Approximately 49 percent of Office operations are funded by the General Fund and 51 percent are financed by Federal grants and other revenue sources.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$250 million All Funds (\$127 million General Fund, \$123 million Other Funds)** for the State Office for the Aging (SOFA). This is an increase of **\$4.6 million All Funds (\$4.6M General Fund)** from the 2007-08 budget. This change is primarily due to \$5 million for new investments, a \$4 million annualization from a 2007-08 initiative to expand the Supplemental Nutrition Assistance Program (SNAP), and increased funding to support the third year of the Cost-of-Living Adjustment for the following programs: Expanded In-home Services for the Elderly Program (EISEP), Community Services for the Elderly (CSE) Program and the Supplemental Nutrition Assistance Program (SNAP) and other adjustments. Additionally, programs previously funded by transfers from the Department of Health will now be included in SOFA's budget. These include: Health Insurance Information, Counseling and Assistance Program (\$1 million); Managed Care Consumer Assistance Program (\$2 million); and Evidence Based Disease Prevention (\$241,000).

The Executive Budget recommends a staffing level of **141 FTEs** for the State Office for the Aging, a **decrease of 6** from the 2007-08 budget.

Major budget actions include:

- **Targeted Investments:** Additional funding for Caregiver Centers for Excellence (\$950,000), an Adult Day Demonstration Program (\$1 million), a new Expanded In-home Services for the Elderly Program targeted to the frail elderly (\$2.5 million), a new Community Empowerment Program (\$500,000) and to develop a web-based reporting infrastructure for the local Area Agencies for the Aging (\$50,000).

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 2008-09 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 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 2008-09.

NUTRITION SERVICES

Through a combination of State tax dollars and Federal grants, the State annually provides over 23.5 million congregate and home-delivered meals as well as other nutritional services primarily 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 \$15 million to support the purchase of food. The 2008-09 Budget continues funding for the Supplemental Nutrition Assistance Program (SNAP), the State counterpoint to the Federal programs, at \$23 million.

ASSISTANCE TO CAREGIVERS

Family members and other informal caregivers provide an estimated 80 percent of long-term care for older New Yorkers; sustaining this cost-effective, individualized support system for seniors is a key objective of the aging service system. The State Office for the Aging's 17 Caregiver Resource Centers assist caregivers through training programs, support groups, counseling and linkages to other community services. The \$12 million Federal Caregivers Program provides respite, training and counseling for caregivers, as well as other services that support an elderly person's ability to maximize their independence.

VOLUNTEER ADVOCACY

The Long-Term Care Ombudsman Program (LTCOP) supports the statewide advocacy of more than 1,900 trained volunteers on the behalf of the approximately 161,000 residents of New York State's nursing homes, adult care facilities and assisted living residences. Under the LTCOP, volunteers, working in collaboration with 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 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	14,016,000	13,871,000	(145,000)	7,758,000
Aid To Localities	231,370,085	236,142,000	4,771,915	119,083,000
Capital Projects	0	0	0	0
Total	245,386,085	250,013,000	4,626,915	126,841,000

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

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration and Grants Management			
General Fund	39	33	(6)
Special Revenue Funds - Federal	107	107	0
Special Revenue Funds - Other	1	1	0
Total	147	141	(6)

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	3,366,000	3,221,000	(145,000)
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	14,016,000	13,871,000	(145,000)

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

Program	Available 2007-08	Recommended 2008-09	Change
Administration and Grants Management			
General Fund	3,366,000	3,221,000	(145,000)
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	14,016,000	13,871,000	(145,000)

AGING

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Grants Management	2,640,000	330,000	2,632,000	336,000
Total	2,640,000	330,000	2,632,000	336,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Grants Management	0	(14,000)	8,000	8,000
Total	0	(14,000)	8,000	8,000

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Grants Management	581,000	(475,000)	33,000	0
Total	581,000	(475,000)	33,000	0

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

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Grants Management	7,000	0	275,000	(475,000)
Total	7,000	0	275,000	(475,000)

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

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

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

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	119,770,085	124,542,000	4,771,915
Special Revenue Funds - Federal	107,600,000	107,600,000	0
Special Revenue Funds - Other	4,000,000	4,000,000	0
Total	231,370,085	236,142,000	4,771,915

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Community Services			
General Fund	113,113,000	124,542,000	11,429,000
Special Revenue Funds - Federal	107,600,000	107,600,000	0
Special Revenue Funds - Other	4,000,000	4,000,000	0
Community Projects			
General Fund	6,657,085	0	(6,657,085)
Total	<u>231,370,085</u>	<u>236,142,000</u>	<u>4,771,915</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.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$4.6 million All Funds (\$4.6 million in Federal funds)** for the Council. This represents the same level of funding as in 2007-08 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.

Federal funds fully support all Council operations, including the recommended staffing of **18 FTEs**, which represents no change from 2007-08, 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.

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 people with developmental disabilities and their families, providing training and technical assistance and implementing its current five-year State Plan (FFY 2007 – FFY 2011). For 2008-09, 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, enhancing programmatic responsiveness to maximize the

DEVELOPMENTAL DISABILITIES PLANNING

inclusion of children with developmental disabilities in education and early intervention, ensuring access to and expanding health and wellness programs, promoting choice in housing, and reducing obstacles in transportation to facilitate community integration. In support of these and other strategic objectives, the Council works with persons with developmental disabilities, parents, service providers, advocacy groups and local and State government agencies to advocate for an enhanced system of community services, individualized supports and assistance that facilitates self-determination, independence, community inclusion and productivity.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	4,560,000	4,560,000	0	3,830,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>4,560,000</u>	<u>4,560,000</u>	<u>0</u>	<u>3,830,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Developmental Disabilities Planning			
Special Revenue Funds - Federal	18	18	0
Total	<u>18</u>	<u>18</u>	<u>0</u>

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Enterprise Funds	10,000	10,000	0
Total	<u>4,560,000</u>	<u>4,560,000</u>	<u>0</u>

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

Program	Available 2007-08	Recommended 2008-09	Change
Developmental Disabilities Planning			
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Enterprise Funds	10,000	10,000	0
Total	<u>4,560,000</u>	<u>4,560,000</u>	<u>0</u>

DEVELOPMENTAL DISABILITIES PLANNING

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Developmental Disabilities Planning	4,560,000	0	1,098,000	113,000
Total	<u>4,560,000</u>	<u>0</u>	<u>1,098,000</u>	<u>113,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Developmental Disabilities Planning	931,000	44,000	2,531,000	(157,000)
Total	<u>931,000</u>	<u>44,000</u>	<u>2,531,000</u>	<u>(157,000)</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, is 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 provided 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 2008-09, the Department of Health will have a workforce of 6,040 positions, with 28 percent of those positions employed in the Department's health care facilities.

- Approximately 35 percent of these positions are paid by the General Fund;
- 10 percent are directly supported by fees;
- 38 percent are supported by third party and private patient care reimbursement; and
- The remaining 17 percent are directly funded by Federal grants.

BUDGET HIGHLIGHTS

MEDICAID

Without any new cost controlling measures, total Medicaid spending in New York would grow to \$47.3 billion in 2008-09. The 2008-09 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 been moderated recently, it continues to increase at a rate that places an unaffordable burden on State and local governments. Accordingly, the 2008-09 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 keeping the program affordable for State taxpayers while ensuring continued access to needed health care services for recipients. This Budget furthers the fundamental retooling of New York's health care system begun in the 2007-08 by:

- recommending a series of measures to control health care costs, including several initiatives to ensure that the State is paying appropriately for prescription drugs;
- reforming Medicaid reimbursement for hospitals and making needed investments in primary and preventive care;
- continuing efforts advanced last year to strengthen care coordination and management for high-cost individuals to lower costs and improve treatment outcomes;
- expanding access to health insurance coverage, by implementing the Family Health Plus Buy-In and EPIC Discount Card programs, simplifying eligibility enrollment processes, including aligning Medicaid and Family Health Plus resource rules, and expanding coverage for children and foster children up to age 21;
- extending the Health Care Reform Act (HCRA) and recommending several actions to ensure that HCRA is fiscally sound;
- beginning the transformation of the Long Term Care system with the establishment of a Home Care Task Force and providing resources to develop reform options;
- providing additional resources through the HEAL NY and F-SHRP programs to support implementation of the Berger Commission recommendations and other reform efforts;

In addition, the Executive Budget advances statutory reforms to assist in the fight against fraud 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 2008-09. The Budget includes a number of recommendations to control the growth of pharmacy costs. Major Budget actions:

- **Move Pharmacy Services Outside of the Family Health Plus (FHP) Benefit:** The Budget recommends that pharmacy benefits for FHP enrollees be provided on a fee for service basis rather than through managed care plans (the same approach used for Medicaid managed care). This allows the State to collect additional drug rebates since it does not currently receive rebates on drugs covered through FHP. This will generate State savings of \$27 million in 2008-09 .
- **Add Anti-Depressants to the Preferred Drug Program (PDP):** The State will add anti-depressants, similar to other states, and other classes of drugs to the PDP allowing the State to collect supplemental rebates. Anti-psychotics, anti-retroviral and anti-rejection drugs will remain exempt from the PDP and protections to ensure that a physician's decision prevails in all instances is maintained. This will generate savings of \$5 million in 2008-09.
- **Expand the Clinical Drug Review Program (CDRP):** The Budget will allow PDP drugs to be included in the CDRP along with over 40 new drugs/drug classes to generate additional savings and ensure the appropriate usage of at-risk drugs. State savings of \$18 million in 2008-09 will be realized.
- **Reduce Pharmacy Reimbursement:** Medicaid reimbursement to pharmacies is lowered from Average Wholesale Price (AWP) less 14 percent to AWP less 17 percent on brand name drugs to more closely reflect the actual wholesale price to pharmacies. This will be offset by a \$1.00 increase in the dispensing fee for generics and brand name drugs on the preferred drug list. The Budget will also reduce co-pays for brand name drugs on the PDL (from \$3 to \$1). This will generate net State savings of \$20 million in 2008-09.
- **Create a Specialty Pharmacy Program:** Contract with selected pharmacies to obtain specialty drugs — which have increased dramatically in number and cost — to ensure that Medicaid recipients receive the appropriate medications. These drugs typically require specific handling and limited distributions. Pharmacies involved will be required to ensure safe delivery, necessary supplies, education and support services. This is expected to produce State savings of \$4 million in 2008-09.
- **Increase Participation in Federal 340B Program:** This program allows eligible entities (e.g., Federally Qualified Health Centers) to obtain certain prescription drugs at costs below the Medicaid level. This is projected to generate State savings of \$4 million in 2008-09.
- **Enhance Utilization Management and Counteract Drug Marketing:** The State will consult with outside experts with national experience in providing pharmacy management services to State Medicaid Programs to strengthen utilization review requirements, implement a Medication Therapy Management Program to improve medication compliance and clinical outcomes, provide objective research to physicians to encourage appropriate prescribing patterns and implement further controls on early refills. These actions will produce State savings of \$12 million in 2008-09.

