Final New York State 2019-2020 Budget Update

In the early morning hours of March 31, 2019 Governor Cuomo and Legislative Leaders announced an agreement on a final SFY 2019-20 State Budget, just before the April 1st deadline. Legislators worked throughout the day and night passing bills with the Senate adjourning at 3am this morning and the Assembly finishing just before 8am today. The final budget totals $175.5 billion and keeps state spending growth under 2%. The final budget also:

- Makes the 2% state property tax cap permanent;
- Enacts first-in-the-nation congestion pricing in Manhattan (streets south of 60th) to leverage $15 billion to support the MTA;
- Increases education aid by $1 billion;
- Creates a commission to study and make recommendations on enacting a public campaign finance system;
- Includes a series of criminal justice reforms including eliminating cash bail requirements for misdemeanors and Class E felonies;
- Bans the use of plastic bags and allows counties/cities to opt in to a 5cent fee on paper bags;
- Adds $500 million for clean drinking water infrastructure needs; and
- Expands eligibility for the Excelsior Scholarship Free Tuition Program to households under $125,000.

The Senate returned to Session on the afternoon of April 1st and the Assembly on the morning of April 2nd before going home to their districts after a long budget week. The Legislature will be in Session on April 8, 9 and 10th and will then take a two-week Easter/Pasover break beginning on April 11th. They will return to Session on April 29, 2019 for the remainder of the 2019 Session.

Following is an overview of the final New York State 2019-2020 Budget:

• **Human Services COLA - $0** We are extremely disappointed that the final budget did not include the COLA (2.9% this year) and defers it to 3/31/21.

• **#Fair2DirectCare** – the final budget included funding for a 2% increase, including salary and salary related fringe benefits, effective 1-1-20, for 100 and 200 codes and another 2% increase, effective 4-1-20, for 100, 200 and 300 codes. $8.4 million state share. Increases provided from 4-1-19 can be counted towards the 1-1-20 2% increase for 100 & 200.

• **Development** – **ACCEPTS** the Governor’s proposal for an additional $30 million state share this year for a fully annualized all shares $120 million (state and Federal funding) in additional funding available for “Program Priorities,” including; certified housing supports in the community; more independent living; more day program and employment options and increased respite.

• **Housing** – **ACCEPTS** the Governor’s proposal for an additional $15 million in capital funds to develop affordable housing.

• **Managed care readiness** – **ACCEPTS** the Governor’s proposal for $5 million for the NY Alliance for Inclusion and Innovation “to improve provider readiness for managed care through the development of best practices, performance measurement and outcome monitoring tools.”

• **“More efficient use of state resources”** – **ACCEPTS** the Governor’s proposal for OPWDD to continue to work with DOH and CMS on efficiencies including to “reconcile” room and board financial support against actual room and board costs and a proposal to modify rate methodology to reduce admin reimbursement to 15% in accordance with the cap in Executive Order 38 presumably on a program by program basis.

• **Integrated outpatient services** – **ACCEPTS** the Governor’s proposal to add Article 16s to the list of clinics that do not need an additional license to provide those services. Last year, Article 28, 31 and 32 clinics were granted joint licensure to provide any of those clinic services under their current license. Article 16 clinics are now included this year.

• **Minimum wage funding** - **ACCEPTS** the Governor’s proposal for $47.4 million state funding (for a total of approximately $94.8 with the federal funds included).

**SED**

• The final budget increases public school aid by $1 billion or 3.8% but there are no recommended increases for 4410 or 853 schools. **COPA has sent out an Alert asking everyone to contact their Regents to advocate that SED’s 853 and 4410 rate setting letter include:**
  - $15 million in increased teacher recruitment and retention funding
  - A 3.8% tuition increase comparable with the general school aid increase.

• **Mental Health Education in Schools** - **ACCEPTS** the Governor’s proposal for $1.5 million to prevent bullying, trauma, suicide etc.in schools.

• **School Waivers** – **REJECTS** the Governor’s proposal that the Commissioner of SED to grant a waiver for any requirement imposed on a local school district, approved private school, or BOCES upon a finding that the waiver will result in implementation of an
innovative special education program that is consistent with applicable federal requirements, and will enhance student achievement and/or opportunities for placement in regular classes and programs.

DOH

- **Early Intervention** – **ACCEPTS** the Governor’s proposal to provide a 5% rate increase for Early Intervention PTs, OTs and SLPs. The Legislature did not expand the 5% increase to all EI providers as COPA had advocated. Additionally, the “covered lives pool” language did not make it into the final budget.

- **Consumer Directed Personal Assistance Program (CDPAP) Program/ Fiscal Intermediary (FI) Changes** - **MODIFIES** the Governor’s language to require FIs to submit a contract application to DOH within 90 days of it’s posting on the DOH website. Eligible applicants include, but are not limited to, FIs established prior to 2012 and continually providing services, and independent living centers. “The selection of contractors shall be based on criteria reasonably related to the contractors' ability to provide fiscal intermediary services including but not limited to: ability to appropriately serve individuals participating in the program, geographic distribution that would ensure access in rural and underserved areas, demonstrated cultural and language competencies specific to the population of consumers and those of the available workforce, ability to provide timely consumer assistance, experience serving individuals with disabilities, the availability of consumer peer support, and demonstrated compliance with all applicable federal and state laws and regulations, including but not limited to those relating to wages and labor.” FIs shall report annually to DOH in a form prescribed by the Department. Additionally, the DOH Commissioner shall establish a stakeholder workgroup, no later than May 15, 2019, to address fiscal intermediary services, the needs of consumers including transition plans and criteria for selecting FIs. FI reimbursement would move to a per member/per month methodology with three corridors but we have not yet seen the final parameters or reimbursement amount for those corridors.

