

DEPARTMENT OF HEALTH

MISSION

The Department of Health ensures that high quality appropriate health services are available to all New York State residents at a reasonable cost. Department functions and responsibilities include:

- Promoting and supervising public health activities throughout the State;
- Ensuring high quality medical care in a sound and cost effective manner for all residents;
- Reducing infectious diseases such as food and waterborne illnesses, hepatitis, HIV, meningitis, sexually transmitted infections, tuberculosis, vaccine-preventable diseases and chronic disabling illnesses such as heart disease, cancer, stroke and respiratory diseases; and
- Directing a variety of health-related homeland security measures in conjunction with the Governor's Office of Public Security. As part of this mission, the Department works with the State's health care community to ensure appropriate readiness and response to potential public health threats.

The Department of Health is also the principal State agency that interacts with the Federal and local governments, health care providers and program participants for the State's Medicaid program.

ORGANIZATION AND STAFFING

Under the direction of the Commissioner, who is appointed by the Governor, the Department of Health meets its responsibilities through the Office of Medicaid Management, the Office of Managed Care, the centers located in the Office of Public Health, and the Office of Health Systems Management. These entities provide policy and management direction to the Department's system of regional offices. Department staff located in regional offices conduct health facility surveillance, monitor public health, provide direct services and oversee county health department activities.

Additionally, the Department is responsible for five health care facilities that are engaged in advanced medical research and patient care, the Helen Hayes Hospital in West Haverstraw, and four nursing homes for the care of veterans and their dependents in Oxford, New York City, Batavia and Montrose. In early 1999, responsibility for the operations of the Roswell Park Cancer Institute was transferred to a public benefit corporation, the Roswell Park Cancer Institute Corporation, pursuant to an operating agreement between the Corporation and the Department. This has provided Roswell with the flexibility needed to compete more effectively in a changing health care environment.

In 2006-07, the Department of Health will have a workforce of 5,843 positions, with 29 percent of those positions employed in the Department's health care facilities.

- Approximately 15 percent of these positions are paid exclusively by the General Fund;
- 10 percent are directly supported by fees;
- 58 percent are supported by third party, private patient care and Federal reimbursement; and
- The remaining 17 percent are directly funded by Federal grants.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

MEDICAID

Without any new cost controlling measures, total Medicaid spending in New York would grow to \$47.6 billion in 2006-07. The 2006-07 Medicaid Budget reflects a continued

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commitment to an effective and affordable delivery system that promotes high quality health care, protects patients, and ensures access to appropriate services to meet the health care needs of the State's most vulnerable residents.

Medicaid costs, which have been controlled in recent years, are now increasing at a rate that places an unaffordable burden on State and local governments. Accordingly, the Governor's recently enacted cap legislation provides significant fiscal relief to local governments by capping their share of Medicaid costs up to the amount they will have spent in 2005, as modified by a predictable growth factor. To help control escalating State costs, the Budget recommends a series of actions to limit Medicaid cost increases to keep the program affordable for State taxpayers while ensuring continued access to needed health care services for recipients.

In addition, the Executive Budget advances a comprehensive plan to improve and expand the State's Medicaid fraud, waste and abuse control efforts. The Budget supports the establishment of an independent Office of Medicaid Inspector General, advances legislation to assist in the fight against fraud, transfers existing audit and investigative resources from various State agencies to the Office and dedicates additional funding to support the Medicaid Inspector General's activities.

Pharmacy

Absent efforts to control growth, State Medicaid spending on pharmacy services will reach nearly \$1.3 billion in 2006-07. The 2006-07 Executive Budget recommends several measures to control these costs, including: strengthening the Preferred Drug Program; authorizing prior approval of certain high risk / high cost drugs; eliminating coverage for erectile dysfunction drugs consistent with recent Federal legislation; and, reducing pharmacy reimbursement from Average Wholesale Price (AWP) less 16.5 percent to AWP less 30 percent for generics and from AWP less 12.75 percent to AWP less 15 percent for brand name drugs and other actions.

The Budget ensures that individuals who are eligible for both Medicaid and Medicare have a safe and seamless transition to the new Medicare prescription drug program by providing funding for a six-month transition period (through July 1, 2006) during which the Medicaid program will continue to fund all medically necessary drugs in the event they are not available under Medicare Part D. In addition, the Budget includes additional funding for the State Medicaid program to continue, on a permanent basis, a wrap around benefit for certain drugs used in the treatment of mental illnesses, HIV/AIDS drugs and organ transplants.

