

2008-09 Executive Budget
21-Day AMENDMENTS
February 12, 2008

**Amendments to Senate S6808; Assembly A9808
(Health and Mental Hygiene Article VII Bill)**

Part A, relating to improving public health services by implementing cost savings measures; advancing programmatic initiatives; and consolidating the State's pregnancy prevention programs, is amended to:

- Revise current statute related to the Body Mass Index (BMI) reporting on school physical forms to specify that BMI surveys conducted by the Department of Health would be based on data recorded on school physical forms.
- Clarify language for the Elderly Pharmaceutical Insurance Coverage (EPIC) discount card so that individuals who meet the eligibility standards for both comprehensive and catastrophic EPIC coverage will be eligible for the discount card.
- Add language that would require EPIC to cover the generic version of a drug whenever it is available which is consistent with the practice of commercial drug plans and Medicaid.
- Add language that would require prior authorization for EPIC coverage of prescription drugs that are not covered by Medicare Part D.
- Make a technical amendment related to the consolidation of pregnancy prevention programs to reference the correct section of the bill.
- Make a technical amendment to the bill's effective date.

Part B, relating to the Health Care Reform Act (HCRA), is amended to:

- Modify allocations for Family Health Plus, Child Health Plus and Healthy NY to reflect the reclassification of for-profit Health Maintenance Organizations as insurance companies for tax purposes.
- Modify allocations for the Public Health Program to reflect movement of the Childhood Obesity Program and Immunization programs to the Insurance Assessment.
- Reduce the EPIC allocation to reflect savings resulting from the implementation of new mandatory generic and prior authorization requirements.
- Increase the Medicaid Pharmacy allocation to achieve an additional General Fund benefit of \$119 million in 2008-09.
- Add \$20 million in funding for the Health Facility Restructuring Pool to provide loans to assist financially struggling hospitals.
- Increase the Covered Lives Assessment by an additional \$50 million each fiscal year. This would raise the total Assessment from \$990 million to \$1.04 billion.

- Make various technical changes to the Graduate Medical Education (GME) distribution methodology and the Innovations Pool language to clarify that funding under the Physician Loan Program is provided to physicians and funding under the Physician Support Program is provided to hospitals. Further, the distribution methodology for the Empire Clinical Research Investigator Program (ECRIP) is modified to clarify that distributions are made to New York City as a region and to the remainder of the State as a separate region.
- Amend the effective date of the Child Health Plus family contribution increases to July 1, 2008 rather than September 1, 2008, which was the original intent.

Part C, relating to reforming and restructuring the Medicaid Program to enhance access to health insurance coverage and to authorize cost containment measures, is amended to:

- Make a technical correction to language related to the implementation of the specialty drug program.
- Clarify language relating to hospital inpatient rate reform to specify that the phase-in applies to the operating cost component of the rate.
- Make conforming amendments to clarify that the eligibility for prospective specialty hospital adjustments (i.e., upper payment limit payments) are based on the new Medicaid reimbursement methodology as proposed in the Budget.
- Clarify that reimbursement for physicians in community clinics is outside of Ambulatory Patient Group (APG) reimbursement, and clarify the rate is inclusive of capital once the old methodology is phased out.
- Make a technical change to the qualifications for funding a financially distressed nursing home.
- Delete unnecessary language relating to dual eligible individuals in managed care programs.
- Authorize the Nurse-Family Partnership Program, aimed at improving the health of first-time pregnant women and their children.
- Clarify language relating to the disclosure of personal income tax return information to the Office of the Medicaid Inspector General.
- Remove an income and resource test for foster care children under twenty-one years of age to qualify for Medicaid reimbursement.
- Clarify language eliminating Medicaid rules that only apply to single persons which require drug and alcohol screenings as a condition of eligibility.
- Modify language for the Asset Transfer for Waiver Services Program to conform with the Federal Social Security Act.
- Add new language to extend the Care at Home Waiver for five years, from December 31, 2008 to December 31, 2013.

- Make technical changes to the pharmacy bulk purchasing language to allow the State to explore agreements which would pool the volume of existing State prescription drug programs.
- Provide clarifying language to the Asset Transfer for Traumatic Brain Injury (TBI) Waiver Services by allowing for the provision to sunset effective March 31, 2010.
- Make a technical adjustment to the language that requires implementation of the new inpatient hospital reimbursement system and the new system for reimbursement of detoxification services prior to implementing investments in physician fees, ambulatory care and primary care enhancements.
- Increase the Medicaid trend factor reduction for hospitals, nursing homes and personal/home care from a 25 percent to a 35 percent reduction.

Part I, relating to extending the human services Cost of Living Adjustment and updating program eligibility, is amended to:

- Modify language to add the Comprehensive Adolescent Pregnancy Prevention Program and remove the Abstinence Education Program.
- Modify language to add the Universal Prenatal and Postpartum Home Visitation Program, which was established in 2007-08.