



Division of
the Budget

HEALTH CARE

The Budget supports Health Care services provided to more than **7 million** New Yorkers through **80,000 health care providers.**



PROTECT HEALTH CARE FROM FEDERAL ATTACKS



The Budget protects New York's health care by **codifying key provisions** of the Affordable Care

Act, including **protections for preexisting conditions.**

ADVANCE THE GOVERNOR'S WOMEN'S AGENDA

The Budget advances legislation that will codify Roe v. Wade, **protect access to contraception,** and create a board to review every maternal death in New York State.



TOBACCO CONTROL



The Budget implements a comprehensive tobacco agenda to reduce use in New York, including **prohibiting the sale of tobacco to those under 21.**

Since
2014



nystateofhealth

has enrolled more than **4.7 million New Yorkers** in affordable health coverage.



IMPROVED OUTCOMES

In 2018, the Commonwealth Fund's Scorecard of Health System performance **ranked New York most improved in the nation.**



Budget Highlights

Protect Health Care from Federal Attacks. The Executive Budget takes steps to protect New York's health care by enshrining in State law key provisions of the Affordable Care Act, including protections for preexisting conditions.

Enhance Services to the Elderly. The Executive Budget supports a \$15 million investment in community-based services and supports to help older adults stay in their communities and support caregivers.

Advance the Women's Agenda. The Budget advances legislation that will codify Roe v. Wade, protect access to contraception, and create a board to review every maternal death in New York State.

Tobacco Control. The FY 2020 Budget continues the success of the Governor's tobacco policies by implementing a comprehensive tobacco agenda to reduce tobacco use in New York, including prohibiting the sale of tobacco to those under 21.

Protect our Children from Exposure to Lead Paint. The FY 2020 Executive Budget lowers the acceptable blood lead level from 15 pg/dl to 5 pg/dl to continue the State's goal of eliminating sources of lead exposure before a child is injured.

The FY 2020 Executive Budget advances the Department of Health and the Medicaid Redesign Team's (MRT) critically important reforms aimed at improving the health of New Yorkers at a sustainable cost. The Budget enables health insurance for over seven million new Yorkers through Medicaid, the Essential Plan and the Child Health Plus through a network of over 80,000 healthcare providers. It does this by delivering more effective models of care, sustaining the State's health benefit exchange in the face of Federal action to undermine it, encouraging health care transformation and the transition to value-based payment arrangements, promoting the State's Prevention Agenda, expanding and promoting access to women's health care services and building on investments in health care infrastructure. In addition, the Budget enhances community-based services and supports to the elderly to address locally-identified capacity needs. It also advances proposals to enshrine in State law key provisions of the Affordable Care Act (ACA), including the protections against pre-existing conditions.

Overview

The Department of Health's (DOH) mission is to ensure that high quality health services are available to all New Yorkers. Consistent with this mission, DOH manages comprehensive health care and long-term care coverage for low- and middle-income individuals and families through the Medicaid, Child Health Plus (CHP), the Essential Plan (EP) and the Elderly Pharmaceutical Insurance Coverage (EPIC) programs.

In addition to its health insurance programs, DOH protects public health, supervises public health activities throughout the State, and operates health care facilities including Helen Hayes Hospital, four veterans' nursing homes, and the Wadsworth Center for Laboratories and Research. The Department also regulates health care facilities in the State.

The Office of the Medicaid Inspector General promotes the integrity of the Medicaid program by conducting and coordinating fraud, waste and abuse control activities for all State agencies responsible for Medicaid-funded services.

The State Office for the Aging (SOFA) promotes and administers programs and services for New Yorkers 60 years of age and older.

The Office oversees community-based services provided through a network of county Area Agencies on Aging and local providers. In 2017, New York was designated as the first age-friendly state in the nation by the American Association of Retired Persons (AARP) and the World Health Organization.

Ensuring Quality Health Care for All New Yorkers

New York's Medicaid program is the State's largest payer of health care and long-term care. Over six million individuals receive Medicaid-eligible services through a network of more than 80,000 health care providers and over 75 fully and partially capitated managed care plans. Total Federal, State and local Medicaid spending is expected to be \$73.9 billion in FY 2020.