Acute Care

The Health Care Reform Act (HCRA), originally enacted in 1996, serves as the statutory basis governing hospital financing. Under HCRA, most non-Medicaid payors negotiate rates with hospitals, encouraging competition in the health care industry. Medicaid rates are established consistent with governing HCRA statutes.

The 2006-07 Executive Budget recommendations for HCRA secure the fiscal stability of the program by increasing available revenues; reducing costs where feasible; continuing to provide hospitals and clinics with adequate funding; and ensure that high quality health care services are accessible and affordable for all New Yorkers.

State Medicaid spending for hospitals and clinics is expected to be approximately \$2.2 billion in 2006-07, which reflects a number of Budget recommendations to limit the growth in those costs. These include reducing Graduate Medical Education (GME) payments to facilities that lack the costs necessary to support existing reimbursement levels, eliminating annual inflationary increase, modifying the volume adjustment calculation and reforming inpatient uncomplicated detoxification services.

Long Term Care

State spending on nursing home and community-based care comprises more than half the General Fund Medicaid Budget — or an estimated \$4.8 billion in 2006-07. The 2006-07 Executive Budget recommends several initiatives that affect nursing homes including recouping delinquent nursing home assessments from delinquent payors; changing the reimbursement methodology to reduce inappropriate provider practices; holding nursing home adult day health care reimbursement to actual costs; requiring providers to offset inflationary cost increases; permanently continuing the reimbursable assessment at six percent; and other actions.

Starting in January 2007, the nursing home reimbursement methodology will be updated, or “rebased” using 2003 data, over a five-year period. To help finance the cost of this initiative, outdated rate adjustments will be eliminated, including rate add-ons for facilities with 300 plus beds and hospital-based facilities, and case mix enhancements for Medicare patients which are inappropriate because of changes in Federal reimbursement policy. Once fully implemented, the Governor’s proposal will provide more than \$340 million in new resources for nursing homes.

While progress continues to be made in implementing the provisions of the Long Term Care Integration and Finance Act of 1997, new actions are necessary to meet the future needs of the elderly and disabled. These include: additional funding for the Office for the Aging’s Expanded In-home Services for the Elderly Program; expanding the “Access to Home” program which would offer financial assistance to homeowners who undertake adaptation and accessibility work on dwellings occupied by low and moderate income persons with disabilities; and funding targeted investments to expand and promote the provision of care in community-based settings. Also, the Budget recommends closing existing eligibility loopholes that allow individuals to receive services without contributing to the cost of their care.

Managed Care

The 2006-07 Executive Budget reflects the continued mandatory enrollment of Medicaid recipients in managed care. Federal approval of New York’s 1115 Managed Care waiver in July 1997 set the stage for mandatory enrollment to commence in October 1997. To date, New York City and 23 upstate counties — Albany, Broome, Cattaraugus, Chautauqua, Columbia, Erie, Genesee, Greene, Herkimer, Livingston, Monroe, Nassau, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Rensselaer, Rockland, Saratoga, Suffolk and Westchester — are operating mandatory managed care programs. The remainder of the State will continue to phase in managed care, subject to Federal approval, during 2006-07.

A key component of the expansion already underway is to require mandatory enrollment of Supplemental Security Income (SSI) and Seriously and Persistently Mentally Ill (SPMI) individuals into managed care for their health care benefits. In addition, the remaining voluntary counties — Allegany, Dutchess, Orange, Putnam, Schenectady, Ulster and Washington — which currently have the required two managed care plans will implement mandatory enrollment starting in April 2006. Legislation is also advanced to allow other counties with a single managed care plan to require mandatory participation. The Office of Mental Health and the Office of Alcoholism and Substance Abuse Services will also work to establish State-sponsored managed care programs for individuals with co-occurring disorders.

Managed care enrollment is projected to reach approximately 2.1 million by the end of 2005-06 and 2.3 million in 2006-07. When fully implemented, over three-quarters of all Medicaid recipients eligible for managed care are expected to be enrolled. The managed care program has facilitated an increased use of primary care, better access to specialists and better care based on standard quality measures.

