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## Governor Unveils 2018-19 Executive Budget Proposal

Last Tuesday, Gov. Cuomo released his [2018-19 Executive Budget proposal](#). The proposal totals \$168.2 billion, a less than 2% increase over the current fiscal year. The budget plan proposes to keep most state agency spending flat, and includes \$1 billion in “tax actions.” The budget projects to close a \$4.4 billion deficit driven by declining revenues and a \$2 billion cut in Federal funding for health care that could rise to \$5 billion in out years. The proposal includes a \$769 million increase in state education aid, \$593 million in new Medicaid spending, and capital support to fund the State’s portion of the \$836 million MTA Subway Action Plan.

Importantly, the Executive Budget proposes to increase the State share of Medicaid funding growing from \$18.3 billion to \$18.9 billion. The Executive also proposes to extend the Medicaid Global Spending Cap through 2019-2020 (expiring on March 31, 2020) and allow for continued growth within the Global Cap at the indexed rate of 3.2%, for a total cap of \$18.9 billion for the 2018-19 fiscal year. The Global Cap is expected to provide \$425 million in General Fund savings for the 2019 fiscal year. In total, DOH Medicaid spending will increase to \$20.6 billion, including spending outside the Global Cap.

Additional healthcare provisions in the Executive Budget include: the establishment of a new healthcare “shortfall fund,” financed by proceeds from not-for-profit health insurer conversions, to mitigate risks associated with the loss of federal health care funds; an additional \$425 million capital investment for health care providers under the Statewide Healthcare Transformation Program III; a new 14% surcharge fee on profits from the sale of health insurance policies; enactment of the “Comprehensive Contraception Coverage Act”; a new 2¢ surcharge on the first sale of any opioid in the State; and 2% Medicaid reduction for nursing homes that rank lowest in the NYS nursing home quality initiative (“NHQI”).

[Legislative hearings](#) to review the Executive Budget proposal begin Tuesday, January 23, and run through Tuesday, February 13, 2018. The Health/Medicaid Budget Hearing will be held on Monday, February 12, 2018. The state’s 2018-19 fiscal year begins on April 1, 2018.

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## **VBP Updates**

### **VBP CBO Survey**

The Department recently announced that, of the 235 community based organizations (“CBOs”) that responded to the survey issued earlier this month, 44% have reported meeting with a Managed Care Organization or a VBP contractor/provider to begin discussing their role in a VBP Contract.

The survey, which was sent out on January 3, was designed to capture the current services CBOs are providing to address Social Determinants of Health (“SDH”) and gauge CBO integration with the New York State Value Based Payment (“VBP”) program. The survey also sought to allow the State to learn about SDH initiatives to share with the community at large, and to use the information provided to build a public inventory of Tier 1, 2, and 3 CBOs that can be used to facilitate VBP contracting.

CBOs that have not yet filled out the survey may do so [here](#). The directory of Tier 1, 2, and 3 CBOs is updated bi-weekly and posted on the [VBP Resource Library](#) under “Social Determinants of Health and Community Based Organizations.”

### **VBP Bootcamp Recording and Slides**

The Department has now completed six Value Based Payment Bootcamps with over 2,500 participants statewide. Those unable to attend the VBP Bootcamps may view the webcast recording of the Albany Bootcamp session, all course presentations, and supplemental materials [here](#).

The Department has indicated that more [VBP University](#) semesters will be released in the near future.