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

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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. The Budget recommends a three year extension of HCRA — through March 31, 2011 — and updates reimbursement methodologies to reflect more current costs, promote increased transparency and accountability in how funding is utilized and to promote primary and preventive health care in community settings. In addition, the Budget reflects net State savings in the acute care area of \$100 million, through the following actions:

- **Rebase Inpatient Reimbursement:** Medicaid reimbursement for inpatient services will be updated, over a four-year period, to reflect more recent cost experience (transitioning from a base of 1981 costs to 2005). Most of the resulting savings and a 25 percent reduction in the current trend factor will be redirected to make investments in ambulatory and primary care.
- **Increase Physician Fees and Invest in Community Based Primary Care:** Over four years, consistent with inpatient rebasing, physician fees will be increased and a new clinic reimbursement methodology will be implemented (replacing current caps on clinic reimbursement) that will reimburse providers based upon the intensity of services rather than on a “per visit” basis. In addition, funding is targeted to primary care enhancements, including: diabetes and asthma education, expanded “after-hours” access, mental health reimbursement for social workers serving children and maternal populations and targeted case management for high risk pregnant women.
- **Redirect Graduate Medical Education (GME) Reimbursement:** The Budget will redirect Medicaid GME funding, through inpatient rebasing, to support training in outpatient settings and HCRA funding is redistributed for programs to address physician shortages, increase diversity in medicine and training in biomedical research.
- **Implement Hospital Efficiency Measures:** The Budget will reimburse inpatient detoxification services at cost by establishing a “per-diem” rate and generate efficiency savings through a variety of initiatives including selective contracting with designated hospitals for certain services and restricting reimbursements for “never events” and preventable complications.
- **Berger Commission Savings:** The Budget reflects savings realized from implementation of the Commission’s recommendations, including the closure of 9 hospitals and the merger/affiliation of 48 hospitals.

Long Term Care

State spending on nursing home and community-based care comprises more than half the General Fund Medicaid Budget — or an estimated \$5.7 billion in 2008-09. The Executive Budget includes a number of recommendations to advance reform efforts in this area including the establishment of a Home Care Technical Advisory Council and nearly \$2 million in new funding to develop nursing home reimbursement reform measures and facility restructuring plans, establish a home care database and expedite nursing home appeals. Major Budget actions :

- **Reconfigure Nursing Home Rebasing Funding:** The Executive Budget reconfigures rebasing to eliminate \$85 million in funding that has not received the necessary Federal approval and ensure that the funds planned for payment in 2008-09 are provided in a timely fashion.
- **Offset Inflationary Cost:** The inflationary trend factor of 2.3 percent for nursing homes, personal care and home care will be reduced by 25 percent to promote and encourage the implementation of efficiencies to reduce costs. This generates savings of \$26 million in 2008-09.
- **Restructure Financially Disadvantaged:** The methodology for distributing payments to nursing homes in severe financial distress will be restructured and facilities will be required to submit restructuring plans, with quantifiable benchmarks, to be eligible for these payments.
- **Modify Rate Reimbursement/Manage Utilization:** The Budget encourages efficiencies in home care by reducing administrative costs for Certified Home Health Agencies (CHAAs) and the Long Term Home Health Care Program and modifying rates for CHAAs so that rate ceilings are fixed. This will generate \$25 million in 2008-09 State savings. In addition, the Budget establishes a three-year Personal Care Demonstration Project in New York City to better meet the needs of consumers. The more efficient management of these services is expected to generate State savings of \$6 million in 2008-09.
- **Berger Commission Savings:** The Budget reflects State savings resulting from the implementation of the Berger Commission recommendations, including the closure of 3 nursing homes, downsizing of 12 homes and merger/affiliation of 6 homes.

Managed Care

The State's Medicaid managed care program — currently authorized 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. To date, New York City and fifty-seven counties are operating managed care programs. New York City and thirty-seven of these counties currently require mandatory enrollment. Managed care enrollment is projected to reach approximately 2.1 million by the end of 2007-08 and 2.2 million in 2008-09.

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Major budget actions include:

- **State Enrollment Portal/Facilitated Enrollment:** The Budget will create a State Enrollment Portal to directly enroll individuals in Medicaid and centralize access for all public health insurance programs. Funding is also increased for facilitated enrollment by community-based organizations. The \$7.5 million costs of these investments in 2008-09 will be financed by decreasing managed care premiums.
- **Limit Premium Increases:** Managed care plans, including Family Health Plus and Managed Long Term Care plans, will be required to partially offset inflationary increases to promote efficiencies and make health care coverage more affordable. This will generate State savings of \$23 million in 2008-09.
- **Update Utilization Thresholds/Improve Care Management:** Medicaid Utilization thresholds will be updated to more appropriately reflect current clinical practices and utilization will be monitored against clinical profiles to ensure the quality and effectiveness of patient care. Initiatives to improve pre-natal and diabetes care management and avoid costly hospitalizations are also recommended. Combined, these actions are expected to produce State savings of \$13 million in 2008-09.
- **Mandatory Managed Care and Dual Eligible Enrollment:** The Budget reflects the continued expansion of managed care on a mandatory basis, including enrollment of Supplemental Security Income (SSI) and Seriously and Persistently Mentally Ill (SPMI) individuals. It also requires dual eligibles (those in Medicaid and Medicare) who are enrolled in a Medicare managed care plan to enroll in the same plan for their Medicaid benefits to provide better coordination of care for these recipients. These actions will generate State savings of \$3 million in 2008-09.

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 400,000 children. The Budget will provide State-only funds to fully

finance the planned expansion of Child Health Plus from 250 percent to 400 percent of the Federal Poverty Level in the event Federal dollars continue to be unavailable because of ongoing disagreements in Washington regarding extension of the Federal State Children's Health Insurance Program. Family contribution levels will also be increased.

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 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 518,000 adults. The Budget implements the Family Health Plus Buy-In Program, beginning in April 2008, that gives employers the option to "buy-in" to Family Health Plus coverage for their employees. The State will share in the cost for employees that would have been eligible for Family Health Plus coverage.

OTHER PUBLIC HEALTH PROGRAMS

General Fund appropriations finance 16 percent of the Department of Health's total budget of \$6.5 billion in 2008-09 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 33 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 51 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. Major Budget actions include:

- **Primary and Preventive Care**: The Budget includes more than \$100 million for primary and preventive care programs, including school based health clinics, nutrition programs, cancer screening, prenatal and postpartum visits and a variety of other programs. New funding of \$4.5 million is added for a comprehensive hepatitis C program, HIV programs and for childhood lead poisoning, adolescent pregnancy and obesity prevention programs.
- **HEAL NY**: The fourth \$250 million installment is recommended, increasing available appropriation levels to \$1 billion 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. The Budget dedicates \$7 million in HEAL NY funding to support health planning.
- **Elderly Pharmaceutical Insurance Coverage (EPIC) Program:** The Executive Budget includes \$699 million for EPIC to ensure that 350,000 senior citizens receive crucial prescription insurance. The Budget reduces reimbursement for brand name drugs from Average Wholesale Price (AWP) less 14 percent to AWP less 17 percent while increasing the generic dispensing fee from \$4.50 to \$5.50. The Budget also expands EPIC to offer a discount card to financially vulnerable individuals. The program would have the same income-eligibility levels as EPIC, but would be available to those under the age of 65. Additionally, EPIC will continue to enroll all eligible seniors in Medicare Part D unless such enrollment presents a significant financial hardship. The EPIC program also continues to cover Part D premium costs to prevent an increased cost to seniors as a result of coordinating benefits with the Medicare prescription drug program;
 - **Early Intervention:** The Budget includes \$186 million for the State share of Early Intervention which provides needed services to infants and toddlers under the age of three who have developmental delays. The Budget eliminates a cost-of-living adjustment for Early Intervention providers. A one-time adjustment of \$60 million will be taken to correct for overpayments made to New York City.
 - **General Public Health Works:** The Budget recommends \$240 million for the General Public Health Works Program to reimburse counties for core and optional public health services at the rate of 36 percent.
 - **Stem Cell Research:** The Budget includes an additional \$50 million to support the stem cell research program. When combined with the funds provided in 2007-08, \$150 million will now be available for stem cell research this year.
 - **Emergency Preparedness:** The Budget includes \$15.5 million for State emergency preparedness programs and to stockpile medications and supplies in the event of a pandemic outbreak, such as the avian flu. It also includes \$12.5 for county emergency preparedness grants. The Budget also continues the \$40 million reserve appropriation to address any public health emergencies.
 - **HIV/AIDS:** Sustains the State's commitment to fighting the AIDS epidemic by providing statewide spending of \$3.6 billion for AIDS programs — a year-to-year increase of more than \$105 million — including \$133.6 million for the AIDS Institute. Emphasis will continue to be placed on prevention and specialized services which target resources to populations with the greatest risk of infection; New funding of \$500,000 is recommended for HIV-related risk reduction efforts.
 - **Roswell Park Cancer Institute:** Includes \$118 million for the Roswell Park Cancer Corporation including \$78 million for operating support, \$15 million for cancer research and \$25 million for capital projects.
 - **Anti-Smoking Initiatives:** Includes \$84 million for an anti-smoking program, an increase of \$2.2 million, for counter advertising, community and school-based education programs, cancer mapping, cancer research, strict enforcement of laws regulating the sale and use of tobacco products.
 - **Cost of Living Adjustment:** Includes \$56 million to support the third year of the three-year Cost of Living Adjustment tied to the Consumer Price Index, effective October 1, 2006, for various public health, State Office for the Aging and AIDS programs; and extends the COLA adjustment to March 31, 2012.

- **Adult Homes**: Includes \$4.7 million to continue the State's ongoing commitment to improve the lives of adult home residents in New York. The Department, working with the Office of Mental Health, the Commission on Quality of Care and Advocacy for Persons with Disabilities and the State Office for the Aging, has undertaken a statewide effort to further expand the various initiatives already underway in adult homes, including: vocational and educational training, recreational activities, independent living skills, as well as the general maintenance and upkeep of the homes, which is critical to ensuring the health and safety of residents. Additionally, \$5.25 million is available in the Office of Mental Health for enhanced care coordination and more than 3,500 additional case management slots for mentally ill residents of adult homes.
- **Wadsworth Center/Clinical Laboratories**: 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. The Budget establishes a new Clinical Laboratory Masters Degree Training Program to allow Wadsworth to train lab personnel on-site. It also establishes fee-financed programs to certify clinical laboratory specialists and register labs that conduct limited testing.

PROGRAM HIGHLIGHTS

MEDICAID

Medicaid was established in 1965 by the Federal government as a health insurance program for the poor. 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.

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

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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 \$3.6 billion to combat HIV/AIDS next year.