Prior to 2011, Medicaid spending grew at an unsustainable rate, despite years of attempted cost containment, while the program failed to deliver quality outcomes for New Yorkers.

Recognizing the need to control spending growth and improve health care outcomes, Governor Cuomo commissioned the MRT, a new and inclusive approach to developing health care policy. Composed of individuals representing virtually every sector of the health care delivery system, and with widespread public input, the MRT advanced proposals that create models of care to significantly improve health outcomes and tie future spending to a rational measure of growth – the 10-year rolling average of the Medical Consumer Price Index (currently estimated at 3.0 percent). Each year, the MRT has introduced new proposals that control spending and improve outcomes for New Yorkers.

The MRT's innovative and collaborative work has significantly improved the health care quality. America's Health Rankings recently ranked NYS at 10th in the nation for quality compared to 20th in 2011. In the Commonwealth Fund's 2018 Scorecard of Health System Performance, ranked New York most improved for achieving an improved ranking on 18 indicators with an overall rating of 18th among states compared to 24th in 2012. Additionally, NY's performance on health disparities improved from 10th overall to 4th overall.

All of this was achieved while keeping costs in check. Since the beginning of the MRT in 2011, New York Medicaid spending per recipient has dropped about 27 percent when adjusted for

Performance Profile

Extending Coverage in the New York State of Health Marketplace. Since its inception in 2014, the NY State of Health has enrolled more than 4.7 million New Yorkers in affordable health coverage.

Continued Mandate Relief for Counties. The Budget maintains support for the takeover of county Medicaid costs by eliminating required growth over the prior year. In addition, the State is continuing its multi-year effort to assume Medicaid administrative responsibilities from the counties. Local Medicaid savings are estimated to total \$3.7 billion in FY 2020.

High Quality. America's Health Rankings recently ranked NYS at 10th in the nation for quality.

Improving Outcomes. In 2018, the Commonwealth Fund's Scorecard of Health System performance ranked New York 18th among states in overall health quality and most improved in the nation.

Supporting Healthy Aging. New York has been officially designated the first age-friendly state in the nation by the AARP and the World Health Organization for efforts to support healthy aging across the lifespan.

Medicaid Global Cap allowable growth. The MRT generated savings at the Federal level, too, resulting in New York being awarded an \$8 billion Federal waiver, which it is reinvesting in the health care system to produce further savings and raise the quality of care.

The Executive Budget builds on this success through continued program reforms and targeted investments that will help introduce integrated models to transform care delivery, expand access to cost effective models of care and improve health outcomes at lower cost through New York's Medicaid program.

Table 9: Summary of Health Care Spending
(All Funds Unless Otherwise Noted)

Category	FY 2019 (millions)	FY 2020 (millions)	Change	
			Dollars (millions)	Percent
Medicaid and Health Care Transformation Fund (State Funds)	\$18,920	\$19,600	\$680	3.6%
Medicaid (Total All Funds)	\$72,584	\$73,909	\$1,326	1.8%
Medicaid (Global Cap)	\$18,865	\$19,433	\$568	3.0%
Department of Health Spending (Excluding Medicaid and EP)	\$5,021	\$5,266	\$245	4.9%
Essential Health Plan	\$4,943	\$4,969	\$26	0.5%
Office of the Medicaid Inspector General	\$48	\$43	(\$5)	-10.9%
Office for the Aging	\$236	\$251	\$15	6.3%

Proposed FY 2020 Health Care Budget Actions

The Executive Budget reflects the continuation of the Medicaid spending cap enacted in FY 2012 and recommends funding consistent with its provisions. The cap ties growth to the 10-year rolling average of the Medical Consumer Price Index. The Budget achieves modest savings from public health and aging programs through program reforms and general cost-control efforts.

