

DRAFT LBDC

A BUDGET BILL submitted by the Governor
in accordance with Article VII of the Constitution

AN ACT to authorize a Medicaid across the board reduction (Part
__);

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 PART __

2 Section 1. (a) Notwithstanding any other provision of law to the
3 contrary, for the state fiscal years beginning April 1, 2019 and ending
4 on March 31, 2021, all Medicaid payments made for services provided on
5 and after April 1, 2019, shall, except as hereinafter provided, be
6 subject to a uniform reduction and such reduction shall be applied, to
7 the extent practicable, in equal amounts during the fiscal year,
8 provided, however, that an alternative method may be considered at the
9 discretion of the commissioner of health and the director of the budget
10 based upon consultation with the health care industry including but not
11 limited to, a uniform reduction in Medicaid rates of payments or other
12 reductions provided that any method selected achieves up to \$190,200,000
13 in Medicaid state share savings in state fiscal year 2019-2020 and up to
14 \$190,200,000 in state fiscal year 2020-2021, except as hereinafter
15 provided, for services provided on and after April 1, 2019 through March
16 31, 2021. Any alternative methods to achieve the reduction must be
17 provided in writing and shall be filed with the senate finance committee
18 and the assembly ways and means committee not less than thirty days
19 before the date on which implementation is expected to begin. Nothing in

1 this section shall be deemed to prevent all or part of such alternative
2 reduction plan from taking effect retroactively, to the extent permitted
3 by the federal centers for medicare and Medicaid services.

4 (b) The following types of appropriations shall be exempt from
5 reductions pursuant to this section:

6 (i) any reductions that would violate federal law including, but not
7 limited to, payments required pursuant to the federal medicare program;

8 (ii) any reductions related to direct payments pursuant to article 32,
9 article 31 and article 16 of the mental hygiene law;

10 (iii) payments the state is obligated to make pursuant to court orders
11 or judgments;

12 (iv) payments for which the non-federal share does not reflect any
13 state funding; and

14 (v) at the discretion of the commissioner of health and the director
15 of the budget, payments with regard to which it is determined by the
16 commissioner of health and the director of the budget that application
17 of reductions pursuant to this section would result, by operation of
18 federal law, in a lower federal medical assistance percentage applicable
19 to such payments.

20 (c) Reductions to Medicaid payments or Medicaid rates of payments made
21 pursuant to this section shall be subject to the receipt of all neces-
22 sary federal approvals.

23 § 2. This act shall take effect immediately.