HEALTH SYSTEMS MANAGEMENT

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

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, is overseen by the Office of Health Insurance Programs, which was established in 2007-08.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	1,974,276,500	2,005,909,000	31,632,500	7,977,731,300
Aid To Localities	49,366,162,460	48,735,136,300	(631,026,160)	34,039,193,400
Capital Projects	304,412,000	277,580,000	(26,832,000)	860,514,000
Total	<u>51,644,850,960</u>	<u>51,018,625,300</u>	<u>(626,225,660)</u>	<u>42,877,438,700</u>

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

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration and Executive Direction			
General Fund	107	117	10
Special Revenue Funds - Federal	58	58	0
Special Revenue Funds - Other	253	253	0
AIDS Institute			
General Fund	178	179	1
Child Health Insurance			
Special Revenue Funds - Other	41	41	0
Community Health			
General Fund	26	30	4
Special Revenue Funds - Federal	616	631	15
Special Revenue Funds - Other	131	131	0
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	32	32	0
Environmental Health			
General Fund	99	101	2
Special Revenue Funds - Federal	132	137	5
Special Revenue Funds - Other	79	92	13
Capital Projects Funds - Other	80	80	0
Health Care Financing			
General Fund	76	76	0
Special Revenue Funds - Other	65	75	10
Health Insurance Programs, Office of			
General Fund	443	456	13
Special Revenue Funds - Federal	66	91	25
Special Revenue Funds - Other	5	5	0
Health Systems Management, Office of			
General Fund	586	611	25
Special Revenue Funds - Other	263	292	29
Institution Management			
Special Revenue Funds - Other	1,585	1,672	87
Laboratories and Research			
General Fund	410	412	2
Special Revenue Funds - Federal	76	81	5
Special Revenue Funds - Other	222	222	0
Managed Care and Program Evaluation, Division of			
General Fund	155	165	10
Total	<u>5,784</u>	<u>6,040</u>	<u>256</u>

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

<u>Fund Type</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
General Fund	228,166,000	260,672,800	32,506,800
Special Revenue Funds - Federal	1,160,840,000	1,191,493,000	30,653,000
Special Revenue Funds - Other	585,260,500	553,733,200	(31,527,300)
Enterprise Funds	10,000	10,000	0
Total	<u>1,974,276,500</u>	<u>2,005,909,000</u>	<u>31,632,500</u>
Adjustments:			
Transfer(s) From			
Special Pay Bill			
General Fund	(327,000)		
Special Revenue Funds - Other	(514,000)		
Transfer(s) To			
Health, Department of			
Special Revenue Funds - Federal (Aid			
To Localities)	2,800,000,000		
Appropriated 2007-08	<u>4,773,435,500</u>		

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Administration and Executive Direction			
General Fund	29,636,500	31,636,500	2,000,000
Special Revenue Funds - Federal	9,146,000	10,003,000	857,000
Special Revenue Funds - Other	36,130,800	37,110,800	980,000
AIDS Institute			
General Fund	16,714,000	17,008,000	294,000
Child Health Insurance			
Special Revenue Funds - Federal	64,130,000	64,130,000	0
Special Revenue Funds - Other	11,559,000	16,045,000	4,486,000
Community Health			
General Fund	7,981,000	12,774,800	4,793,800
Special Revenue Funds - Federal	118,018,000	143,903,000	25,885,000
Special Revenue Funds - Other	10,584,000	6,062,000	(4,522,000)
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	20,333,000	20,911,000	578,000
Environmental Health			
General Fund	9,317,500	9,515,000	197,500
Special Revenue Funds - Federal	15,678,000	18,105,000	2,427,000
Special Revenue Funds - Other	19,963,700	21,207,400	1,243,700
Health Care Financing			
General Fund	7,371,000	7,577,000	206,000
Special Revenue Funds - Other	10,378,000	11,363,000	985,000
Health Insurance Programs, Office of			
General Fund	58,092,000	63,909,000	5,817,000
Special Revenue Funds - Federal	846,697,000	846,697,000	0
Special Revenue Funds - Other	14,900,000	14,200,000	(700,000)
Health Services			
General Fund	30,000	30,000	0
Health Systems Management, Office of			
General Fund	64,545,000	25,073,000	(39,472,000)
Special Revenue Funds - Other	70,698,000	51,944,000	(18,754,000)
Institution Management			
Special Revenue Funds - Other	139,377,000	155,157,000	15,780,000
Enterprise Funds	10,000	10,000	0
Laboratories and Research			
General Fund	41,431,000	43,881,500	2,450,500
Special Revenue Funds - Federal	11,448,000	12,932,000	1,484,000
Special Revenue Funds - Other	146,015,000	86,128,000	(59,887,000)
Long Term Care, Office of			
General Fund	0	50,258,000	50,258,000
Special Revenue Funds - Other	0	20,283,000	20,283,000
Maintenance Undistributed			
General Fund	(105,262,000)	(113,322,000)	(8,060,000)
Special Revenue Funds - Other	105,262,000	113,322,000	8,060,000
Managed Care and Program Evaluation, Division of			
General Fund	17,461,000	17,827,000	366,000
Special Revenue Funds - Other	60,000	0	(60,000)
Medicaid Management Information System			
General Fund	80,849,000	94,505,000	13,656,000
Special Revenue Funds - Federal	95,723,000	95,723,000	0
Total	<u>1,974,276,500</u>	<u>2,005,909,000</u>	<u>31,632,500</u>

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**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	8,172,300	0	8,112,300	445,000
AIDS Institute	11,047,000	214,000	11,027,000	211,000
Community Health	2,660,800	691,800	2,640,700	755,700
Environmental Health	7,125,000	44,500	6,857,300	(1,700)
Health Care Financing	5,070,000	206,000	5,020,000	166,000
Health Insurance Programs, Office of	27,567,000	(93,000)	27,216,000	(444,000)
Health Services	30,000	0	30,000	0
Health Systems Management, Office of	16,927,000	(25,370,000)	16,328,000	(24,844,000)
Laboratories and Research	27,670,500	1,857,500	26,800,000	1,314,000
Long Term Care, Office of	26,754,000	26,754,000	25,818,000	25,818,000
Managed Care and Program Evaluation, Division of	11,381,000	0	11,381,000	0
Total	<u>144,404,600</u>	<u>4,304,800</u>	<u>141,230,300</u>	<u>3,420,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	10,000	(240,000)	50,000	(205,000)
AIDS Institute	0	0	20,000	3,000
Community Health	0	(5,000)	20,100	(58,900)
Environmental Health	243,700	33,700	24,000	12,500
Health Care Financing	10,000	5,000	40,000	35,000
Health Insurance Programs, Office of	1,000	1,000	350,000	350,000
Health Services	0	0	0	0
Health Systems Management, Office of	53,000	(72,000)	546,000	(454,000)
Laboratories and Research	70,000	0	800,500	543,500
Long Term Care, Office of	82,000	82,000	854,000	854,000
Managed Care and Program Evaluation, Division of	0	0	0	0
Total	<u>469,700</u>	<u>(195,300)</u>	<u>2,704,600</u>	<u>1,080,100</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Executive Direction	23,464,200	2,000,000	1,077,400	0
AIDS Institute	5,961,000	80,000	1,333,881	0
Community Health	10,114,000	4,102,000	200,900	190,900
Environmental Health	2,390,000	153,000	101,000	(32,600)
Health Care Financing	2,507,000	0	99,000	(20,000)
Health Insurance Programs, Office of	36,342,000	5,910,000	536,000	0
Health Systems Management, Office of	8,146,000	(14,102,000)	186,000	(240,000)
Laboratories and Research	16,211,000	593,000	3,352,000	0
Long Term Care, Office of	23,504,000	23,504,000	350,000	350,000
Managed Care and Program Evaluation, Division of	6,446,000	366,000	156,000	0
Medicaid Management Information System	94,505,000	13,656,000	0	0
Total	229,590,200	36,262,000	7,392,181	248,300

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Executive Direction	406,500	25,000	19,352,000	835,000
AIDS Institute	311,700	0	3,636,900	80,000
Community Health	116,800	84,800	9,487,000	7,872,000
Environmental Health	374,400	0	1,661,000	38,400
Health Care Financing	40,000	10,000	2,318,000	0
Health Insurance Programs, Office of	823,000	0	29,902,000	3,860,000
Health Systems Management, Office of	237,000	(1,010,000)	6,499,000	(12,338,000)
Laboratories and Research	76,000	0	7,085,000	200,000
Long Term Care, Office of	1,065,000	1,065,000	14,674,000	14,674,000
Managed Care and Program Evaluation, Division of	130,000	2,000	6,000,000	334,000
Medicaid Management Information System	0	0	94,505,000	13,656,000
Total	3,580,400	176,800	195,119,900	29,211,400

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	628,300	554,000	2,000,000	586,000
AIDS Institute	228,519	0	450,000	0
Community Health	309,300	304,300	0	(4,350,000)
Environmental Health	100,600	(5,800)	153,000	153,000
Health Care Financing	50,000	10,000	0	0
Health Insurance Programs, Office of	831,000	0	4,250,000	2,050,000
Health Systems Management, Office of	201,000	(314,000)	1,023,000	(200,000)
Laboratories and Research	5,305,000	0	393,000	393,000
Long Term Care, Office of	415,000	415,000	7,000,000	7,000,000
Managed Care and Program Evaluation, Division of	160,000	30,000	0	0
Medicaid Management Information System	0	0	0	0
Total	8,228,719	993,500	15,269,000	5,632,000

HEALTH

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Executive Direction	47,113,800	1,837,000	16,885,000	188,000
Child Health Insurance	80,175,000	4,486,000	2,777,000	176,000
Community Health	149,965,000	21,363,000	2,281,000	206,000
Elderly Pharmaceutical Insurance Coverage	20,911,000	578,000	2,002,000	(114,000)
Environmental Health	39,312,400	3,670,700	7,322,100	255,900
Health Care Financing	11,363,000	985,000	5,420,000	108,000
Health Insurance Programs, Office of	860,897,000	(700,000)	1,509,000	(584,000)
Health Systems Management, Office of	51,944,000	(18,754,000)	14,460,000	(1,601,000)
Institution Management	155,167,000	15,780,000	87,937,000	4,525,000
Laboratories and Research	99,060,000	(58,403,000)	9,225,000	(4,154,158)
Long Term Care, Office of	20,283,000	20,283,000	1,659,000	1,659,000
Managed Care and Program Evaluation, Division of	0	(60,000)	0	(30,000)
Medicaid Management Information System	95,723,000	0	0	0
Total	1,631,914,200	(8,934,300)	151,477,100	634,742

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	20,225,800	792,000	10,003,000	857,000
Child Health Insurance	13,268,000	4,310,000	64,130,000	0
Community Health	3,781,000	(4,728,000)	143,903,000	25,885,000
Elderly Pharmaceutical Insurance Coverage	18,684,000	667,000	225,000	25,000
Environmental Health	12,335,300	837,800	19,655,000	2,577,000
Health Care Financing	5,943,000	877,000	0	0
Health Insurance Programs, Office of	12,691,000	(116,000)	846,697,000	0
Health Systems Management, Office of	21,189,000	(6,153,000)	16,295,000	(11,000,000)
Institution Management	67,230,000	11,255,000	0	0
Laboratories and Research	26,083,000	(6,552,842)	63,752,000	(47,696,000)
Long Term Care, Office of	7,624,000	7,624,000	11,000,000	11,000,000
Managed Care and Program Evaluation, Division of	0	(30,000)	0	0
Medicaid Management Information System	0	0	95,723,000	0
Total	209,054,100	8,782,958	1,271,383,000	(18,352,000)

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

<u>Fund Type</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
General Fund	13,349,893,460	13,563,331,300	213,437,840
Special Revenue Funds - Federal	27,968,484,000	27,377,860,000	(590,624,000)
Special Revenue Funds - Other	6,276,585,000	6,022,745,000	(253,840,000)
Fiduciary Funds	1,771,200,000	1,771,200,000	0
Total	<u>49,366,162,460</u>	<u>48,735,136,300</u>	<u>(631,026,160)</u>
Adjustments:			
Transfer(s) From			
Alcoholism and Substance Abuse			
Services, Office of			
General Fund (State Operations)	(27,837,000)		
General State Charges			
General Fund (State Operations)	(1,505,759,000)		
Health, Department of			
Special Revenue Funds - Federal			
(State Operations)	(2,800,000,000)		
Mental Health, Office of			
General Fund (State Operations)	(790,258,000)		
Mental Retardation and Developmental			
Disabilities, Office of			
General Fund (State Operations)	(476,146,000)		
Transfer(s) To			
Quality of Care and Advocacy for			
Persons With Disabilities,			
Commission on			
Special Revenue Funds - Other	60,000		
Appropriated 2007-08	<u>43,766,222,460</u>		