Transforming the Health Care System

The success of the MRT and other State initiatives demonstrates that through constructive collaboration, unsustainable spending trends can be reversed while improving care delivery and health outcomes. A groundbreaking Federal waiver positioned the State to reinvest \$8 billion in Federal savings generated by MRT reforms. The waiver is enabling New York to fully implement the MRT action plan, facilitate innovation, lower health care costs over the long term, and improve the financial sustainability of essential safety net providers. In the first four years, \$5.1 billion has been paid out under the Federal waiver, which has been extended through March 31, 2021. This includes \$3.6 billion to 25 Performing Provider Systems (PPSs) statewide so that these consortiums of regional providers can implement approved Delivery System Reform Incentive Payments (DSRIP) program transformation projects, among them: \$707.6 million for Health

Homes and other reform initiatives; and \$500 million for financially distressed safety net hospitals whose viability is critical to achieving ongoing reforms.

Over the next year, these PPSs will continue to build upon their value-based payment arrangements. They will also continue to receive performance-based payments reflecting system transformation, clinical management and population health improvements, and progress toward the goal of reducing avoidable hospital use by 25 percent by 2020.

In addition, the State will continue implementation of the State Health Innovation Plan (SHIP) under the terms of a \$100 million Federal award, extended in December 2017 through 2020. Currently, in the fourth year of a multi-year phase-in, SHIP is a multi-faceted approach that integrates care across all parts of the health care system, including behavioral and community health, by enhancing the capacity of primary care practices. SHIP complements and builds upon Medicaid reform efforts, including DSRIP, to achieve the “Triple Aim” for New York’s entire health care system of improving population health, improving patient experience, and reducing system costs.

Protecting Health Care from Federal Threats

Under Governor Cuomo’s administration, nearly 1 million more New Yorkers now have health insurance, but some New Yorkers still do not have access to quality affordable health care. Because the Federal government under the Trump administration has made clear that it will not defend the Affordable Care Act (ACA) and does not support universal access, New York must lead the effort to expand access to universal, high-quality health care.

Recognizing the importance of expanding health insurance coverage options for all New Yorkers, Governor Cuomo, is establishing a commission to be supported by the Department of Health and Department of Financial Services and comprised of health policy and insurance experts to develop options for achieving universal access to high-quality, affordable health care in New York. The review process will analyze options for advancing access to care, including strengthening our commercial insurance market, expanding programs to include populations that are currently ineligible or cannot afford coverage, as well as innovative reimbursement models to improve efficiency and generate savings to support expanded coverage. The commission will report its findings to the Governor by December 1, 2019.

Additionally, in light of the continued Federal attacks on the ACA, the Budget codifies key provisions of the ACA and enhanced State regulatory protections into State law. Specifically, the Budget will ban insurance limitations for preexisting conditions, ensure that all insurance policies sold in New York cover the 10 essential benefits as defined in the ACA, require that insurers publish an up-to-date list of all formulary drugs accessible to consumers, prohibit discriminatory benefit designs, and create a standard and expedited formulary exception process for prescription drugs not on the insurer’s formulary.

Finally, the Budget codifies the New York State of Health, the official health plan marketplace that was established in 2013, in accordance with the Federal Affordable Care Act, by Executive Order (#42) under the Governor’s leadership to expand access to health care for New Yorkers.

Continuing Medicaid Redesign

The Executive Budget continues the implementation of MRT recommendations. These reforms represent critical modifications to the Medicaid long-term care program to ensure access to long-term care services and supports for a growing aging population, continued controls on Medicaid pharmaceutical costs, and incentives supporting the transition to value-based payment arrangements.

Medicaid Budget highlights include:

- **Fiscal Intermediary Payment Reform.** There are currently over 500 fiscal intermediaries receiving differing levels of reimbursement for providing various administrative and payroll services to self-directing Medicaid recipients receiving personal care. The Executive Budget seeks to consolidate and establish uniform reimbursement for these services.
- **Efficiencies in Long Term Care.** Consistent with Federal law, the Budget requires legally responsible relatives to support the cost of caring for a non-institutionalized family member receiving Medicaid. Additionally, the State will transform the nursing home patient acuity data collection process to provide improved rate adequacy.
- **Minimum Wage.** In April 2016, the Governor signed into law the nation's first statewide \$15 minimum wage plan. The Budget includes more than \$1.1 billion to fully support the direct cost of the FY 2020 minimum wage increases for health care workers that provide Medicaid services reimbursed by the Department of Health. This includes funding to reconcile any identified underpayments in prior years.
- **Electronic Visit Verification.** The Budget provides a \$10 million investment, in addition to Federal funding, to support the implementation of a federally-required system to verify when home care services occur to reduce inappropriate billing of in-home Medicaid services and to eliminate fraud, waste, and abuse in the Medicaid program.
- **Pharmaceutical Pricing Efficiencies.** With enactment of the FY 2018 Budget, New York became the first state in the nation to pass sweeping legislation to control the skyrocketing cost of prescription drugs by setting the growth in Medicaid drug spending to an annual limit and providing the DOH with enhanced authority to negotiate additional rebates with manufacturers to maintain spending within the spending limit. Manufacturers that don't reach rebate agreements are subject to Drug Utilization Review (DUR) Board referral for a value-based review and recommendations for targeted supplemental rebates.

The FY 2020 Executive Budget continues efforts to limit the rising cost of prescription drugs by extending the Medicaid drug cap through FY 2021 with additional modifications to accelerate rebate negotiations and collections through the following proposed changes: Using established cost effectiveness thresholds for drugs identified as piercing the cap, as

a basis for target supplemental rebate amounts, prior to DUR Board referral; removing statutory language that prohibits a high-cost drug from being referred to the DUR Board, if there is an existing supplemental rebate contract in place; and eliminating the rebate adjustment where manufacturers are given “credit” for other rebates for different drugs received by the Department. These changes will further reduce the rate of pharmaceutical cost growth within the Global Cap. Additionally, the Budget includes authorization to regulate pharmacy benefit managers and limit spread pricing by pharmacy benefit managers.

- **Support Essential Health Care Providers.** The Budget provides continuing funding to support critical health care providers through the State’s Vital Access Provider (VAP), Vital Access Provider Assurance Program (VAPAP) and Value Based Payment Quality Improvement (VBP QIP) programs. This funding provides transitional operating assistance to financially distressed health care providers to facilitate the redesign of health care delivery systems, improving financial stability and the availability of vital health care services. Additional funding may be made available to support financially distressed healthcare providers subject to approval of financial sustainability plans.
- **Care Management for All.** The Budget continues the goal of Medicaid care management for all enrollees. Proposals will incentivize providers and Medicaid Managed Care plans to establish new value-based payment arrangements and strengthen existing ones. Care management of additional populations will be synchronized to improve benefit coordination, quality of care, and patient outcomes over the full range of health care, including mental health, substance abuse, developmental disability, and physical health care services. Additionally, the Budget will amend regulations in order to provide plans with greater flexibility to manage care by clarifying that reductions may be appropriate when a prior authorization allowed more services than were medically necessary.
- **State Takeover of Local Medicaid costs.** The Budget continues the Governor’s commitment to relieve local districts of Medicaid expenditure growth. In FY 2020 the State will assume nearly \$3.7 billion in costs that would have otherwise been incurred by local districts.
- **State Takeover of Third Party Insurance Reviews.** The Budget transfers the Medicaid disenrollment function from local social service districts to the State, consistent with the State’s effort to takeover local district administration of the Medicaid program, to increase the efficiency by which individuals are disenrolled from Medicaid when alternative insurance coverage is identified.
- **Reimburse National Diabetes Prevention Program.** The Budget implements the National Diabetes Prevention program for all Medicaid members and offers trainings and non-clinical settings through community-based organizations. The National Diabetes Prevention Program is an evidence-based program focused on helping participants make positive lifestyle changes, such as eating healthier and getting more physical activity.

