

Joint Conference Subcommittee on Health and Aging

REPORT TO THE GENERAL JOINT CONFERENCE COMMITTEE

Senator Kemp Hannon
Assembly Member Richard N. Gottfried
Co-Chairs

March 26, 2006

The Health and Aging Subcommittee is pleased to present this report to the General Conference Committee. It provides the budget changes agreed to by the subcommittee, including specific allocations of the Subcommittee's table target.

The subcommittee allocated the General Funds Target to provide restorations and additions in the following areas:

▪ Limit GME reimbursement to actual costs – Reject	\$36.2 Million
▪ Eliminate the 2.5 percent trend factor on hospitals – Reject	\$80.6 Million
▪ Modify the volume adjustment to hospital case payments – Reject	\$23.2 Million
▪ Increase penalties for non-filing of hospital, nursing home & home care cost reports – Reject	\$0.1 Million
▪ Reduce Medicaid inpatient detoxification rates – Modify	\$5.0 Million
▪ Eliminate the rate add-on for 300+ bed nursing homes – Reject	\$8.0 Million
▪ Eliminate the rate add-on for hospital based nursing homes – Reject	\$5.0 Million
▪ Medicaid only case-mix for calculation of the nursing home rate - Reject	\$20.0 Million
▪ Eliminate the 2.5 percent trend factor on nursing homes – Reject	\$72.7 Million
▪ Changes to the Preferred Drug and Clinical Drug Review programs – Reject	\$55.5 Million
▪ Lower Medicaid reimbursement pharmacies – Reject	\$ 48.2Million
▪ Lower EPIC reimbursement to pharmacies – Reject	\$42.3 Million
▪ Increase in FHP co-payments for non-emergency ER visits – Reject	\$0.50 Million
▪ Certain changes to Medicaid long term care eligibility - Reject	\$34.8 Million
▪ Continue Medicaid wraparound pharmacy coverage to January 14, 2007	\$130.6 Million
▪ Mandatory enrollment of low income EPIC recipients in Medicare Part D – Modify	\$7.5 Million
▪ Reclassify transportation as an administrative service – Reject	\$4.4 Million
▪ Eliminate the mental health specialty rate – Reject	\$3.7 Million
▪ Nursing home rebasing proposal, with hold harmless	\$25.0 Million
▪ Increased hospital emergency room Medicaid rate	\$ 18.3Million
▪ Increased emergency room physician Medicaid rate	\$2.0 Million
▪ Increased AIDS adult day health care Medicaid rate	\$1.4 Million
▪ Eliminate the administrative and general cap on Long Term Home Health Care Program	\$6.5 Million
▪ Increased Medicaid rates for personal care workers	\$2.0 Million
▪ Increased Medicaid rates for home care workers	\$8.0 Million

▪ Nursing home pay for performance program	\$3.0 Million
▪ Nursing home quality incentive program	\$6.0 Million
▪ Enhanced Medicaid funding for emergency transportation	\$3.0 Million
▪ Adult home quality incentive payment program	\$2.8 Million
▪ Aging initiatives	\$4.051 Million
▪ Public health initiatives	\$40.0 Million

The Subcommittee also recommends the following savings for Health and Medicaid:

▪ Revision of the estimated Medicare Part D "clawback" payment	\$91.9 Million
▪ Additional Medicaid savings from an enhanced fraud proposal	\$175.0 Million
▪ Improved pharmacy rebate collections	\$28.4 Million
▪ Increased rebates from the 340-B drug discount program	\$3.2 Million
▪ Reduction in non-personal service funding for the Department Of Health	\$1.5 Million

The Subcommittee allocated the Health Care Reform Act Target to provide restorations and additions in the following areas:

▪ Eliminate six months of guaranteed eligibility for Medicaid and FHP – Reject	\$10.2 Million
▪ Changes to Family Health Plus eligibility - Reject	\$21.4 Million
▪ Health Coverage pilot individual subsidy program	\$1.3 Million
▪ Nursing home quality improvement grants	\$40.9 Million
▪ Grants to public nursing homes	\$8.3 Million
▪ Home care - recruitment and retention	\$25.0 Million
▪ Increase funding for the D&TC indigent care pool	\$7.5 Million
▪ Infertility services	\$5.0 Million
▪ School-based health clinics – Restore	\$3.5 Million
▪ Rural health care access/delivery development	\$0.5 Million
▪ Capital Adirondack Network For Cancer Education And Research In Rural Communities	\$5.0 Million
▪ Air Conditioning for adult home residents rooms	\$2.0 Million

In addition to allocating the Health and Aging Table Target the Subcommittee also:

- Refers to the General Committee resolving issues relating to the comprehensive anti-fraud package including an Office of Medicaid Inspector General along with new fraud-related offenses and penalties.
- Continues to draft the reform of hospital inpatient detoxification services.
- Approves a 3-year rebasing of nursing home reimbursement from the current 1983 base year, including a hold harmless provision.
- Accepts the cuts in Medicaid long term care eligibility required by the Federal Deficit Reduction Act of 2005 (DRA), with language making these changes contingent on them continuing to be required by Federal law.

- Accepts the continuation of prior year cost containment measures for one year.
- Extends the Medicaid Managed Care Program for three years through March 31, 2009, and accepts the Executive's proposal to expand mandatory enrollment in rural counties.
- Extends the Managed Long Term Care program for nine years until December 31, 2015, with modifications (including 8 additional slots, to be allocated 4 each by the Senate and Assembly).
- Agrees to continue the Medicaid wrap-around coverage for dual-eligible individuals to January 14, 2007, and implement automatic enrollment of low-income EPIC recipients in Medicare Part D, with an opt-out.
- Adds \$2 million to support Department of Health efforts to promote the most appropriate plan selection and increase participation under Medicare Part D.
- Rejects \$2 million for a statewide fiscal agent for the Early Intervention program.
- Accepts with modifications the Executive's proposed changes to increase reimbursement as well as restructure the General Public Health Works Program (Article 6).
- Accepts the Executive's increase in HCRA funding for the anti-tobacco program with a sub-allocation for Roswell Park Cancer Center for cancer research.
- Reduces from 25% to 10% the local match requirement for the \$25 million in increased funding for the Expanded Services for the Elderly Program (EISEP).
- Creates an Early Intervention demonstration program.
- Requires coordinating meetings among Medicaid operating agencies on management, efficiency and reform.
- Refers to the General Committee consideration of proposals on conversion of not-for-profit health plans.
- Sets aside for post-budget consideration proposals for simplification of enrollment and re-enrollment in Medicaid, Family Health Plus and Child Health Plus.
- Sets aside for post-budget consideration a proposal for a Medicaid reform demonstration program.
- Continues to draft authority for enhanced home nursing care for medically fragile children.
- Provides initial funding relating to statewide coordination of health care electronic information policy.
- Nursing home amnesty for late payments of the assessment.
- Sets aside for post-budget consideration proposed increases in the long term care insurance tax credit.
- Examining the proposal to eliminate emergency care prior to eligibility confirmation ("Brad H.").

- Continues to draft a proposal dealing with hospital Indigent Care policies.
- Directs the Department of Health to develop proposals for demonstration programs relating to health opportunity accounts and self-directed personal assistance under the Deficit Reduction Act of 2005, and report to the Legislature.
- Authorizes a Chemung County demonstration program for enhanced management of Medicaid services, subject to agreement on language.



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