HEALTH

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Administration and Executive Direction			
General Fund	632,000	608,000	(24,000)
AIDS Institute			
General Fund	21,476,700	28,157,700	6,681,000
Special Revenue Funds - Other	88,253,000	88,253,000	0
Child Health Insurance			
Special Revenue Funds - Federal	487,800,000	487,800,000	0
Special Revenue Funds - Other	442,500,000	442,500,000	0
Community Health			
General Fund	650,318,500	691,072,600	40,754,100
Special Revenue Funds - Federal	682,915,000	745,491,000	62,576,000
Special Revenue Funds - Other	71,929,000	74,964,000	3,035,000
Elderly Pharmaceutical Insurance Coverage			
General Fund	40,300,000	0	(40,300,000)
Special Revenue Funds - Other	747,175,000	678,300,000	(68,875,000)
Environmental Health			
General Fund	6,000,000	13,650,000	7,650,000
Special Revenue Funds - Federal	3,206,000	3,687,000	481,000
Special Revenue Funds - Other	200,000	200,000	0
Health Care Financing			
General Fund	150,000	814,000	664,000
Health Care Reform Act Program			
Special Revenue Funds - Other	1,252,100,000	1,266,900,000	14,800,000
Health Insurance Programs, Office of			
General Fund	17,048,000	1,500,000	(15,548,000)
Special Revenue Funds - Federal	300,000,000	300,000,000	0
Special Revenue Funds - Other	300,000,000	300,000,000	0
Health Systems Management, Office of			
General Fund	25,278,700	16,749,000	(8,529,700)
Special Revenue Funds - Federal	400,000	400,000	0
Special Revenue Funds - Other	6,490,000	0	(6,490,000)
Laboratories and Research			
General Fund	4,943,000	931,000	(4,012,000)
Special Revenue Funds - Federal	3,201,000	3,682,000	481,000
Long Term Care, Office of			
General Fund	0	20,773,000	20,773,000
Special Revenue Funds - Other	0	4,690,000	4,690,000
Maintenance Undistributed			
General Fund	(7,288,000)	(7,288,000)	0
Special Revenue Funds - Other	7,288,000	7,288,000	0
Medical Assistance			
General Fund	12,037,898,000	12,255,414,000	217,516,000
Special Revenue Funds - Federal	25,909,162,000	25,255,000,000	(654,162,000)
Special Revenue Funds - Other	3,360,650,000	3,159,650,000	(201,000,000)
Fiduciary Funds	1,771,200,000	1,771,200,000	0
Medical Assistance Administration			
General Fund	540,950,000	540,950,000	0
Special Revenue Funds - Federal	581,800,000	581,800,000	0
Community Projects			
General Fund	12,186,560	0	(12,186,560)
Total	<u>49,366,162,460</u>	<u>48,735,136,300</u>	<u>(631,026,160)</u>

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

Comprehensive Construction Program	Available 2007-08	Recommended 2008-09	Change	Reappropriations 2008-09
Health Care Efficiency and Affordability Law for New Yorkers				
Capital Projects Fund	165,000,000	165,000,000	0	333,298,000
Capital Projects Fund - Advances	85,000,000	85,000,000	0	346,929,000
Laboratories and Research				
Capital Projects Fund	10,000,000	10,000,000	0	22,380,000
Capital Projects Fund - Authority Bonds	0	0	0	5,000,000
Maintenance and Improvements of Existing Institutions				
Capital Projects Fund	7,600,000	7,600,000	0	24,934,000
New Institution Construction				
Cap Proj Fund - DOH (Direct Auth Bonds)	0	0	0	21,000,000
Water Resources				
Federal Capital Projects Fund	36,812,000	9,980,000	(26,832,000)	106,973,000
Total	<u>304,412,000</u>	<u>277,580,000</u>	<u>(26,832,000)</u>	<u>860,514,000</u>

OFFICE OF THE MEDICAID INSPECTOR GENERAL

MISSION

The Office of the 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 six bureaus — Information Technology and Fraud Detection Systems, Investigations and Enforcement, Medicaid Audit, Revenue Initiatives, Administration and Office of the Counsel — and will have a workforce of 753 positions in 2008-09

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends **\$92 million All Funds (\$36 million General Fund, \$56 million Other Funds)** to support the operations of the Office of Medicaid Inspector General. This is a decrease of **\$6.2 million (an increase of \$4.0 million General Fund, and a decrease of \$10.2 million Other Funds)** from the 2007-08 Budget. This net change reflects the costs of new positions, additional resources for technology investments and an adjustment in the Federal appropriation to reflect anticipated spending.

The 2008-09 Executive Budget recommends **753 FTEs** for OMIG, an **increase of 227** which reflect 75 new staff and the hiring of currently authorized staff. Approximately 48 percent of the positions are supported by the General Fund and the remaining 52 percent are supported by Federal and other funds.

Major budget actions include:

- **New Positions:** The Executive Budget adds \$5.5 million (\$2.7 million General Fund) to support 75 new auditors, investigators and other positions to improve the State's ability to combat fraud, waste and abuse in the Medicaid Program. New staff will be used to enhance OMIG's investigative capabilities, expand audits of rate-based providers, and perform recovery, legal and internal control activities.

MEDICAID INSPECTOR GENERAL

- **Technology Investments:** The Executive Budget recommends an additional \$8 million (\$4 million General Fund) to obtain new data mining software products and expand the Card Swipe Program, which allows Medicaid providers to validate the identity of individuals using the Medicaid card.
- **Statutory Enhancements:** The Budget advances a series of statutory measures to improve the State's ability to combat Medicaid fraud by providing civil remedies for the misappropriation of Medicaid funds and expanding OMIG's access to tax information and complaints filed under the State False Claims Act.

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 \$47.3 billion in 2008-09. 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 2008-09 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 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	97,995,000	91,839,000	(6,156,000)	31,243,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	97,995,000	91,839,000	(6,156,000)	31,243,000

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

Program	Full-Time Equivalent Positions (FTE)		
	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Medicaid Audit and Fraud Prevention			
General Fund	323	361	38
Special Revenue Funds - Federal	339	376	37
Special Revenue Funds - Other	16	16	0
Total	678	753	75

MEDICAID INSPECTOR GENERAL

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	32,052,000	36,044,000	3,992,000
Special Revenue Funds - Federal	60,686,000	50,610,000	(10,076,000)
Special Revenue Funds - Other	5,257,000	5,185,000	(72,000)
Total	<u>97,995,000</u>	<u>91,839,000</u>	<u>(6,156,000)</u>

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

Program	Available 2007-08	Recommended 2008-09	Change
Medicaid Audit and Fraud Prevention			
General Fund	35,752,000	39,744,000	3,992,000
Special Revenue Funds - Federal	60,686,000	50,610,000	(10,076,000)
Special Revenue Funds - Other	1,557,000	1,485,000	(72,000)
Maintenance Undistributed			
General Fund	(3,700,000)	(3,700,000)	0
Special Revenue Funds - Other	3,700,000	3,700,000	0
Total	<u>97,995,000</u>	<u>91,839,000</u>	<u>(6,156,000)</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	21,000,000	3,992,000	20,900,000	4,049,000
Total	<u>21,000,000</u>	<u>3,992,000</u>	<u>20,900,000</u>	<u>4,049,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	0	(1,000)	100,000	(56,000)
Total	<u>0</u>	<u>(1,000)</u>	<u>100,000</u>	<u>(56,000)</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	18,744,000	0	973,250	0
Total	<u>18,744,000</u>	<u>0</u>	<u>973,250</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	288,500	0	6,516,000	2,250,000
Total	<u>288,500</u>	<u>0</u>	<u>6,516,000</u>	<u>2,250,000</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	2,767,250	1,750,000	8,199,000	(4,000,000)
Total	<u>2,767,250</u>	<u>1,750,000</u>	<u>8,199,000</u>	<u>(4,000,000)</u>

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**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	52,095,000	(10,148,000)	22,886,000	3,883,000
Maintenance Undistributed	3,700,000	0	0	0
Total	<u>55,795,000</u>	<u>(10,148,000)</u>	<u>22,886,000</u>	<u>3,883,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	22,709,000	(9,031,000)	6,500,000	(5,000,000)
Maintenance Undistributed	0	0	3,700,000	0
Total	<u>22,709,000</u>	<u>(9,031,000)</u>	<u>10,200,000</u>	<u>(5,000,000)</u>

DEPARTMENT OF MENTAL HYGIENE

The Department of Mental Hygiene operates through three independent agencies — the Office of Mental Health, the Office of Mental Retardation and Developmental Disabilities and the Office of Alcoholism and Substance Abuse Services. All three agencies provide services directly to their clients through State-operated facilities and receive reimbursement for these services, primarily 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 \$671 million in new appropriations from the Patient Income Account and the Mental Hygiene Program Fund 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 and employee fringe benefit costs of State agencies.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	0	671,179,000	671,179,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>0</u>	<u>671,179,000</u>	<u>671,179,000</u>	<u>0</u>

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

Program	Available 2007-08	Recommended 2008-09	Change
Mental Hygiene			
General Fund	(150,000,000)	0	150,000,000
Special Revenue Funds - Other	150,000,000	671,179,000	521,179,000
Total	<u>0</u>	<u>671,179,000</u>	<u>671,179,000</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 leading a premier system of services for addiction prevention, treatment, and recovery.

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 over 1,500 chemical dependence and compulsive gambling prevention, treatment, and recovery services providers, the largest in the nation, and as a conduit for Federal and State financial assistance. The Office also furthers State policy goals in areas that include Public Safety, Public Health, Public Welfare, and Public Education by coordinating chemical dependence and compulsive gambling resources and strategies in collaboration with other State agencies.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends over **\$748 million All Funds (including \$151M General Fund; \$597M Other Funds)** for OASAS to continue agency and community operations, including the full operation of its 13 ATCs. 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 increases **\$91 million from 2007-08**, which is largely attributable to technical adjustments associated with a major restructuring of Medicaid resources designed to improve transparency in the budget. Excluding such technical adjustments, the increase over 2007-08 is **\$63 million**, of which nearly \$30 million is due to employee fringe benefits now budgeted in OASAS. The remaining net change primarily reflects the annualization of prior year initiatives, savings associated with program efficiencies, and targeted investments, as outlined below.

In 2008-09, OASAS will have a workforce of 1,010, of which nearly 60 percent provide an array of clinical treatment services through the ATCs. This represents an **increase of 20 FTEs** over 2007-08, primarily due to enhanced clinical services in the ATCs and increased administrative oversight of the OASAS Service System.

- **Eliminating Unnecessary Spending and Non-Critical Programs.** By collaborating with the Office of the State Medicaid Inspector General and the Department of Health (DOH) in the area of Medicaid regulatory compliance and enforcement, OASAS will save an additional \$10 million in wasteful, inappropriate or unnecessary spending in DOH's budget. Further, annual savings of \$1 million will be realized by improving provider performance reviews.