- **Recognize Applied Behavioral Analysts.** The Budget supports expanding Medicaid to cover Applied Behavioral Health Analysis treatment for over 4,000 children with autism, including those who have aged out of the Early Intervention program, to ensure they are able to continue receiving necessary services.
- **Health Home Quality, Innovation, and Performance Improvement.** The Budget supports efforts to reform the Health Homes program, which provides enhanced care management and service coordination to the State's most vulnerable populations, by streamlining the outreach reimbursement rate for care managers after initial contact has been established. This reform will incentivize care managers to enroll new members in programs and connect them to the services they require while disincentivizing intense care management over an extended period.
- **Transportation Reforms.** The Budget supports investments in emergency ambulance reimbursement rates for Medicaid providers, based on recommendations contained within the Department of Health's Medicaid Transportation Rate Adequacy Report. Through these investments, the Budget ensures access to critical services for New York's Medicaid enrollees.
- **Continue Implementation of the State's Transportation Manager.** The Budget continues the success of the State's transportation manager, which has saved the State over \$300 million gross since implementation in 2011. Coordination through the State's transportation manager will be required in order to promote program efficiency and align with other Medicaid members for Managed Long Term Care and Adult Day Health Care recipients receiving Medicaid reimbursed transportation. These efforts will ensure the most efficient and cost-effective modes of transportation for New York's Medicaid beneficiaries.
- **Additional SUNY Hospital Support.** The Budget provides an additional \$60 million for Disproportionate Share Hospital (DSH) payments for uncompensated care provided by the three State University of New York teaching hospitals. These hospitals are at SUNY Upstate Medical Center, SUNY Downstate Medical Center, and Stony Brook University Hospital.
- **Medicare Part B Cost-Sharing.** The Budget supports aligning Medicaid payment of Medicare Part B cost-sharing for dual eligible members in order to ensure appropriate reimbursement for medical services and to ensure that Medicaid is the payor of last resort.
- **Discontinue the Population Health Improvement Program (PHIP).** PHIP provides population health data, evidence-based practice research and support for coordinated regional strategies to the State's Performing Provider Systems, which are partnerships of health care providers within a particular region or service area usually led by a large hospital network. These entities were provided seed money to support Delivery System Reform Innovation Program (DSRIP) goals and should be self-sustainable, consistent with the timeline for DSRIP implementation.

- **Seek Federal Funding for Supportive Housing.** The MRT Supportive Housing Initiative invests into housing as a social determinant of health to improve the quality of care to the vulnerable Medicaid population. As a part of this year's Budget initiatives, the State will apply for a waiver to leverage Federal funding for certain supportive housing services currently funded with State-only dollars including: 1) housing transition services; 2) tenancy support services; and 3) housing-related collaborative activities.
- **Federal Claiming for Medicaid in Prison.** In an effort to ensure quality health care for all New Yorkers, the Department of Health will apply for a Federal waiver to secure Federal Medicaid funding to support a range of medical services for inmates 30 days prior to release from a Department of Corrections and Community Supervision facility. This initiative puts necessary health care services in place prior to an inmate's release, ensuring coverage stability and adherence to treatment regimens upon re-entry into the community.

Promoting the Essential Plan

The Essential Plan (EP) was launched in January 2016 as a more affordable health insurance option for low- and moderate-income New Yorkers. The program has been extraordinarily successful, with over 740,000 New Yorkers enrolling in three years. It has also generated over \$1.5 billion in State savings by transitioning certain individuals from State-only Medicaid benefit to federally funded coverage in the EP. Despite the continued uncertainty with regard to Federal cost-sharing reduction payments, the State continues to promote this important public health insurance program to preserve affordable health insurance options for New Yorkers.

Supporting the New York State of Health

The Exchange – NY State of Health – serves as a centralized marketplace to shop for, compare, and enroll in a health insurance plan. The health plans offered through NY State of Health are, on average, 55 percent less expensive than those available in 2013, prior to the creation of the marketplace.

To date, over 4.7 million New Yorkers have enrolled in coverage through the marketplace. The number of uninsured New Yorkers declined by nearly one million. The Executive Budget includes \$575 million in total funding for the operation of the NY State of Health.

