



April 2020

## **NYS Budget Summary**

As New York City became the epicenter of the COVID-19 pandemic and Senators and Assembly members tested positive, legislative leaders and members of the Governors' staff continued to negotiate details for the 2020-21 state budget.

Negotiations were complicated by three major policy priorities:

- The preexisting budget gap, largely blamed on Medicaid, and consideration of MRTII recommendations to mitigate this shortfall,
- Onset of the coronavirus pandemic and subsequent economic shutdown, greatly reducing tax revenue projections for the year, and
- Provisions in the federal CARES act that restricted implementation of some MRTII recommendations.

The Budget was passed in the wee hours of April 3<sup>rd</sup> with an estimated revenue gap of \$6 to \$15 Billion. The Governor may amend the budget based on actual revenue three times during the year. Each time he does so, the Legislature will have ten days to come up with a better plan. If they do not, the Governor's plan will be implemented.

### *Area Health Education Centers*

Sadly, the NYS AHEC system was completely defunded in the 20-21 Budget. The AHEC system also has federal funding, so your local AHEC will continue to operate. However, the federal funding is designed as a match, so the loss of State funding may eventually impact the Federal funding as well.

### *Behavioral Health*

The Budget includes a Mental Health and Substance Use Disorder Parity Compliance Program. Behavioral Health providers are exempt from the 1.8% across-the-board cut in Medicaid rates. OASAS funding is \$3.5 million above the original Executive Budget. OMH, OASAS and OPWDD maintained the 2% increase for direct care staff only. The budget includes several adjustments to Health Home and Care Management programs intended to save money.

### *Criminal Justice*

The hot topic in Albany before the coronavirus arrived was Bail Reform. The budget legislation includes an expansion of the list of crimes for which bail may be set and extends

the timeframes for various stages of discovery. Humane Alternatives to Long Term (HALT) Solitary Confinement was not included this year.

### *Emergency Services*

The Budget discontinues Supplemental Ambulance Rebate Payments to EMT providers and implements an Ambulance Diversion program. A NYSARH goal is included: Community Paramedicine Program that will permit EMTs to provide some home-based services.

### *Human Services*

Despite a well-coordinated effort involving many associations of nonprofits, the “3for5” campaign was not successful. This effort will be continued for another push next winter.

### *Long Term Care*

The majority of the MRT II recommendations targeted long-term care, which was blamed for the deficit coming into this budget season. The budget extends the look-back period for eligibility from 30 days to 2.5 years, eliminates spousal refusal and increases the level of need required. The budget includes a growth cap of 3%.

### *Medicaid Reform*

Some MRT II recommendations are included in the Budget. Others, that conflicted with the rules for accepting increased Federal Medical Assistance Percentages, were postponed. As of this writing, the Federal enhancement leaves out all the New Yorkers enrolled in Medicaid expansion under the Affordable Care Act. The Budget does NOT include the transfer of Medicaid responsibility to Counties originally included in the Executive Budget.

### *Personal Assistance & CDPAS*

The legislation reduces the frequency of assessments and case management visits, encourages more telehealth visits, tightens rules for Fiscal Intermediaries, increases utilization review and permits personal assistants to transport consumers. Of concern, Counties and insurance plans are no longer required to notify people that they have the option to choose Consumer Directed services.

### *Paid Sick Leave*

New sick leave provisions will require New York employers of all sizes to provide a certain amount of paid or unpaid sick leave to be used for certain reasons.

- Businesses with 5 to 99 employees (and businesses with fewer than 5 employees but a net income of more than \$1 million in the prior tax year) must provide up to 40 hours of paid annual sick leave.
- Businesses with 100 or more employees must provide up to 56 hours of paid annual sick leave.
- Businesses with fewer than 5 employees and a net income of less than \$1 million in the prior tax year must provide up to 40 hours of annual **unpaid** sick leave.

*Population Health Improvement Program*

It appears that PHIP is included in the budget, but details are scarce.

*Prescriber Prevails*

Prescriber prevails did not survive the last-minute negotiations. This allows insurance companies more say, and the prescriber less, in the prescription of specific medications. On a positive note, the State will manage a single formulary for Medicaid, rather than the current situation in which each plan develops their own.

*Public Health Emergency*

There are three new funds:

- \$4 Billion Special Public Health Emergency Appropriations which may fund personnel, equipment, supplies, travel and training for municipalities, school districts and ‘eligible nonprofit organizations.’
- \$25 Billion Special Emergency Appropriation to apportion Federal Aid related to the pandemic.
- \$1 Billion Special Emergency Appropriation for State expenses related to the pandemic.

Insurance companies must cover COVID-19 treatment and are barred from requiring prior authorization for COVID-related hospitalizations.

*Rural Health Network and Rural Hospital Access Development*

2019-20 Appropriation:

Networks: 4,980,000

Access: 7,700,000

Leg App: 1,100,000

Total: 13,780,000

20-21 Appropriation:

Networks and Access: 9,410,000

Networks and Access: 1,100,000

Total: 10,510,000

The difference is \$3,280,000, which is 23.8% of \$13,780,000. The Charles D. Cook Office of Rural Health will get more detailed information to everyone as soon as they are able.

*Social Determinants of Health*

NYS will implement SDH interventions in two phases – Phase I will focus on scaling SDH interventions that have demonstrated the highest return on investment, such as medically tailored meals, statewide to reduce overall Medicaid spending and improve quality of care. Other likely interventions include non-pharmacological treatment of back pain, diabetes and chronic disease self-management programs and medical respite for the homeless population. Phase II will pilot new interventions in FY22 to demonstrate the return on investment to Medicaid before scaling to statewide implementation.

*Telehealth*

One bright spot in the budget is attention to the expansion of telehealth and a commitment to overcome interoperability barriers.

*Tobacco*

The budget includes the proposal to end the sale of all flavored e-cigarettes in NYS effective 45 days from enactment, among other tobacco control policies proposed in the Executive budget. This is a huge win for a large coalition of organizations, including NYSARH.

*Transportation*

Medicaid transportation is carved out of Medicaid Managed Long-Term Care and returned to fee for service. Fees for taxi/livery services are reduced.