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

- **Identifying State Operations Efficiencies.** OASAS will also achieve \$2.6 million in savings by maintaining strict controls on hiring and engaging in such creative management strategies as shared services, energy efficiencies and exploring bulk information technology purchasing with other agencies.
- **Reforming Services to High-Cost Populations.** The 2008-09 recommendation provides \$1.5 million — annualizing to \$3 million — to help OASAS expand intensive care coordination initiatives with the Office of Mental Health, DOH and other stakeholders to improve patient care and outcomes, particularly for individuals with both mental illness and chemical dependence, with the establishment of a co-occurring disorders program and the addition of three county-based Dual Diagnosis Coordinators. For the State-operated service system, new resources will permit OASAS to replicate a successful swing bed detoxification program at its Ward ATC, as well as enhance necessary clinical staffing to address more complex client needs at its ATCs. In conjunction with the Office of Temporary and Disability Assistance (OTDA), OASAS will also explore opportunities to streamline processes and funding associated with the provision of chemical dependence treatment services to public assistance recipients in OASAS-certified residential facilities.
- **Reforming Detoxification Services.** OASAS will continue to collaborate with DOH, other State agencies and service providers to redesign the delivery of detoxification services to promote recovery and better integrate reimbursement with outcomes. One goal is to strengthen the ability of community-based detoxification providers to deal with less complicated detoxification episodes.
- **Enhancing Community-Based Services.** OASAS will develop 21 community recovery centers statewide over the next three years — at a full annualized cost of \$2.7 million — to help persons in recovery and their families with emotional counseling, as well as information, recreation and other social supports to break the addiction cycle and maintain sobriety. In addition, the 2008-09 recommendation permits OASAS to address unmet residential need by providing operating support to establish 125 scattered site apartments with case management services and capital funds to develop 120 community residential and supportive livings beds. Lastly, the Budget supports the expansion of Compulsive Gambling Prevention programs to an additional 18 counties in 2008-09 and an additional 19 counties in 2009-10, that when fully annualized will cost \$2.3 million.
- **Improving Program Outcomes and Oversight.** Eleven additional State staff are recommended to support the agency in a variety of areas, including new residential program expansion, Compulsive Gambling Prevention expansion, enhancing its program evaluation capabilities and establishing a multi-year program to develop and deliver training programs to enhance the competencies of professionals in the addictions and compulsive gambling fields.

The recommendation also continues to fund several prior year priorities and, therefore, fully supports the third 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 be used by OASAS to enhance funding by about \$12 million in 2008-09 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. Most importantly, this Budget also extends the COLA for another three years through March 31, 2012, to continue efforts to address recruitment and retention issues and provide relief for escalating energy, pharmaceutical, insurance, and utility costs.

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

In addition, the Executive Budget recognizes that preserving the infrastructure of the current statewide service network is critical and therefore continues an investment of \$120 million in bonded capital funds over the next several 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.

PROGRAM HIGHLIGHTS

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

Approximately 260,000 individuals receive services annually in New York State's licensed chemical dependence treatment and compulsive gambling system, which is provided by approximately 1,200 community-based programs. About 110,000 individuals are enrolled in New York's chemical dependence treatment programs on any given day. 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 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	61,983,000	132,079,000	70,096,000	6,445,000
Aid To Localities	475,499,000	494,981,000	19,482,000	201,130,000
Capital Projects	119,606,000	121,336,000	1,730,000	269,059,000
Total	<u>657,088,000</u>	<u>748,396,000</u>	<u>91,308,000</u>	<u>476,634,000</u>

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

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

Full-Time Equivalent Positions (FTE)			
Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Executive Direction			
Special Revenue Funds - Federal	81	81	0
Special Revenue Funds - Other	349	360	11
Capital-Administration			
Capital Projects Funds - Other	8	8	0
Institutional Services			
Special Revenue Funds - Federal	16	16	0
Special Revenue Funds - Other	536	545	9
Total	990	1,010	20

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
Special Revenue Funds - Federal	6,445,000	6,445,000	0
Special Revenue Funds - Other	55,538,000	125,634,000	70,096,000
Total	61,983,000	132,079,000	70,096,000

Adjustments:			
Transfer(s) From			
Alcoholism and Substance Abuse Services, Office of General Fund	(54,206,000)		
Special Revenue Funds - Other	(21,500,000)		
Transfer(s) To			
Alcoholism and Substance Abuse Services, Office of General Fund	21,500,000		
Special Revenue Funds - Other	54,206,000		
Health, Department of General Fund (Aid To Localities)	27,837,000		
Appropriated 2007-08	89,820,000		

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

Program	Available 2007-08	Recommended 2008-09	Change
Executive Direction			
Special Revenue Funds - Federal	5,245,000	5,245,000	0
Special Revenue Funds - Other	9,232,000	62,298,000	53,066,000
Institutional Services			
Special Revenue Funds - Federal	1,200,000	1,200,000	0
Special Revenue Funds - Other	46,306,000	63,336,000	17,030,000
Total	61,983,000	132,079,000	70,096,000

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Executive Direction	67,543,000	53,066,000	36,686,000	24,708,000
Institutional Services	64,536,000	17,030,000	34,121,000	632,000
Total	<u>132,079,000</u>	<u>70,096,000</u>	<u>70,807,000</u>	<u>25,340,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Executive Direction	30,167,000	28,358,000	690,000	0
Institutional Services	30,415,000	16,398,000	0	0
Total	<u>60,582,000</u>	<u>44,756,000</u>	<u>690,000</u>	<u>0</u>

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	145,337,000	151,478,000	6,141,000
Special Revenue Funds - Federal	135,468,000	135,473,000	5,000
Special Revenue Funds - Other	194,694,000	208,030,000	13,336,000
Total	<u>475,499,000</u>	<u>494,981,000</u>	<u>19,482,000</u>

Adjustments:

Transfer(s) From	
Alcoholism and Substance Abuse Services, Office of General Fund	(186,654,000)
Transfer(s) To	
Alcoholism and Substance Abuse Services, Office of Special Revenue Funds - Other	<u>186,654,000</u>
Appropriated 2007-08	<u>475,499,000</u>

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

Program	Available 2007-08	Recommended 2008-09	Change
Community Treatment Services Program			
General Fund	144,253,000	151,478,000	7,225,000
Special Revenue Funds - Federal	102,413,000	102,418,000	5,000
Special Revenue Funds - Other	126,552,000	135,698,000	9,146,000
Prevention and Program Support			
Special Revenue Funds - Federal	33,055,000	33,055,000	0
Special Revenue Funds - Other	68,142,000	72,332,000	4,190,000
Community Projects			
General Fund	1,084,000	0	(1,084,000)
Total	<u>475,499,000</u>	<u>494,981,000</u>	<u>19,482,000</u>

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

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

<u>Comprehensive Construction Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>	<u>Reappropriations 2008-09</u>
Design and Construction Supervision				
Capital Projects Fund	4,000,000	2,000,000	(2,000,000)	4,403,000
MH Capital Improvements - Authority Bonds	500,000	500,000	0	500,000
Administration				
Capital Projects Fund	1,200,000	1,230,000	30,000	0
Community Alcoholism and Substance Abuse Facilities				
Capital Projects Fund	4,810,000	4,810,000	0	23,416,000
MH Capital Improvements - Authority Bonds	106,846,000	108,546,000	1,700,000	219,228,000
Institutional Services Program				
Capital Projects Fund	500,000	500,000	0	2,472,000
MH Capital Improvements - Authority Bonds	1,000,000	3,000,000	2,000,000	19,040,000
Non-Bondable				
Capital Projects Fund	750,000	750,000	0	0
Total	<u>119,606,000</u>	<u>121,336,000</u>	<u>1,730,000</u>	<u>269,059,000</u>

OFFICE OF MENTAL HEALTH

MISSION

The Office of Mental Health's (OMH) mission 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.

ORGANIZATION AND STAFFING

The Office of Mental Health is headed by a Commissioner who is appointed by the Governor. New York's public mental health system consists of programs that are operated by the Office of Mental Health, as well as community programs certified and funded by the State, but operated by local governments, not-for-profit and proprietary providers. OMH has two primary functions as the State's mental health authority: to ensure access to high quality services for adults with severe mental illness and children with serious emotional disturbances and to promote overall public mental health through education and advocacy. The agency has four lines of business underpinning these functions:

- **Regulating, Certifying, Financing and Overseeing New York's Public Mental Health System.** OMH oversees 58 local governmental units, one of which covers New York City in its entirety. The agency also regulates and/or licenses more than 2,500 mental health programs operated by local governments and private agencies serving approximately 600,000 persons annually, including inpatient, outpatient, emergency, residential and family care, and community support services;
- **Providing State-operated Inpatient and Outpatient Mental Health Services.** OMH is a major provider of intermediate and long-term inpatient as well as outpatient treatment services through a network of 25 psychiatric centers that include 16 Adult Psychiatric Centers and six Children's Psychiatric Centers. OMH operates three facilities serving forensic patients involved with the criminal justice system. Additionally, OMH provides mental health services in 23 sites around the State to inmates incarcerated in Department of Correctional Services' facilities;
- **Conducting Basic and Applied Research to Advance Prevention, Treatment, and Recovery.** OMH conducts basic and applied research at the New York State Psychiatric Institute in Manhattan and the Nathan S. Kline Institute for Psychiatric Research in Rockland County, with a focus 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. Additionally, OMH's Center for Information Technology and Evaluation Research conducts evaluation research and statistical analysis which are used to examine service outcomes, investigate pressing mental health issues, and develop sound approaches for improving service quality and access; and
- **Promoting Public Mental Health through Education and Outreach.** OMH 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 service accessibility. The agency's information dissemination strategies are designed to reach as many New Yorkers as possible, with a particular focus on high-risk groups.

MENTAL HEALTH

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.7 billion All Funds (\$564 million General Fund; \$3.1 billion Other funds)** for the Office of Mental Health (OMH). This is a net increase of **\$1.4 billion (\$67 million General Fund)** over 2007-08 which is largely attributable to technical adjustments associated with a major restructuring of Medicaid resources designed to improve transparency in the budget. Excluding such technical adjustments and changes in Capital Projects, the increase over 2007-08 appropriations is \$628 million, of which \$498 million is due to employee fringe benefits now budgeted in OMH. The remaining net change primarily reflects community residential pipeline expansion, the annualization of prior year initiatives, inflationary increases, State Operations savings associated with program efficiencies, and targeted investments, as outlined below.

The Executive Budget recommends a staffing level of **18,034 FTEs** for the Office of Mental Health, an increase of **415** from the 2007-08 Budget. This increase primarily reflects the annualization of prior year initiatives and positions added to OMH's fill level to comply with new and anticipated statutory changes. Most of the agency's workforce provides direct care services to patients.

OMH continues to improve the efficiency and cost-effectiveness of its operations and the network of non-profit providers it supports. Major budget actions to promote cost efficiency and rationalize reimbursement include:

- **Rationalizing Provider Reimbursement:** OMH will renew efforts to ensure that all appropriate third-party revenue standards for non-profit providers are maintained, saving an estimated \$7.5 million from 2008-09 projected costs;
- **Other Aid to Localities Efficiencies:** Increased emphasis on managing Local Assistance spending — including achieving audit recoupments and managing new program development — will result in an estimated \$34 million savings from projected 2008-09 costs without any impact on service delivery;
- **State Operations Program Efficiencies:** OMH will work to re-align staff resources to decrease the usage of overtime and consultant contracts, control the implementation of prior year initiatives, and will also implement best practices to reduce energy and pharmaceutical spending. These actions will save approximately \$19 million from projected 2008-09 costs; and
- **Maximizing Third-Party Revenues:** Through due diligence analysis, OMH will generate an additional \$32 million in third-party revenues to offset General Fund spending.