Strengthening Public Health and Aging Programs

DOH and SOFA administer programs that support New York's public health and senior care systems. The Executive Budget provides more than \$353 million to support services provided by local governments, makes new investments, and reduces costs by restructuring programs and implementing administrative efficiencies. Savings actions will save an estimated \$84.6 million in FY 2020 and \$79.7 million in FY 2021. Key initiatives include:

- **Enhance Elderly Supports.** Governor Cuomo's commitment to older New Yorkers is unprecedented. Under his leadership, New York State government has shown a continued dedication to the State's more than 3.7 million older adults and the informal caregivers who support them. This focus centers around healthy aging and maintaining independence through the expansion and better coordination of community-based services. The FY 2020 Executive Budget includes a \$15 million investment to address locally-identified capacity needs in NYSOFA support services targeted to maintain the elderly in their communities, support family and friends in their caregiving roles, and delay future Medicaid costs by intervening with less intensive services earlier.
- **Authorize Private Pay Models.** Older New Yorkers above certain income thresholds have fewer options for accessing long-term services and have limited access to government programs under the SOFA network. Historically, the SOFA network has focused on serving lower-income individuals. The Executive Budget authorizes counties to work with SOFA to allow middle-income New Yorkers to purchase SOFA services with private dollars to expand access to services in their communities.
- **Early Intervention (EI) Rate Increase.** The Budget supports a five percent rate increase for licensed rehabilitation early intervention service providers to improve access to care and expand service delivery for infants and toddlers with disabilities and their families.
- **General Public Health Works (GPHW).** The FY 2020 Executive Budget modifies reimbursement of certain public health funding for New York City to reflect the availability of alternative funding sources.
- **Defer Cost of Living Adjustment (COLA) Payment.** The Budget defers FY 2020 SOFA COLA payment saving \$5.1 million in FY 2020. The \$5.1 million is net of an increase of \$809,000, which reflects a re-estimate of the FY 2020 COLA from 2.5 percent to 2.9 percent.
- **Capital Financing for Essential Health Care Providers.** The FY 2020 Executive Budget continues \$3.8 billion in capital investments for health care providers to transition into fiscally sustainable systems and to support capital projects, debt retirement, working capital and other non-capital projects. Of this amount, \$5 million will be made available for regional perinatal care centers or other health providers to establish rural telehealth applications.
- **Life Sciences Laboratory Public Health Initiative.** The FY 2020 Budget continues \$750 million in support for a life sciences laboratory public health initiative in the Capital Region, which will develop life science research, innovation and infrastructure through a joint effort between Empire State Development and the DOH. This initiative positions New York to attract private investment and jobs, a key component of the life science initiative.
- **Ending the AIDS Epidemic.** New York's investments in the prevention and care for individuals with HIV/AIDS have linked more people to care and decreased new infections.

The number of people newly diagnosed with HIV has fallen to historic lows, with the number of new cases dropping nine percent from 2015 to 2016. The decrease is more than double that of the five years leading up to the 2014 launch of the Ending the Epidemic initiative. The FY 2020 Executive Budget continues the \$200 million multi-year commitment towards these efforts.

Ensuring Safe Staffing and Patient Safety

The Department of Health regulates hospitals and nursing homes to ensure patient safety. In recent years, nursing and patient advocates have advanced legislation to establish staffing enhancements in hospitals and nursing homes in an effort to improve patient safety and enhance the quality health care services. The Department of Health will conduct a study, which examines how staffing enhancements and other initiatives can be used to improve patient safety and the quality of healthcare service delivery. The study will also analyze the range of potential fiscal impacts of various patient safety and staffing enhancement strategies. The Department will engage industry stakeholders and other experts to evaluate the impact of staffing on patient safety and the quality of healthcare delivery.

Advancing the Women's Agenda

- **Defend Reproductive Rights.** As part of Governor Cuomo's Women's Agenda, the Budget includes legislation that codifies the Supreme Court's Roe v. Wade decision and subsequent rulings into State law to secure women's access to reproductive health options. The legislation safeguards the right of women to make personal health care decisions to protect their health and ensures that health care professionals can provide these crucial services without fear of criminal penalty.
- **Ensure Comprehensive Contraceptive Coverage.** As part of Governor Cuomo's Women's Agenda, the Budget includes legislation that protects the rights of New Yorkers to access contraception, including emergency contraception. Contraception has been a critical tool for women to gain economic and social independence. The use, accessibility, and availability of contraception also reduces the rate of unintended pregnancy and abortion.
- **Establish the Maternal Mortality Review Board.** As part of Governor Cuomo's Women's Agenda, the Budget includes the creation of a Board of experts within the Department of Health that will implement an enhanced multidisciplinary analysis to review each and every maternal death in the New York State and to develop actionable recommendations to improve care and management.
- **Expand Coverage for In Vitro Fertility Services.** As part of Governor Cuomo's Women's Agenda, the FY 2020 Executive Budget requires large group (employers with 100 or more full-time staff) insurance policies in New York State to provide coverage for three cycles of in vitro fertilization. This coverage promotes safe and affordable reproductive health care while removing a barrier to family planning. The bill also expands coverage for medically-appropriate fertility preservation.