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## **Ambulatory Patient Group (“APG”) Information Updated**

The APG website has been updated to reflect the following changes:

- [APG Rates](#): Hospitals, D&TCs and ASCs' APG rates by Provider were updated.
- [FQHC Rates](#): FQHC rates by Provider were updated
- [FQHC ceilings](#): 10/1/2017 FQHC ceilings were added
- [Reimbursement Components](#): "Never Pay Procedures", "If Stand Alone, Do Not Pay Procedures", and "APG and Px-Based Weights History and APG Fee Schedules" were updated for January 2018.
- [3M Versions and Crosswalk](#): 3M APG Crosswalk file for a new version (v3.13.18.1) was posted.
- [Cost Report Webinar and Materials](#): Presentation slides, Q&As, and the recording were posted for the AHCF cost report webinar held on November 28, 2017

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## Health Home Update

### **In-Person Early Intervention Health Home Educational Sessions**

The Health Home program and Bureau of Early Intervention, with sponsorship by lead Health Homes, will be hosting Educational Forums across the State to provide involved stakeholders with information and networking opportunities regarding Early Intervention/Health Home care management services.

For more information, and to register, click [here](#).

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## Regulatory Update

### **Department of Financial Services**

#### **Minimum Standards for Form, Content and Sale of Health Insurance, Including Standards of Full and Fair Disclosure**

The Department of Financial Services recently issued a continued notice of [emergency rulemaking](#) that would require every individual and small group accident and health insurance policy or contract (other than a grandfathered health plan) that provides hospital, surgical, or medical expense coverage and every student accident and health insurance policy or contract provide coverage of at least the enumerated 10 categories of Essential Health Benefits (“EHBs”) if the EHB provisions in 42 U.S.C. § 18022 and 45 C.F.R. 156.100 et seq. are no longer in effect or are modified as determined by the Superintendent. This will ensure that people covered under individual, small group, and student accident and health insurance policies and contracts will continue to have coverage for these important benefits.

The Department has continued to adopt these regulations on an emergency basis to mitigate the impact of any Affordable Care Act (“ACA”) repeal and replace efforts enacted on the federal level. The rulemaking would ensure that, if the Superintendent of DFS determines that EHB and anti-discrimination provisions (42 U.S.C. § 18022 and 45 C.F.R. 156.100 et seq.) included federal Affordable Care Act (“ACA”) are no longer in effect or are modified, these provisions will remain in place in NYS.

This emergency rulemaking is effective as of December 28, 2017 and will expire on February 25, 2018.

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## Legislative Spotlight

The Legislature will be in session on Monday, January 22 through Tuesday, January 23, 2018. The Senate Health and Codes Committees will be meeting on Monday, January 22. The Senate Alcoholism and Drug Abuse Committee will be meeting on Tuesday, January 23. The Assembly Health Committee will be meeting on Tuesday, January 23.

Bills of potential interest include:

- [S.425/A.7077 \(Seward/Crespo\)](#): This bill would amend the definition of "small group" for purposes of health insurance policies and contracts to fifty employees or fewer. This bill is on the Senate Insurance Committee agenda.
- [S.2168 \(Serino\)](#): This bill would require the Department of Financial Services (“DFS”) to submit a study on the adequacy of insurance coverage for the treatment of Lyme disease and other tick-borne diseases, including the present state of insurance coverage, prevailing reasons for denial of insurance coverage, the number of insureds in need of coverage, and coverage requirements in other states. This bill is on the Senate Insurance Committee agenda.
- [S.409 \(Robach\)](#): This bill would make it unlawful for a caretaker to post a picture of a vulnerable elderly person on social media without their consent. This bill is on the Senate Codes Committee agenda.
- [S.6544/A.7689 \(Akshar/Rosenthal\)](#): This bill would prohibit individual, addiction professionals, credentialed professionals, health care providers, health care facilities or substance abuse programs from giving or receiving a commission, bonus, rebate, or kickback, to induce the referral of a potential service recipient in connection with the performance of substance abuse services. This bill is on the Senate Alcoholism and Drug Abuse Committee agenda.
- [A.8904 \(Gottfried\)](#): This bill would remove the statutory list of eligible conditions for medical marijuana, and allow medical marijuana to be certified and used for a severe debilitating or life-threatening condition if, in the practitioner's professional opinion and review of past treatments, the patient is likely to receive therapeutic or palliative benefit from it. This bill is on the Assembly Health Committee agenda.
- [A.8915 \(Gottfried\)](#): This bill would allow any practitioner who is authorized to prescribe controlled substances to certify patients for medical marijuana use. Currently, only physicians, nurse practitioners, and physician’s assistants are authorized to certify. This bill is on the Assembly Health Committee agenda.
- [A.9016 \(O'Donnell\)](#): This bill would add opioid use disorder to the list of conditions for which a patient may be certified for medical marijuana use. This bill is on the Assembly Health Committee agenda.