These savings actions as well as others proposed in the Budget will permit targeted investments to support the Commissioner's priorities for 2008-09 to strengthen community mental health care and provide the highest quality of care for people requiring inpatient services, with the ultimate goal of helping individuals to live full, productive lives in their communities. Recommendations include:

- **Workforce Strategies for Recruitment, Retention and Training:** For State Operations, targeted salary enhancements will be provided to ensure that OMH can recruit and retain a qualified clinical workforce, especially in areas of the State that are traditionally underserved, and the Rural Tele-psychiatry program will be expanded to allow for increased education and training. This initiative will cost \$2.3 million in 2008-09 eventually annualizing to \$12 million over three years. On

- the non-profit workforce side, the Budget supports \$30.1 million for the final year of the current three-year Cost of Living Adjustment (COLA) for these employees commenced in 2006-07 and extends the COLA for another three years through 2011-12;
- **Sustaining and Expanding the Ambulatory Care System:** Consistent with the Governor's philosophy of improving access to ambulatory care to reduce reliance on costly inpatient and emergency services, and based on the results of the 2007 study of outpatient provider reimbursement, the Budget advances \$5 million in new resources that will annualize to \$10 million to take the first steps in rationalizing clinic funding. This initiative will provide fiscal relief to mental health clinics by: establishing minimum comprehensive outpatient provider rates for clinics licensed solely under Mental Hygiene Law; rebasing clinic providers who have exceeded their Comprehensive Outpatient Programs (COPS) threshold using prior year service volume; eliminating volume adjustments on COPS clinic services; limiting certain payments made for services provided to managed care enrollees; and removing the Medicaid neutrality cap for mental health clinic services. In the children's mental health area, this Budget recommends removing barriers to specialty mental health treatment for children by allowing for the designation of more clinics that serve children enrolled in managed care. Additionally, new resources that will annualize to \$5 million will permit Family Services to be added to the portfolio of covered services under the Clinic Plus program. Furthermore, employment services in the Personalized Recovery Oriented Services program will be enhanced by new resources that will annualize to \$1.3 million;
 - **Managing the Care of High Cost Populations:** OMH, in concert with OASAS and the Department of Health and consistent with the priorities of the Task Force on Co-Occurring Disorders, will engage in demonstration programs to address the treatment needs of persons who are both mentally ill and chemically dependent, with \$1.0 million included in OMH's budget for this purpose, which will annualize to \$2.5 million. An additional \$1.5 million — annualizing to \$2.0 million — will support two managed care demonstration programs (one in Western New York and one in New York City) that will help coordinate both the health and the behavioral health needs of high cost populations, resulting in more effective and cost efficient coordinated care; and
 - **New Community Bed Initiatives:** In order to meet the continuing need for housing of persons moving into less restrictive settings, the recommendation commits new capital and operating resources that will permit OMH to develop 1,500 Supported Housing Beds targeted to specific mentally ill populations; develop 500 integrated Single Room Occupancy (SRO) beds for priority populations; and, in concert with the Department of Health and the Commission on Quality of Care and Advocacy for Persons with Disabilities, provide capital funds to purchase Adult Homes and convert them into OMH housing. Additionally, the Executive Budget provides increased flexibility for Mental Hygiene agencies to establish integrated housing projects, which will increase access to housing, while also helping to reduce the negative stigma attached to housing for the mentally ill.

The 2008-09 recommendation also supports key investments commenced in 2007-08 to strengthen the infrastructure of OMH's community-based system of care, including \$12 million in new resources for the second of a three-year effort to enhance the critical Community Residence housing model.

MENTAL HEALTH

PROGRAM HIGHLIGHTS

To live successfully, most individuals with serious mental illness need both treatments that control or eliminate their psychiatric symptoms and support services that address the needs associated with the disabling effects of their illness. Public mental health services are grouped in four major categories across the health care continuum: community support, outpatient, inpatient, and emergency services. In New York State, both State and locally operated programs provide services in each of these four categories:

- **Community Support** helps individuals diagnosed with serious mental illness live as independently as possible in the community, and helps children with serious emotional disturbance remain with their families. These programs provide case management, vocational, self-help, residential and other support services. Although the specific array of community support services differs for adults and children, the goal is always to support successful and full community living;
- **Outpatient Services** provide treatment and rehabilitation in an ambulatory setting, including clinics, partial hospitalization, day treatment for children, continuing day treatment for adults, Assertive Community Treatment (ACT), Prepaid Mental Health Plan (PMHP) and Personalized Recovery-Oriented Services (PROS);
- **Inpatient Services** provide acute stabilization and intensive treatment and rehabilitation with 24-hour care in a controlled environment when community services and supports do not meet the needs of adults and children; and
- **Emergency Services** provide rapid psychiatric and/or medical stabilization and ensure the safety of individuals who present a risk to themselves or others. These programs include a range of crisis counseling and residential services, as well as Comprehensive Psychiatric Emergency Programs.

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

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	574,268,000	1,935,877,000	1,361,609,000	1,358,000
Aid To Localities	1,074,901,000	1,301,447,000	226,546,000	64,380,000
Capital Projects	646,052,000	446,822,000	(199,230,000)	1,349,608,000
Total	2,295,221,000	3,684,146,000	1,388,925,000	1,415,346,000

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

Full-Time Equivalent Positions (FTE)			
<u>Program</u>	<u>2007-08 Estimated FTEs 03/31/08</u>	<u>2008-09 Estimated FTEs 03/31/09</u>	<u>FTE Change</u>
Administration and Finance			
General Fund	571	0	(571)
Special Revenue Funds - Federal	14	14	0
Special Revenue Funds - Other	0	705	705
Enterprise Funds	20	20	0
Internal Service Funds	24	24	0
Adult Services			
General Fund	11,959	0	(11,959)
Special Revenue Funds - Other	0	12,470	12,470
Capital Planning			
Capital Projects Funds - Other	41	41	0
Children and Youth Services			
General Fund	2,072	0	(2,072)
Special Revenue Funds - Other	0	2,092	2,092
Forensic Services			
General Fund	1,989	0	(1,989)
Special Revenue Funds - Other	0	2,136	2,136
Maintenance Undistributed			
Special Revenue Funds - Other	397	0	(397)
Research			
General Fund	505	0	(505)
Special Revenue Funds - Other	27	532	505
Total	<u>17,619</u>	<u>18,034</u>	<u>415</u>

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

<u>Fund Type</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Special Revenue Funds - Federal	1,358,000	1,358,000	0
Special Revenue Funds - Other	561,776,000	1,923,385,000	1,361,609,000
Enterprise Funds	8,514,000	8,514,000	0
Internal Service Funds	2,620,000	2,620,000	0
Total	<u>574,268,000</u>	<u>1,935,877,000</u>	<u>1,361,609,000</u>

Adjustments:	
Transfer(s) From	
Mental Health, Office of	
General Fund	(550,676,000)
Special Revenue Funds - Other	(562,767,000)
Special Pay Bill	
General Fund	(23,512,000)
Transfer(s) To	
Health, Department of	
General Fund (Aid To Localities)	790,258,000
Mental Health, Office of	
General Fund	562,767,000
Special Revenue Funds - Other	550,676,000
Appropriated 2007-08	<u>1,341,014,000</u>

MENTAL HEALTH

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Administration and Finance			
Special Revenue Funds - Federal	1,358,000	1,358,000	0
Special Revenue Funds - Other	3,870,000	100,653,000	96,783,000
Enterprise Funds	8,514,000	8,514,000	0
Internal Service Funds	2,620,000	2,620,000	0
Adult Services			
Special Revenue Funds - Other	546,000,000	1,311,632,000	765,632,000
Children and Youth Services			
Special Revenue Funds - Other	0	206,391,000	206,391,000
Forensic Services			
Special Revenue Funds - Other	0	224,812,000	224,812,000
Research			
Special Revenue Funds - Other	11,906,000	79,897,000	67,991,000
Total	<u>574,268,000</u>	<u>1,935,877,000</u>	<u>1,361,609,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration and Finance	113,145,000	96,783,000	51,695,000	47,263,000
Adult Services	1,311,632,000	765,632,000	739,520,000	193,520,000
Children and Youth Services	206,391,000	206,391,000	127,776,000	127,776,000
Forensic Services	224,812,000	224,812,000	142,562,000	142,562,000
Research	79,897,000	67,991,000	46,396,000	39,805,000
Total	<u>1,935,877,000</u>	<u>1,361,609,000</u>	<u>1,107,949,000</u>	<u>550,926,000</u>

<u>Program</u>	<u>Nonpersonal Service</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration and Finance	58,150,000	49,520,000	3,300,000	0
Adult Services	568,947,000	568,947,000	3,165,000	3,165,000
Children and Youth Services	78,615,000	78,615,000	0	0
Forensic Services	82,250,000	82,250,000	0	0
Research	33,501,000	28,186,000	0	0
Total	<u>821,463,000</u>	<u>807,518,000</u>	<u>6,465,000</u>	<u>3,165,000</u>

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

<u>Fund Type</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
General Fund	496,387,000	563,815,000	67,428,000
Special Revenue Funds - Federal	37,834,000	44,626,000	6,792,000
Special Revenue Funds - Other	540,680,000	693,006,000	152,326,000
Total	<u>1,074,901,000</u>	<u>1,301,447,000</u>	<u>226,546,000</u>

Adjustments:	
Transfer(s) From	
Mental Health, Office of	
General Fund	(397,170,750)
Special Revenue Funds - Other	63,224,250
Transfer(s) To	
Mental Health, Office of	
General Fund	(63,224,250)
Special Revenue Funds - Other	397,170,750
Appropriated 2007-08	<u>1,074,901,000</u>

MENTAL HEALTH

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Adult Services			
General Fund	347,498,000	391,008,000	43,510,000
Special Revenue Funds - Federal	30,772,000	37,564,000	6,792,000
Special Revenue Funds - Other	445,003,000	613,625,000	168,622,000
Children and Youth Services			
General Fund	147,840,000	172,807,000	24,967,000
Special Revenue Funds - Federal	7,062,000	7,062,000	0
Special Revenue Funds - Other	87,692,000	71,146,000	(16,546,000)
Enhanced Community Services			
Special Revenue Funds - Other	500,000	500,000	0
Community Support and Workforce Reinvestment			
Special Revenue Funds - Other	7,485,000	7,735,000	250,000
Community Projects			
General Fund	1,049,000	0	(1,049,000)
Total	<u>1,074,901,000</u>	<u>1,301,447,000</u>	<u>226,546,000</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>	<u>Reappropriations 2008-09</u>
Design and Construction Supervision				
Capital Projects Fund	2,000,000	2,000,000	0	2,117,000
MH Capital Improvements - Authority Bonds	12,000,000	12,000,000	0	18,935,000
Executive Direction				
Capital Projects Fund	0	0	0	2,445,000
MH Capital Improvements - Authority Bonds	3,717,000	3,717,000	0	6,144,000
Community Mental Health Facilities				
Capital Projects Fund	6,000,000	6,000,000	0	29,304,000
MH Capital Improvements - Authority Bonds	312,555,000	173,555,000	(139,000,000)	681,103,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	34,010,000	34,010,000	0	56,152,000
MH Capital Improvements - Authority Bonds	274,770,000	214,540,000	(60,230,000)	545,408,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	8,000,000
Total	<u>646,052,000</u>	<u>446,822,000</u>	<u>(199,230,000)</u>	<u>1,349,608,000</u>

OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

MISSION

The mission of the Office of Mental Retardation and Developmental Disabilities (OMRDD) is to help people with developmental disabilities live richer lives. The agency's vision is to assure that people with developmental disabilities enjoy meaningful relationships with family, friends, and others in their lives; experience personal health and growth; and live in homes and fully participate in the communities of their choice.

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.

