



2012-13 Enacted Budget MRT Phase II Proposals

April 3, 2012

Jason Helgerson, Medicaid Director

John Ulberg, Medicaid CFO

2012-13 Enacted Budget Highlights

Major MRT reforms endorsed by the Legislature:

- ▶ Includes 24 MRT Phase II recommendations.
- ▶ Global Cap: Provides two year appropriation and extends Medicaid Savings Allocation Plan (super powers) through March 2014.
 - *Budget is cap “neutral” within 4% annual spending growth.*
- ▶ Medicaid Growth Takeover: State assumption of local Medicaid growth and administration.
- ▶ Implementation of supportive housing initiative (slight delay saves \$15 million).

Total Medicaid Spending

(dollars in billions)

	2011-12	2012-13	2013-14
State Funds	\$21.1	\$21.8	\$22.8
-- DOH (Global Cap / 4% growth)	15.3	15.9	16.6
-- Other State Agencies	5.8	5.9	6.2
Federal Funds	\$24.5	\$24.2	\$26.1
Local Funds	\$8.6	\$8.0	\$8.5
All Funds	\$54.2	\$54.0	\$57.4

Note: Amounts reflect the Executive Budget projections. Changes reflecting the closeout of SFY 11-12 and legislative impacts on SFYs 12-13 and 13-14 will be available in mid-April.



MRT Phase 2

Key Reforms

MRT Phase II Recommendations

("-" denotes savings; dollars in billions)

Workgroup	2012-13 Gross	2012-13 State	2013-14 Gross	2013-14 State
Basic Benefit Review	\$-38.8	\$-19.4	\$-38.8	\$-19.4
Health Disparities	\$12.2	\$6.1	\$0.6	\$0.3
Payment Reform	\$86.4	\$43.2	\$100.0	\$50.0
Program Streamlining	\$22.0	\$3.0	\$40.0	\$8.0
Workforce Flexibility/Managed LTC	\$1.5	\$1.0	\$1.5	\$1.0
Legislative Adds (<i>Prescriber Prevails and Estate Recovery</i>)	\$11.4	\$5.7	\$30.4	\$15.2
Redirect Transition II Funds	\$-25.0	\$-12.5	\$-25.0	\$-12.5
Delay Supportive Housing	\$-15.0	\$-15.0	\$0.0	\$0.0
Technical Avail (<i>UPL Adjustment</i>)	\$-25.0	\$-12.5	\$-25.0	\$-12.5
Net MRT Phase II Recommendations	\$29.7	\$-0.4	\$83.7	\$30.1

- ▶ *Affordable Housing (\$75 million in base) and Health Systems Redesign/Brooklyn (fiscal impact reflected in Payment Reform).*
- ▶ *Net savings from phasing out growth in local Medicaid spending over three years is not included above.*

Basic Benefit Review Recommendations

- ▶ Expanding coverage of podiatry services for adult diabetics.
- ▶ Providing breastfeeding support.
- ▶ Reducing payments for elective cesarean sections **without medical indication.**
- ▶ Eliminating coverage for knee arthroscopy, back pain treatments, angioplasty, and growth hormones where there is no evidence of benefit.

Health Disparities Recommendations

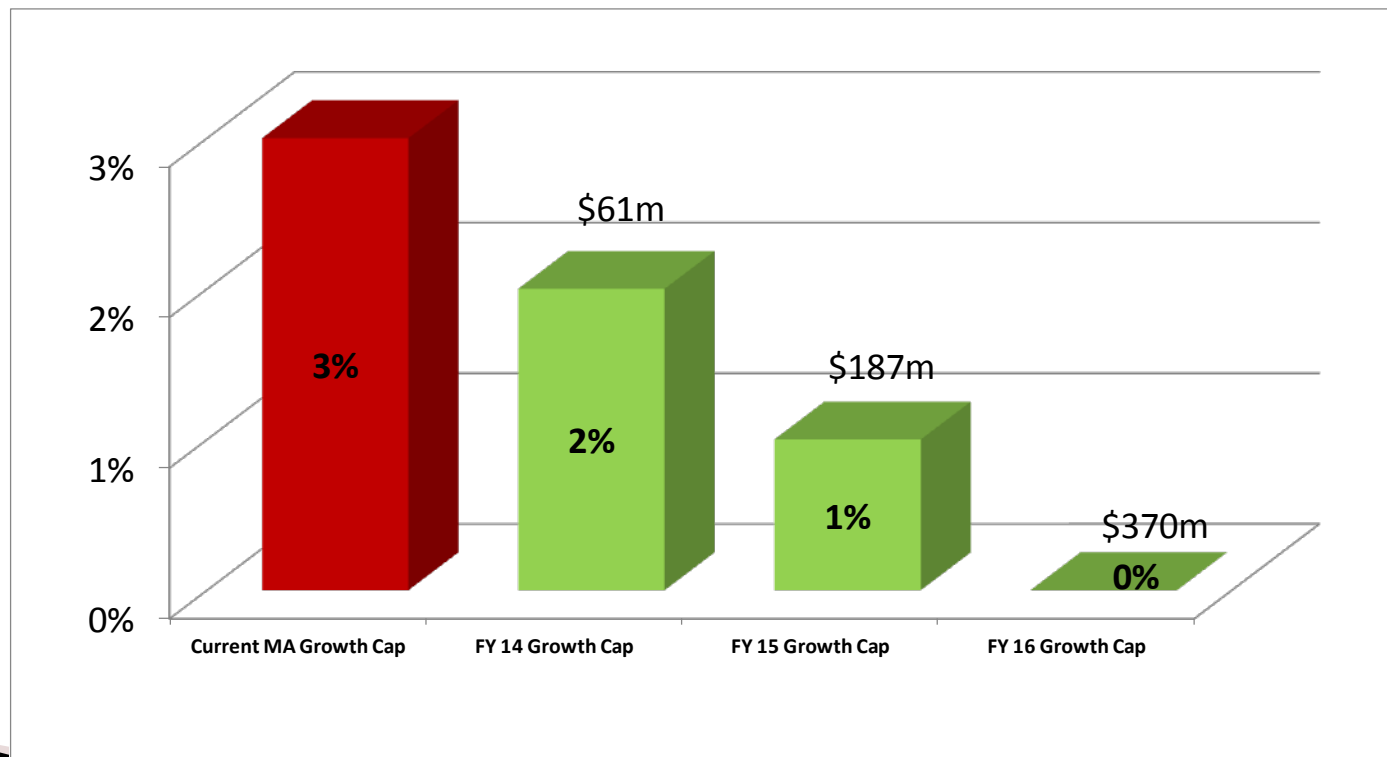
- ▶ Expanding services to promote maternal and child health, hepatitis C care and treatment, harm reduction counseling and services, and language accessible prescriptions.
- ▶ Providing reimbursement for interpretation services for patients with limited English and communication services for patients who are deaf and hard of hearing.
- ▶ Implementing and expanding data collection to measure disparities.