Other Initiatives

- **Enact a Comprehensive Tobacco Control Policy.** The Executive Budget raises the minimum age to purchase cigarettes from 18 to 21; prohibits the sale of tobacco products in all pharmacies; prohibits the acceptance of price reduction instruments for both tobacco products and e-cigarettes; prohibits the display of tobacco products or e-cigarettes in stores; clarifies that the Department of Health has the authority to promulgate regulations that prohibit or restrict the sale or distribution of e-cigarettes or vapor products that have a characterizing flavor, or the use of names for characterizing flavors intended to appeal to minors; prohibits smoking inside and on the grounds of all hospitals licensed or operated by the Office of Mental Health; and requires that e-cigarettes be sold only through licensed dealers. The policy also imposes a 20 percent tax on the retail sale of vapor products.

This comprehensive tobacco control policy will prevent death and disease associated with tobacco use, as well as save the State money due to the high cost of health care expenses for tobacco-related illnesses, estimated at \$10.4 billion annually, including \$3.3 billion in Medicaid costs. Smoking prematurely kills over 28,000 New Yorkers each year – more people than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined. In a 2012 report on youth tobacco use, the U.S. Surgeon General characterized tobacco use as a pediatric epidemic.

The tobacco industry continues to invest over \$9 billion annually marketing cigarettes and scientific evidence establishes that tobacco industry marketing causes youth tobacco use. The industry devotes countless resources to keep existing customers and recruit new customers, most of whom are youth, while undermining the proven effective public health measures already put in place.

In addition to combustible tobacco products, e-cigarettes, vapor products, and similar devices are emerging as the latest public health threat to youth and young adults. Uptake of vapor products by youth is dramatically increasing and more high school age youth are now using vapor products than smoking combustible cigarettes. Dual use by youth and adults is common, showing that they are not substituting vapor products for cigarettes, but using both to maintain and strengthen addiction. New York has the opportunity to save lives, save money, and become the first state in the nation to create a tobacco-free generation.

- **Rural Telehealth.** The Executive Budget includes \$5 million for regional perinatal centers or other healthcare providers to establish telehealth capabilities.
- **Protect our Children from Exposure to Lead Paint.** The FY 2020 Executive Budget implements measures to help reduce the risk of exposure to lead paint. This includes lowering the acceptable blood lead level from 15 µg/dl to 5 µg/dl to continue the State's goal of eliminating sources of lead exposure before a child is injured. The Budget also commits an additional \$9.4 million annually for the DOH and local health departments to

implement this initiative. Lastly, the Budget proposes a lead prevention measure to ensure residential rental properties statewide are maintained in a condition that protects children from the dangers associated with exposure to lead based paint hazards.

- **Consumer and Personal Products Disclosure.** The Executive budget includes legislation to require manufacturers of certain consumer and personal care products to disclose information related to the human health and environmental effects of chemicals in such products. The legislation will also authorize establishment of a standard for consumer products labeling and establish a public education program to ensure New Yorkers have easy access to this information.
- **Centralize Medical Marijuana Supervision.** The Executive Budget proposes a first-in-nation comprehensive cannabis regulatory framework, administered by the newly established Office of Cannabis Management (OCM) that centralizes all the licensing, enforcement and economic development functions in one entity. The OCM will administer all licensing, production, and distribution of cannabis products in the adult-use, industrial, and medical cannabis markets.

In the medical cannabis market, the OCM will supervise the continued expansion of the current medical cannabis program and institute reforms that expand patient access and product affordability while also encouraging research opportunities among medical cannabis providers, health care providers, and medical insurers.