

## **New York State 2015-16 Enacted Budget Highlights**

### **CAPITAL FUNDING**

The laws governing the \$1.2 billion Capital Restructuring Financing Program (CRFP) have been modified to specify that “funds shall be awarded regionally in proportion to the applications received from the Request for Application (RFA) issued by or before May 1, 2015.”

The following new appropriations will be available from the Department of Health (DOH) without a competitive bid or RFP process:

- \$700 million for health care facility transformation in Brooklyn communities “experiencing significant levels of health care disparities.” The goal of this fund is to support facility renovations or replacements as part of mergers, acquisitions, or other corporate restructuring activities that will help create a sustainable system of care in the community.
  - General hospitals, nursing homes, diagnostic and treatment centers (DTCs), primary care providers, and home care providers may be eligible for this pool. Applicants must either be in severe financial distress or provide services that address unmet health needs in the community.
- \$300 million for health care facility transformation in the city of Utica in Oneida County. The goal of this fund is to consolidate multiple facilities into one integrated system offering acute inpatient, outpatient primary, and other health care services.
  - Only general hospitals will be eligible for this pool.
- \$355 million for debt retirement and capital or non-capital projects that facilitate health care transformation.
  - Only “essential health care providers,” defined as a hospital or health care system that operates in a defined and isolated geographic region where services would otherwise be unavailable, are eligible for this fund.

Note that projects receiving funds from the Brooklyn or Oneida County pools will not be eligible for CRFP funds.

Other capital projects appropriations include:

- \$19.5 million for a revolving capital loan fund for community-based health care providers.
- \$10 million for health information technology (HIT) costs related to the carve-in of behavioral health (BH) services into managed care.
- \$10 million for the establishment of the All Payer Claims Database.
- \$45 million for the Statewide Health Information Network for New York (SHIN-NY).

### **VITAL ACCESS PROVIDER (VAP) PROGRAM**

The budget contains \$245 million in state share spending for VAP funds to be directed towards financially-distressed safety net hospitals. This represents a continuation of the Interim Access Assurance Fund (IAAF) money that was part of the Medicaid Redesign Team (MRT) waiver during 2014. Potential awardees must meet the Delivery System Reform Incentive Payment (DSRIP) definition

of a safety net hospital, and demonstrate that they will be in severe financial distress throughout FY 2016 (until March 31, 2016).

An additional \$80 million in VAP funding will be dedicated to Performing Provider Systems (PPSs) who are the sole PPS in their regions. Also, \$50 million of VAP funding is included for “essential behavioral health and other services.”

## BEHAVIORAL HEALTH

The budget includes funding for the previously approved 2 percent cost of living adjustment (COLA) for direct care staff, direct support staff and clinical staff, effective April 1<sup>st</sup>. This increase is in addition to the 2 percent increase for direct care and support staff only which was effective January 1<sup>st</sup>.

Other BH-related budget appropriations include:

- \$10 million for grants to Medicaid managed care plans, Health Homes, and BH providers for expenses related to the carve-in of BH services into managed care.
- Two appropriations totaling \$1.5 million for the expansion of police crisis intervention services.
- \$5 million to improve coordination of Health Homes with the justice system and state and local correctional facilities.
- \$1 million for application counselors to assist high-risk individuals, including people with BH conditions recently discharged from a correctional facility, to enroll in Health Homes.

## MEDICAID REFORM

The following appropriations related to other Medicaid program reforms are included:

- \$83.5 million for Health Home establishment and infrastructure costs. *It is unclear what is included in this appropriation. We will provide further information as it becomes available.*
- \$27 million for the Population Health Improvement Program (PHIP).
- \$5 million for the regional planning activities of the Finger Lakes Health Systems Agency.

Up to \$15 million this year (FY 2016) is authorized to facilitate the transition of foster care children into managed care. This is on top of \$5 million from the previous year (FY 2015) and may be used to provide voluntary agencies with funds for infrastructure, HIT, and other organizational modifications.

DOH is authorized to establish three young adult special population pilot programs to provide services to individuals with “severe and chronic” health problems or multiple disabilities that may be combined with developmental disabilities. These programs will be directed towards individuals between 21 and 35 years of age aging out of pediatric care.

## OTHER PROVISIONS

Other non-appropriation budget provisions include:

- The Medicaid Global Cap is extended through FY 2017.
- The Basic Health Program (BHP) is authorized and DOH is authorized to set rates. Persons with incomes between 138% and 200% of the federal poverty line (FPL), including immigrants not eligible for federal Medicaid participation are eligible for the BHP. State law has been changed to allow non-citizens with a valid non-immigrant status to participate in the BHP. DOH must submit a contingency plan in case the federal provisions governing the BHP are changed.