By the end of 2008-09, there will be fewer than 500 people with developmental disabilities living in developmental centers along with approximately 1,100 in special units. Over the past two decades, the developmental center population has declined by 8,000.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends nearly **\$4.4 billion All Funds (including \$1.4B General Fund; \$3.0B Other Funds)** for the Office to continue to support 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. This is an increase of **\$1.2 billion from 2007-08**, which is largely attributable to technical adjustments associated with a major restructuring of Medicaid resources designed to improve transparency in the budget. Excluding such technical adjustments, the increase from 2007-08 is over **\$750 million**, of which \$503 million is due to employee fringe benefits now budgeted in OMRDD. The Executive Budget recommendations for 2008-09 preserve essential direct care and maintain the quality of services for individuals with developmental disabilities in both not-for-profit and OMRDD-operated programs, despite the need to implement cost-savings measures in the face of the State's fiscal difficulties.

The overall recommendation maintains the State's commitment to serve a wide range of developmentally disabled New Yorkers, including those who are medically frail and behaviorally challenged, as well as consumers who have been placed out-of-State or who are "aging out" of other child care systems, or who are living at home.

OMRDD will have a workforce of 23,703 for 2008-09, most of whom work directly with consumers of services. The remainder comprises supervisors of direct care workers, clinicians, administrative support and management personnel. This represents an **increase of 183 FTEs** over 2007-08, in part due to OMRDD's efforts to reduce overtime spending and enhance quality of care, new statutory requirements, and the opening of new State-operated community homes in 2008-09.

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

OMRDD continues to improve the efficiency and cost-effectiveness of its operations and the network of not-for-profit providers it supports. Major budget actions to promote cost efficiency, maximize revenues, and rationalize reimbursement total over \$130 million in savings and include:

- **Controlling State Personal and Non-Personal Services Costs.** In 2008-09, OMRDD will save \$4.4 million in State Personal Service costs through the replication of best practices in overtime control and staff deployment. The agency will also realize \$8 million in Non-Personal Service savings through a variety of actions, including increasing energy audits, containing pharmacy spending, less frequent equipment replacement and more efficiently using contractual resources by converting them to State positions where appropriate.
- **Maximizing Medicaid and Medicare Enrollments.** Beginning in 2007-08 and carrying over into 2008-09, OMRDD and its partnering not-for-profit provider associations and their members have set in motion action steps that require families and individuals with developmental disabilities to apply for all Medicaid and Medicare benefits to which they are entitled. To assure that these benefits are accessed appropriately, OMRDD will provide education and assistance to families and individuals with developmental disabilities seeking or receiving supports and services that can be funded by Medicaid and/or Medicare. Coupled with revenue actions in State-operated programs, this proposal will generate savings totaling approximately \$120 million in 2008-09.
- **Rationalizing Provider Reimbursement.** In support of the Governor's Health Care Reform efforts and in collaboration with the Department of Health (DOH) and its various stakeholders, OMRDD will expand its focus on rationalizing, reforming and restructuring Medicaid funding of services. The Executive Budget Recommendation calls for a multiyear effort for OMRDD to rationalize and reform its financial platform through a series of rate/price setting restructurings beginning with under 31 bed Intermediate Care Facility (ICF) services, Home and Community Based Services (HCBS) Waiver day habilitation services and Article 16 clinic services. In addition, OMRDD will be evaluating and modifying where appropriate the levels of administrative reimbursement in all rate/price/fee based programs. It is anticipated that these restructuring efforts will produce savings of \$4.7 million in 2008-09, while supporting the program direction of OMRDD.

These savings actions as well as others proposed in the budget will permit targeted investments to support OMRDD's priorities for 2008-09, including:

- **A Multi-Year Plan to Downsize Developmental Center Capacity by Creating Additional Community Capacity.** Over the next four years, OMRDD will develop additional State-operated beds for hard to serve populations both in institutional settings, including nursing homes, and in the community. This effort will be complemented by additional not-for-profit residential opportunities over each of the next three years that will help reduce Developmental Center census by some 500 persons and position the Western New York Developmental Center for closure in 2010-11, freeing up over 400 acres of prime real estate for economic development.
- **Reconfiguring the Community Residential Continuum.** The budget recommends \$2 million, when fully annualized, to support innovative residential opportunities to focus on more person-centered services and provide individuals with additional service options.

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- **Targeted Family Support and Respite Services Enhancements.** The recommendation provides \$2.0 million in new resources — annualizing to \$5 million — to expand Family Support Services to as many as 3,000 families to help them care for their loved ones with disabilities at home. The need for additional funding to support respite and crisis services responds to the many service requests expressed by families; new or expanded services may include respite, mobile crisis teams, family training and intervention. In addition, as demands for services continue to increase, \$0.5 million in new resources — annualizing to \$2 million — will support new and enhanced services to approximately 1,300 individuals with autism or autism spectrum disorder. Lastly, in an effort to meet the demand for respite services, \$2.5 million in new resources — annualizing to \$5 million — are added to the HCBS Waiver Respite Program over a two year phase in.
- **Consumer Employment and Supports.** Competitive and Supported Employment work opportunities and At-Home Residential Rehabilitation Services will benefit by \$750,000 in new resources that will annualize to \$3.0 million in 2009-10. In the employment area, the monies will be used to improve job development and job coaching services as well as generate incentives for starting or expanding supported employment programs. In addition, OMRDD will expand a program that established a series of paid internships with a variety of employers for self-advocates to gain valuable work training and experience toward achieving a competitive employment position. Specifically, OMRDD will add 128 new internships in 2008-09 at an annual cost of \$3.0 million with a phase in amount of \$1.5 million in the first year.
- **Not-for-Profit Workforce Recruitment and Retention Issues.** The Executive Budget recommendation includes resources for a 3.52 percent Medicaid trend factor that, in addition to covering inflationary cost increases, can be used to support enhancements to the salaries and benefits of the direct support professionals that will assist in recruitment and retention efforts. The Budget also provides new funding for the final year of a three-year cost-of-living adjustment (COLA) to improve existing services for non-trended voluntary programs. The COLA will be used by OMRDD to enhance funding by over \$5 million for not-for-profit providers to strengthen efforts to recruit and retain qualified direct care and clinical staff and respond to other critical inflationary pressures. The recommendations also extend the COLA for another three years through March 31, 2012, to continue efforts to address recruitment and retention issues and provide relief for escalating energy, pharmaceutical, insurance, and utility costs.

The 2008-09 recommendation also continues the State's commitment to several key ongoing initiatives, including the following:

- **The Third Phase of the New York State Creating Alternatives in Residential Environments and Services (NYS-CARES) Program** - the 2007-08 Budget added 1,000 residential opportunities, 2,500 at-home residential, and 200 day habilitation opportunities to meet residential request list needs over a five-year period. The Executive Budget includes funding for the first and second years of the third phase of NYS-CARES. By the end of 2012, 7,800 beds will have been developed under NYS-CARES which, when coupled with the more than 36,000 funded community beds already in the system, will provide significant opportunities for persons seeking an out-of-home residential service option.

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- **Community-Based Services to Special Populations** - OMRDD will develop 140 new residential options to accommodate consumers aging out of other human services or educational environments (\$7.7 million) as well as 186 new residential opportunities to either repatriate children placed out-of-State, or to mitigate such future placements (\$13 million).
- **Continued Transformation of the Service System** - The \$2.8 million Federal Systems Transformation Grant (FY 2006), awarded to New York State for its New York State Real Choice Systems Change (RCSC) initiative will permit OMRDD to increase delivery of services to individuals that are dually diagnosed, aging out, and residing in, or at risk of placement into, a nursing home. The RCSC grant also enables OMRDD to expand its infrastructure, especially to increase individualized services and supports to persons with developmental disabilities seeking flexible, person-centered approaches to meeting their needs. This grant will serve as the platform for system change in how services and supports are provided to individuals with developmental disabilities in New York State.
- **State and Not-for-Profit Capital Infrastructure Needs** - will be maintained through new capital appropriations of \$192.4 million and reappropriations of \$296.2 million. Capital appropriations for institutional projects continue to support the reconfiguration 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.

In total, these recommendations — through the combination of both new and existing services — will support more than 5,800 new day and residential opportunities in the community during 2008-09. This reflects more than 1,500 people placed in new residential opportunities and more than 4,300 into new non-residential opportunities. Community opportunities will be targeted for people in developmental centers and for mandated populations, as well as people living at home. Services to individuals and families have been expanded within Family Support Services.

PROGRAM HIGHLIGHTS

OMRDD serves more than 140,000 New Yorkers with developmental disabilities, which include primarily mental retardation, autism, epilepsy, cerebral palsy, and neurological impairments. 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, OMRDD continues to place greater emphasis on consumer choice and satisfaction and has instituted a recurring survey designed by consumers, families and other stakeholders, which is used to evaluate individuals' satisfaction and the success of residential opportunities under the NYS-CARES program.

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 HCBS Waiver program than any state in the nation, but has a lower cost per individual served than other comparable states. The HCBS Waiver also promotes smaller, more natural home

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environments. Home size has continued to decrease, thereby supporting individualized, quality services. Today, two-thirds of the homes in the community accommodate six people or less; of these, two-thirds accommodate four people or less.

Maintaining a statewide system of services, delivered through both the State and not-for-profit providers, OMRDD:

- Provides approximately 38,000 persons with certified residential services. Since 1998, nearly 15,000 persons have left the residential registration list for homes in the community;
- Provides about 55,000 persons with community day services; and
- Assists in the care of more than 20,000 persons with developmental disabilities who live alone and another 42,000 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 6,300 beds operated statewide by both State and not-for-profit providers — are appropriate for individuals requiring intensive 24-hour care.

The most common residential opportunity for persons under the waiver is in Individual Residential Alternatives (IRAs) — homes, typically for four to eight consumers, operated by either the State or not-for-profit providers in the community. This budget supports more than 26,000 individuals with developmental disabilities living in this setting with accompanying service coordination. Other community living arrangements include Community Residences and Family Care homes, which serve nearly 3,400 people.

In addition to these community-based residential programs, OMRDD operates 10 campuses across the State. Approximately 1,600 people will be served in these settings by the end of 2008-09, 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 individuals. The major programs include:

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

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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 over 42,000 persons with developmental disabilities and their families, enabling these individuals to remain at home and receive nearly 66,000 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 1,950 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 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	993,055,000	1,976,645,000	983,590,000	3,266,000
Aid To Localities	2,072,258,500	2,261,268,000	189,009,500	3,192,000
Capital Projects	138,355,000	192,420,000	54,065,000	296,245,000
Total	<u>3,203,668,500</u>	<u>4,430,333,000</u>	<u>1,226,664,500</u>	<u>302,703,000</u>

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

Program	Full-Time Equivalent Positions (FTE)		
	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
	Central Coordination and Support Special Revenue Funds - Other	860	875
Community Services Special Revenue Funds - Other	16,562	16,730	168
Institutional Services Special Revenue Funds - Other	5,913	5,913	0
Research in Mental Retardation Special Revenue Funds - Other	185	185	0
Total	<u>23,520</u>	<u>23,703</u>	<u>183</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

<u>Fund Type</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Special Revenue Funds - Federal	3,495,000	630,000	(2,865,000)
Special Revenue Funds - Other	986,804,000	1,973,209,000	986,405,000
Enterprise Funds	2,406,000	2,456,000	50,000
Internal Service Funds	350,000	350,000	0
Total	<u>993,055,000</u>	<u>1,976,645,000</u>	<u>983,590,000</u>

Adjustments:

Transfer(s) From

Mental Retardation and Developmental
Disabilities, Office of

General Fund (986,250,000)

Special Revenue Funds - Other (986,250,000)

Special Pay Bill

General Fund (4,118,000)