- **Health Facility Transformation Fund Phase IV** – **ACCEPTS** the Governor’s proposal to use $300 million, of the $525 million in new Phase III funding, that was included in the 2018-2019 budget, to fund Phase II applicants that did not receive a grant. These Phase II applicants will be rescored and those who will be awarded a grant, from the $300 million, will be notified by May 1, 2019. There will be a new RFP for the remaining $225 million from phase III with no new funding in the 2019-2020 budget proposal for Phase IV.

- **Elimination of spousal or parental refusal** – **REJECTS** the Governor’s proposal for a spouse or parent to cover the cost of long-term care services in order to qualify for Medicaid – ($5.9 million) state savings.

- **Electronic Visit Verification** – **ACCEPTS** the Governor’s proposal of $10 million for EVV costs for home care providers.

- **Prescriber prevails** - **REJECTS** the Governor’s proposal to repeal **prescriber prevails** for both managed care and fee for service Medicaid for a savings of ($22.45).
• **0.8% Across the Board Medicaid Cuts for Article 28 Clinics** etc. – **REJECTS** the original proposal but **MODIFIES** it to authorize that DOB and the State Health Commissioner MAY use a payment reduction plan to make across the board reductions, if necessary, to State Medicaid spending by $190.2 million in SFY 2019-20 and 2020-21.

• **Applied Behavioral Analysis (ABA)** – **ACCEPTS** the Governor’s proposal for Medicaid coverage of ABA for over 4,000 children with Autism Spectrum Disorders, including those who have aged out of the Early Intervention program. $6.4 million for 2019-20.

• **Medicare Part B Cost-Sharing** – **REJECTS** the Governor’s proposal to amend the language that ensures that payments for individuals who are both Medicare and Medicaid eligible shall be the same if the individual did not have Medicare to ensuring that the payment not exceed the Medicaid rate. The savings is $23.3 million which would result from not paying the Medicare crossover amount to providers. There was concern that this would further limit the number of health practitioners who will to take Medicaid patients.

• **TBI – ACCEPTS** the Governor’s proposal to move the TBI and NHTD waiver program under the Medicaid Global Cap.

• **Health Home Rate Reduction** – **INCREASES** the Governor’s proposed $5 million to $20 million which will be achieved by “streamlining the outreach reimbursement rate for care managers after initial contact has been established. This reform will incentivize care managers to enroll new members in programs and connect them to the services they require while disincentivizing intense care management over an extended period.” This $20 million program reduction is of concern to our field as CCOs were modeled on health homes and many people with I/DD will require ongoing intense care management.

**OMH**

• **Human Services COLA** - **$0** and defers the COLA (2.9% this year) to 3-31-21.

• **#bFair2DirectCare** - the final budget included funding for a 2% increase, effective 1-1-20, for 100 and 200 codes and another 2% increase, effective 4-1-20, for 100, 200 and 300 codes. $1.2 million state share.

• **Mental Health Education in Schools** – **ACCEPTS** $1.5 million in the SED budget to prevent bullying, trauma, suicide etc.

• **Supportive housing and SROs rate increase**- **ACCEPTS** the Governor’s $10 million increase.

• **Supports for high-need individuals** - **ACCEPTS** the Governor’s $10 million for those residing in adult homes with specialized supports such as peer support and in-reach.

• **Community Reinvestment**- **ACCEPTS** funding for community services expansion derived from the closure of additional state hospital beds of $5.5 million/$11 million fully annualized.

• **Capital Funds for Community Based Nonprofit Housing Providers** – **ACCEPTS** $60 million

• **Behavioral Health Parity** - budget includes several million dollars to enhance staff at the Department of Financial Services and the Department of Health to help assure health plans have adequate provider networks and are in compliance with parity requirements.
dedicated to network adequacy and reviewing existing health plans to help ensure compliance with parity. Some of the specifics are:

- assures 28 days of SUD services and 14 days of inpatient psychiatric services for youth without the barriers associated with prior or concurrent insurer and health plan approval
- assures access to prescribed medications for treatment of substance use related conditions without prior insurer and health plan approval
- assures that the clinical review criteria used by utilization review agents must be approved by OMH and OASAS
- requires insurers and health plans to post additional information regarding their in-network providers of MH/SU services

Contact us with any questions.

Barbara, JR & Wini

*Barbara Crosier*
Vice President, Government Relations
*Cerebral Palsy Associations of NYS*
3 Cedar Street Extension, Suite 2
Cohoes, NY 12047
Phone: *(518) 436-0178, Ext. 104*
Cell: *(518) 424-3198*
E-mail: *bcrosier@cpstate.org*

*John R Drexelius, Jr.*
Government Relations Counsel,
*DDAWNY*
Law Office of John R. Drexelius, Jr.
PO Box 141
Buffalo, NY 14223
*(716) 316-7552*
E-mail: *jrdrexelius@gmail.com*

*Winifred Schiff*
Associate Executive Director for Legislative Affairs
*InterAgency Council of Developmental Disabilities Agencies, Inc.*
150 West 30th Street 15th floor
New York, NY 10001
Office - *(212) 645-6360*
Cell - *(917) 750-1497*
E-mail: *wini@iacny.org*