The State’s Medicaid managed care program — currently authorized through March 2006 — ensures that the neediest people receive high quality, accessible health care. Special Needs Plans, which began operation in May 2003, provide comprehensive services to

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individuals infected with HIV/AIDS. Medicaid managed care also incorporates a comprehensive set of consumer protections to ensure that all recipients obtain enrollment assistance and quality care, and understand their rights and responsibilities under managed care plans. The 2006-07 Executive Budget proposes legislation to extend the Medicaid Managed Care program permanently and eliminates the six month guaranteed eligibility for individuals enrolling in managed care plans.

Medicaid Administration

The Department of Health is responsible for overall management of the Medicaid program, including the State's interaction with Federal and local governments, health care providers and Medicaid recipients. Counties will continue their role in making Medicaid eligibility determinations and contracting with providers of Medicaid services. Payments to health care providers are now made through the State's new computerized payment system — commonly known as eMedNY — that is operated by a private company with oversight by State personnel. The new eMedNY Medicaid System replaced both the Medicaid Management Information System (MMIS) and the Electronic Medicaid Eligibility Verification System (EMEVs) with an integrated claims processing system which began full operation in March 2005. The new system provides updated technologies and brings New York State into compliance with new Federal reporting requirements. In addition, eMedNY is being used to substantially enhance front-end detection of Medicaid fraud.

CHILD HEALTH PLUS

New York's Child Health Plus (CHPlus) program — currently authorized through September 2007 — continues to set a national standard for children's health insurance coverage for children up to age 19. CHPlus was significantly expanded with passage of legislation under Governor Pataki's leadership in both 1996 and 1998, resulting in a dramatic increase in enrollment to nearly 440,000 children in 2005. Under Governor Pataki, the program has expanded to include comprehensive health benefits and increased eligibility to 250 percent of the Federal Poverty Level (FPL). When eligible Federal funds are combined with State HCRA moneys, CHPlus will provide comprehensive coverage to virtually all eligible children in the State.

FAMILY HEALTH PLUS

As authorized by HCRA 2000, the Family Health Plus program offers access to comprehensive health coverage for eligible low-income adults who do not have insurance through their employers, yet have incomes that do not qualify them for other publicly financed health programs. Under Family Health Plus, health coverage was expanded on October 1, 2001 to include families with incomes up to 133 percent of the gross FPL and on October 1, 2002 up to 150 percent of the FPL. For individuals without children, coverage is offered to those at 100 percent of the FPL. The 2006-07 Executive Budget recommends prohibiting coverage for individuals employed by large businesses; increasing co-payments for inappropriate use of emergency services; and requiring mandatory co-payments for all services.

OTHER PUBLIC HEALTH PROGRAMS

General Fund appropriations finance 16 percent of the Department of Health's budget in 2006-07 after excluding Medicaid and HCRA program costs. Other revenue sources, including: 1) reimbursement for patient care provided at the Department's health care facilities; 2) regulatory fees and audit recoveries; 3) management fees for hospital and nursing home construction projects financed through bond proceeds; and 4) registration, testing and certification fees for various public health services, support 39 percent of the

Department of Health's budget, including the Professional Medical Conduct Program, clinical and environmental laboratory certification activities, and health care facilities' operating costs. The remaining 45 percent is provided by Federal grants and Enterprise funds.

Capital Project appropriations promote the efficient operation of healthcare facilities statewide and preserve and maintain the Department's hospitals, nursing homes, and the three separate laboratory facilities in Albany County that constitute the Wadsworth Center for Laboratories and Research. The costs of projects at the health care facilities are funded from the General Fund, HCRA and/or facility revenues.

This overall recommendation ensures that public health priorities are preserved. As such, the 2006-07 Executive Budget:

- Provides the second \$250 million installment, increasing available appropriation levels to \$500 million of the \$1 billion commitment over four-years, for the Healthcare Efficiency and Affordability Law for New Yorkers (HEAL NY) Program authorized in the 2005-06 Budget. This program will support healthcare projects to upgrade information and healthcare technology, enhance the efficiency of facility operations and support facility improvement, reconfiguration and consolidation. This appropriation includes \$25 million for capital projects at the Roswell Park Cancer Institute;
- Provides \$893 million for the Elderly Pharmaceutical Insurance Coverage program (EPIC) to ensure that more than 372,000 senior citizens receive crucial prescription insurance. The Executive Budget provides a series of measures that will reduce the cost of the EPIC program as a result of coordinating benefits with the new Medicare prescription drug program. The Executive Budget also proposes reducing pharmacy reimbursement for brand name and generic drugs to bring retail reimbursement rates more in line with actual costs and eliminating funding for drugs used in the treatment of erectile dysfunction. New York will continue to assist in covering prescription drug costs for more seniors than any other state in the nation;
- Provides \$208 million for the State share of Early Intervention (EI) which provides needed services to infants and toddlers under the age of three who have developmental delays. The Budget advances measures to improve insurance reimbursement for EI medical services provided to insured children and requires the use of a fiscal agent by both the State and counties to standardize the fiscal management of the EI program.
- Includes \$260 million for the General Public Health Work program to reimburse counties for core and optional services at a rate of thirty-six percent, increase the base grants to counties by \$100,000, add vector-borne diseases to the list of disease control activities eligible for reimbursement, and provide a \$20 million reserve appropriation to address any public health emergencies at the discretion of the Commissioner of Health;
- Sustains the State's commitment to fighting the AIDS epidemic by providing statewide spending of more than \$3.4 billion, a year-to-year increase of \$128 million, including \$104.6 million for the AIDS Institute. Emphasis will continue to be placed on prevention and specialized services which target resources to populations with the greatest risk of infection;
- Includes \$78 million in direct support for the Roswell Park Cancer Institute Corporation;
- Includes \$95 million, funded largely from HCRA, for an anti-smoking program, including counter advertising, community and school-based education programs, cancer mapping, cancer research, strict enforcement of laws regulating the sale and use of tobacco products. This appropriation includes \$15 million for cancer research at Roswell Park Cancer Institute;
- Supports the optional State supplementation of the Federal nutrition assistance program for women, infants and children (WIC) with \$31 million, as well as an additional \$10.8 million in support of other hunger assistance programs, making New York one of only 7 states to augment Federal nutrition funds; and

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- Includes funding to support an ongoing Cost of Living Adjustment tied to the Consumer Price Index, effective October 1, 2006, for various public health and AIDS programs;
- Includes \$2.75 million to continue the State's ongoing commitment to improve the lives of adult home residents in New York. The Department, working with the Office of Mental Health, the Commission on Quality of Care and Advocacy for Persons with Disabilities and the State Office for the Aging, has undertaken a statewide effort to further expand the various initiatives already underway in adult homes, including: vocational and educational training, recreational activities, independent living skills, as well as the general maintenance and upkeep of the homes, which is critical to ensuring the health and safety of residents. Additionally, \$5.25 million is available in the Office of Mental Health for enhanced care coordination and more than 3,500 additional case management slots for mentally ill residents of adult homes.
- Includes additional funding for the Wadsworth Center for Laboratories and Research of \$5 million for the purchase of critical equipment, as well as \$10 million for capital improvements to the Wadsworth Laboratories.
- Includes \$6.7 million in support of the State's seventeen Regional Perinatal Centers to ensure the quality of care for newborns and their mothers.

PROGRAM HIGHLIGHTS

MEDICAID

Medicaid was established in 1965 by the Federal government as a health insurance program for the poor. Absent reform, New York's Medicaid program costs would total \$47.6 billion in 2006-07, and provide coverage to nearly 4 million New Yorkers. Cost containment and revenue maximization initiatives have resulted in the State's General Fund Medicaid spending being held to average annual increases of only 3.5 percent since 1994-95. In addition to the Federally mandated services — inpatient and outpatient hospital care, nursing facility care, physician services, home health care, family planning, and laboratory and x-ray services — New York also provides almost all Federally permissible optional services.

ACCESS TO HIGH QUALITY HEALTH CARE

The Department develops and implements programs to ensure that residents of New York have access to high quality health care. Over the last several years, important legislation has been enacted that significantly enhances the availability of appropriate care to all New Yorkers including the following:

- The landmark Health Care Reform Act (HCRA) of 1996 deregulated inpatient hospital reimbursement and introduced a market-based system which allows commercial insurers, managed care entities and self-insured plans to establish rates of payment directly through negotiations with hospitals and without State intervention. HCRA 2000, enacted in 1999, re-affirmed the State's commitment to ensuring that the hospital system adapts to the changing health care environment. In addition, HCRA 2000 provided the necessary resources to expand the Child Health Plus program and initiated comprehensive new programs to expand access to health care for the uninsured, including Family Health Plus and Healthy New York;
- HCRA 2002 provided the necessary resources for a multi-year investment to attract, train and retain a high quality health care workforce in New York State and expanded Medicaid eligibility to working disabled individuals and to cover the cost of treatment for low income women diagnosed with breast or cervical cancer through the Center for Disease Control's National Screening Program;