Transfer(s) To

Health, Department of

General Fund (Aid To Localities) 476,146,000

Mental Retardation and Developmental
Disabilities, Office of

General Fund 986,250,000

Special Revenue Funds - Other 986,250,000

Appropriated 2007-08

1,465,083,000

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Central Coordination and Support			
Special Revenue Funds - Federal	3,495,000	630,000	(2,865,000)
Special Revenue Funds - Other	52,490,000	106,569,000	54,079,000
Internal Service Funds	350,000	350,000	0
Community Services			
Special Revenue Funds - Other	531,356,000	1,213,603,000	682,247,000
Institutional Services			
Special Revenue Funds - Other	387,533,000	628,618,000	241,085,000
Enterprise Funds	2,406,000	2,456,000	50,000
Research in Mental Retardation			
Special Revenue Funds - Other	15,425,000	24,419,000	8,994,000
Total	<u>993,055,000</u>	<u>1,976,645,000</u>	<u>983,590,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Central Coordination and Support	107,549,000	51,214,000	55,688,000	5,923,000
Community Services	1,213,603,000	682,247,000	735,711,000	213,639,000
Institutional Services	631,074,000	241,135,000	298,668,000	31,753,000
Research in Mental Retardation	24,419,000	8,994,000	15,144,000	1,614,000
Total	<u>1,976,645,000</u>	<u>983,590,000</u>	<u>1,105,211,000</u>	<u>252,929,000</u>

<u>Program</u>	<u>Nonpersonal Service</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Central Coordination and Support	50,881,000	48,156,000	980,000	(2,865,000)
Community Services	469,634,000	469,634,000	8,258,000	(1,026,000)
Institutional Services	217,223,000	214,595,000	115,183,000	(5,213,000)
Research in Mental Retardation	9,275,000	7,380,000	0	0
Total	<u>747,013,000</u>	<u>739,765,000</u>	<u>124,421,000</u>	<u>(9,104,000)</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

<u>Fund Type</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
General Fund	1,380,877,500	1,425,927,000	45,049,500
Special Revenue Funds - Other	691,381,000	835,341,000	143,960,000
Total	<u>2,072,258,500</u>	<u>2,261,268,000</u>	<u>189,009,500</u>
Adjustments:			
Transfer(s) From			
Mental Retardation and Developmental			
Disabilities, Office of			
General Fund	(386,043,000)		
Special Revenue Funds - Other	(1,100,000,000)		
Transfer(s) To			
Mental Retardation and Developmental			
Disabilities, Office of			
General Fund	1,100,000,000		
Special Revenue Funds - Other	386,043,000		
Appropriated 2007-08	<u>2,072,258,500</u>		

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Community Services			
General Fund	1,377,890,000	1,425,927,000	48,037,000
Special Revenue Funds - Other	691,381,000	835,341,000	143,960,000
Community Projects			
General Fund	2,987,500	0	(2,987,500)
Total	<u>2,072,258,500</u>	<u>2,261,268,000</u>	<u>189,009,500</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>	<u>Reappropriations 2008-09</u>
Design and Construction Supervision				
Capital Projects Fund	5,000,000	7,180,000	2,180,000	0
MH Capital Improvements - Authority Bonds	4,000,000	7,280,000	3,280,000	1,000,000
Voluntary-Operated Community Facilities				
Capital Projects Fund	21,245,000	23,400,000	2,155,000	17,620,000
MH Capital Improvements - Authority Bonds	6,350,000	6,400,000	50,000	12,270,000
State-Operated Community Services Program				
Capital Projects Fund	19,465,000	22,985,000	3,520,000	15,690,000
MH Capital Improvements - Authority Bonds	23,200,000	25,575,000	2,375,000	46,340,000
Institutional Services Program				
Capital Projects Fund	14,805,000	15,400,000	595,000	41,905,000
MH Capital Improvements - Authority Bonds	43,290,000	83,200,000	39,910,000	161,420,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	0
Total	<u>138,355,000</u>	<u>192,420,000</u>	<u>54,065,000</u>	<u>296,245,000</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 and to 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 \$8 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 2008-09, the agency's workforce will consist of 124 positions funded by the General Fund, Federal grants and other Federal revenues related to oversight of Medicaid programs.

The responsibilities of the Commission are carried out 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.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$16.9 million All Funds (\$5.5 million General Fund; \$11.4 million Other funds)** for the Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD). This is an increase of **\$1.0 million All funds (\$872,000 General Fund; \$151,000 Other funds)** from the 2007-08 budget. This net

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change primarily reflects Non-Personal Service inflationary adjustments, annual personal service increases relating to performance advance awards, longevities and merit payments, elimination of the one-time relocation costs associated with the Commission's merger, and costs associated with additional positions that will be used to administer the Interagency Coordinating Council for Services to Persons who are Deaf, Deaf-Blind or Hard of Hearing, and comply with other new statutory requirements outlined in Jonathan's Law and the Special Housing Unit (SHU) Legislation. The SHU Legislation, anticipated to pass in 2008-09, establishes alternatives to solitary confinement for mentally ill inmates and expanded residential capacity to improve the quality and availability of prison-based mental health services.

The Executive Budget recommends a staffing level of **124 FTEs** for the Commission on Quality of Care and Advocacy for Persons with Disabilities, an **increase of 18** from the 2007-08 Budget, primarily reflecting positions needed to fulfill the Commission's responsibilities under the aforementioned new statutory oversight requirements.

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 and a dynamic full-featured Web site (www.cqcapd.state.ny.us), which 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 2007, the Regional TRAIID Centers provided awareness training, device demonstrations, information, education, and referrals to over 35,000 persons with disabilities. In May 2008, the Commission will host their biannual NYS Assistive Technology Expo in Albany, which will provide an opportunity for individuals with disabilities to see demonstrations of newly available assistive technology.

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 that 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 13,600 reports of abuse, neglect, or death and conducts investigations on

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

nearly 900 cases annually. The Children's Oversight and Technical Assistance team continues to 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.

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. Every year, more than 75,000 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 17 adult homes serving over 1,300 people and collaborated with DOH and OMH in on-site monitoring of the closure of five homes serving approximately 300 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 900 SDMC cases are resolved, and no less than 400 volunteers and providers are trained to utilize these services annually.

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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. The main focus of this Division is improving inclusion, accommodations, and accessibility for individuals with disabilities. Recently, 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 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	15,126,000	16,149,000	1,023,000	12,196,000
Aid To Localities	771,000	771,000	0	0
Capital Projects	0	0	0	0
Total	15,897,000	16,920,000	1,023,000	12,196,000

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

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration			
General Fund	47	65	18
Special Revenue Funds - Other	33	33	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	8	8	0
Protection and Advocacy for Individual Rights			
Special Revenue Funds - Federal	2	2	0
Protection and Advocacy for the Mentally Ill			
Special Revenue Funds - Federal	10	10	0
Technology Related Assistance for Individuals with Disabilities			
Special Revenue Funds - Federal	2	2	0
Technology Related Protection and Advocacy			
Special Revenue Funds - Federal	1	1	0
Total	106	124	18

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	4,316,000	5,188,000	872,000
Special Revenue Funds - Federal	6,990,000	7,260,000	270,000
Special Revenue Funds - Other	3,775,000	3,656,000	(119,000)
Enterprise Funds	45,000	45,000	0
Total	<u>15,126,000</u>	<u>16,149,000</u>	<u>1,023,000</u>

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

Program	Available 2007-08	Recommended 2008-09	Change
Administration			
General Fund	4,316,000	5,188,000	872,000
Special Revenue Funds - Federal	300,000	300,000	0
Special Revenue Funds - Other	3,775,000	3,656,000	(119,000)
Enterprise Funds	45,000	45,000	0
Client Assistance			
Special Revenue Funds - Federal	651,000	677,000	26,000
Protection and Advocacy for Beneficiaries of Social Security			
Special Revenue Funds - Federal	344,000	333,000	(11,000)
Protection and Advocacy for the Developmentally Disabled			
Special Revenue Funds - Federal	2,010,000	2,062,000	52,000
Protection and Advocacy Help America Vote Act			
Special Revenue Funds - Federal	179,000	181,000	2,000
Protection and Advocacy for Individual Rights			
Special Revenue Funds - Federal	902,000	914,000	12,000
Protection and Advocacy for the Mentally Ill			
Special Revenue Funds - Federal	1,610,000	1,630,000	20,000
Protection and Advocacy for Persons with Traumatic Brain Injury			
Special Revenue Funds - Federal	85,000	89,000	4,000
Technology Related Assistance for Individuals with Disabilities			
Special Revenue Funds - Federal	679,000	845,000	166,000
Technology Related Protection and Advocacy			
Special Revenue Funds - Federal	230,000	229,000	(1,000)
Total	<u>15,126,000</u>	<u>16,149,000</u>	<u>1,023,000</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,982,000	832,000	3,964,000	814,000
Total	<u>3,982,000</u>	<u>832,000</u>	<u>3,964,000</u>	<u>814,000</u>

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration	18,000	18,000
Total	<u>18,000</u>	<u>18,000</u>

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,206,000	40,000	63,000	9,200
Total	1,206,000	40,000	63,000	9,200

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	213,000	74,400	856,000	53,100
Total	213,000	74,400	856,000	53,100

Program	Equipment	
	Amount	Change
Administration	74,000	(96,700)
Total	74,000	(96,700)

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	4,001,000	(119,000)	2,086,000	27,000
Client Assistance	677,000	26,000	67,000	29,000
Protection and Advocacy for Beneficiaries of Social Security	333,000	(11,000)	63,000	(3,000)
Protection and Advocacy for the Developmentally Disabled	2,062,000	52,000	466,000	27,000
Protection and Advocacy Help America Vote Act	181,000	2,000	0	0
Protection and Advocacy for Individual Rights	914,000	12,000	137,000	6,000
Protection and Advocacy for the Mentally Ill	1,630,000	20,000	488,000	(15,000)
Protection and Advocacy for Persons with Traumatic Brain Injury	89,000	4,000	0	0
Technology Related Assistance for Individuals with Disabilities	845,000	166,000	0	0
Technology Related Protection and Advocacy	229,000	(1,000)	0	0
Total	10,961,000	151,000	3,307,000	71,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,615,000	155,000	300,000	(301,000)
Client Assistance	610,000	(3,000)	0	0
Protection and Advocacy for Beneficiaries of Social Security	270,000	(8,000)	0	0
Protection and Advocacy for the Developmentally Disabled	1,596,000	25,000	0	0
Protection and Advocacy Help America Vote Act	181,000	2,000	0	0
Protection and Advocacy for Individual Rights	777,000	6,000	0	0
Protection and Advocacy for the Mentally Ill	1,142,000	35,000	0	0
Protection and Advocacy for Persons with Traumatic Brain Injury	89,000	4,000	0	0
Technology Related Assistance for Individuals with Disabilities	0	0	845,000	166,000
Technology Related Protection and Advocacy	0	0	229,000	(1,000)
Total	6,280,000	216,000	1,374,000	(136,000)

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	293,000	293,000	0
Special Revenue Funds - Other	478,000	478,000	0
Total	771,000	771,000	0

Adjustments:

Transfer(s) From Health, Department of Special Revenue Funds - Other Appropriated 2007-08	(60,000)	711,000	
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AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2007-08	Recommended 2008-09	Change
Adult Homes			
General Fund	170,000	170,000	0
Special Revenue Funds - Other	60,000	60,000	0
Surrogate Decision Making			
General Fund	123,000	123,000	0
Special Revenue Funds - Other	418,000	418,000	0
Total	771,000	771,000	0