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## Grants/Funding Opportunities

### **Personalized Recovery Oriented Services (“PROS”) Staten Island**

Last week, the Office of Mental Health (“OMH”) posted a [Request for Proposals \(RFP\)](#) to invite interested bidders to submit proposals to open a Personalized Recovery Oriented Services (“PROS”) program on Staten Island.

PROS is an OMH licensed program that promotes a culture of recovery for individuals with serious mental illness 18 years of age or older. The model offers a menu of services, including evidence-based practices, to assist PROS participants in achieving a desired life role goal that may include employment, education, housing, relationships, health related outcomes, parenting, etc.

The Staten Island PROS will assist individuals who have moved or are moving out of Adult homes in the area to assimilate into their community. This will not preclude any individuals, associated with Adult Homes or not, from being eligible to participate in the new program. The selected organization will provide a site, staffing, and ability to offer all services included in three PROS components: Community Rehabilitation & Support (CRS), Intensive Rehabilitation (IR), and Ongoing Rehabilitation and Support (ORS). This PROS will not have the Clinic Treatment (CT) component.

A total of \$1,210,960 for the 5 year contract is available.

Eligible organizations must:

- Have demonstrated experience in working within the mental health system
- Have demonstrated experience with billing Medicaid
- Be an existing New York State registered non-profit cooperation
- Be prequalified in the Grants Gateway by the deadline submission

### Key Events/Timeline

RFP Released: January 18, 2018

Letter of Intent Due: February 1, 2018

Mandatory Bidders' Conference: February 8, 2018

Questions Due: February 20, 2018

Questions and Answers Posted on Website: March 12, 2018

Proposals Due: April 13, 2018

Anticipated Award Notification: May 8, 2018

Anticipated Contract Start Date: September 1, 2018

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### Upcoming Calendar

<b><i>Thursday, January 25, 2018</i></b>	Committees of the Public Health and Health Planning Council  10:00 a.m.  90 Church Street, 4 <sup>th</sup> Floor, Rooms 4A and 4B, New York, NY
<b><i>Thursday, January 25, 2018</i></b>	New York State Trauma Advisory Committee (STAC)  1:30 p.m.  Hilton Garden Inn, 235 Hoosick Street, Troy, NY
<b><i>Monday, February 5, 2018</i></b>	Spinal Cord Injury Research Board  12:00 p.m. to 4:00 p.m.  NYS DOH Metropolitan Area Regional Office, 90 Church Street, Conference Room 4B, New York, NY
<b><i>Monday, February 12, 2018</i></b>	Joint Legislative Budget Hearing on Health/Medicaid  10:00 a.m.  Legislative Office Building, Hearing Room B, Albany, NY
<b><i>Tuesday, February 13, 2018</i></b>	Joint Legislative Budget Hearing on Mental Hygiene  10:00 a.m.  Legislative Office Building, Hearing Room B, Albany, NY

<b>Thursday, February 15, 2018</b>	Drug Utilization Review Board (DURB)  9:00 a.m. to 4:00 p.m.  Empire State Plaza, Concourse Level, Meeting Room 6, Albany, NY
<b>Thursday, February 15, 2018</b>	Bureau of Tobacco Control and The New York State Tobacco Use Prevention and Control Advisory Board  10:30 a.m. – 3:00 p.m.  Empire State Plaza, Corning Tower Building, 2876A Conference Room, Albany, NY

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