Payment Reform Recommendations

- ▶ Essential Community Provider Network
 - *Provides short term funding to address facility closure, merger, integration or reconfiguration of services.*
- ▶ Vital Access Providers (VAP)
 - *Provides ongoing rate enhancements or other support during significant restructuring.*
- ▶ HEAL reserves of up to \$450 million to ensure smooth transition of services within communities and to provide reinvestment capital.

Providing Relief for Local Medicaid Growth

- ▶ Counties and New York City will save over \$1.2 billion over 5 years beginning April 2013



Medicaid Administration

- ▶ Commissioner of Health has authority to phase-in administrative functions to the Department by 2018
 - *County employees will be able to voluntarily transfer to state positions based on their training and experience.*
 - *The transition of functions may be accomplished through the use of department staff and contracted entities, including contracts with local districts.*
- ▶ Non-Federal Medicaid administration reimbursement will be capped at 2011-12 levels
 - *Up to \$23 million pool may available for counties that exceed 11-12 levels.*
- ▶ State savings from capping administrative reimbursement at FY 2012 levels partially offsets State costs of assuming functions.

2012-13 Enacted Budget Highlights

New initiatives agreed to by the Legislature

- ▶ Prescriber prevails for mental health drugs within managed care.
- ▶ EPIC coverage reinstated for Medicare Part D plan co-payments or co-insurance (\$30.6m in 12-13 and \$36.3m in 13-14).
 - *Eligible seniors must be enrolled in a Medicare Part D drug plan and have incomes below \$35,000 (singles) or \$50,000 (married).*

2012-13 Enacted Budget Highlights

Initiatives **not** endorsed by the Legislature

- ▶ Remove spousal refusal initiative.
- ▶ Eliminate temporary operators language.
- ▶ Restore estate recovery.
- ▶ Eliminate expansion of tobacco cessation counseling to include dentists.



Conclusion

Additional Information

2012-13 Enacted Budget: Questions?

- ▶ If you have questions from today's presentation, please join us on Twitter for an opportunity to ask questions and have them answered in real time.
- ▶ When: Friday, April 6, 11:00 AM – 12:00 PM
- ▶ How to participate in the live Twitter chat:
 - If you're not already on Twitter, join at www.twitter.com
 - Follow the MRT on Twitter: [@NewYorkMRT](https://twitter.com/NewYorkMRT)
 - Login to Twitter between 11:00 AM and 12:00 PM on Friday
 - Ask questions by including [@NewYorkMRT](https://twitter.com/NewYorkMRT) and [#NYMRT](https://twitter.com/hashtag/NYMRT) in your tweets
 - You don't have to tweet – you can watch the conversation just by following [@NewYorkMRT](https://twitter.com/NewYorkMRT) on Twitter – updates will show up in your news feed.

MRT: Additional Information

- ▶ MRT Website:
http://www.health.ny.gov/health_care/medicaid/redesign/
- ▶ Sign up for email updates:
http://www.health.ny.gov/health_care/medicaid/redesign/istserv.htm
- ▶ ‘Like’ the MRT on Facebook:
<http://www.facebook.com/NewYorkMRT>
- ▶ Follow the MRT on Twitter: [@NewYorkMRT](https://twitter.com/NewYorkMRT)