- In 2003 and 2005 HCRA was extended for two years, most recently through June 2007. In addition, revenues were enhanced, through increases in health care surcharges and the dedication of insurance conversion proceeds to maintain the financial stability of HCRA through the extension period;
- Pioneering consumer managed care legislation enacted in 1996 — the Managed Care Bill of Rights — ensured that consumers are appropriately informed about managed care choices and benefits, and guaranteed that providers can discuss all appropriate health care options; and
- Enhanced consumer protections were added in External Review legislation enacted in 1998, which provide health plan enrollees the opportunity to request an external appeal when coverage of health care services is denied on the grounds that the service is not medically necessary or that it is experimental or investigational.

The 2006-07 Executive Budget ensures HCRA's financial stability through its authorization period. Most significantly, the Budget dedicates \$308 million in new revenues to HCRA by increasing the State cigarette tax to \$2.50 per pack — from the current \$1.50 — and reinvesting a portion of these funds in anti-tobacco initiatives, raising funding levels to \$95 million consistent with Federal Centers for Disease Control and Prevention (CDC) recommendations. In addition, \$138 million in new cost containment actions are proposed (which includes \$118.5 million in General Fund savings) while needed investments are made to support the HEAL NY Program, increase reimbursement through the Excess Medical Malpractice Program and stockpile medications and supplies to respond in the event of a future epidemic

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Efforts such as education, research and disease prevention are aimed at improving the health of all New Yorkers. Particular focus is placed on nutrition, prenatal and perinatal care, child health, treatment and control of sexually-transmitted diseases and tuberculosis, childhood immunization, the health risks of environmental contaminants, drinking water purity and follow-up investigations of disease outbreak. In addition, the Department serves as primary liaison with local and county health departments to ensure the quality of public health services throughout New York State.

The Wadsworth Center for Laboratories and Research assists the Department in accomplishing its public health mission. Screening programs conducted by the Wadsworth Laboratories address public health concerns such as HIV, tuberculosis, environmental contamination and genetic disorders in newborns. In 2005-06, the newborn screening program expanded significantly, and now includes a total of 45 disorders, making New York State a national leader in the area of newborn testing. Ongoing research, largely funded by external grants, is carried out for public health problems such as AIDS, West Nile virus, cancer and the toxic effects of chemical substances and radiation. The Wadsworth Center regulates more than 700 environmental laboratories and more than 1,800 clinical laboratories and patient service centers to ensure testing quality, and the public's health and safety. In addition, the Wadsworth Center and DOH's Centers for Community and Environmental Health continue to play key roles in managing the State's preparation for response to bioterrorism.

A COMMITMENT TO AIDS RESEARCH AND PREVENTION

The Department develops and funds HIV prevention and health care programs, educates the public and health care providers, formulates policy and directs regional and statewide HIV/AIDS planning. New York remains a leader in combating this complex epidemic by responding to changes in incidence with even greater attention to population-based programming, long-term care and policies designed to reduce discrimination and guarantee basic medical care and treatment for the uninsured. New York State will spend \$3.4 billion to combat HIV/AIDS next year.

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HEALTH SYSTEMS MANAGEMENT

The Department ensures that quality health care is available to all New York residents by overseeing the services provided by hospitals, nursing homes, diagnostic and treatment centers and home care providers. The Department strives to ensure that limited health care dollars are prudently spent through its reimbursement rate methodologies, rate setting, and review and monitoring of health facility plans for construction and expansion. Federal reimbursement for surveillance and certification, and fees for overseeing facilities to ensure that bonded debt is repaid, help to offset program costs.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	4,648,552,000	4,645,606,000	(2,946,000)	9,402,411,000
Aid To Localities	44,365,425,185	43,879,956,300	(485,468,885)	24,819,679,000
Capital Projects	326,600,000	300,537,000	(26,063,000)	450,603,000
Total	<u>49,340,577,185</u>	<u>48,826,099,300</u>	<u>(514,477,885)</u>	<u>34,672,693,000</u>

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Full-Time Equivalent Positions (FTE)

Program	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Administration and Executive Direction			
General Fund	88	88	0
Special Revenue Funds - Federal	58	58	0
Special Revenue Funds - Other	253	253	0
AIDS Institute			
General Fund	164	164	0
Child Health Insurance			
Special Revenue Funds - Other	37	37	0
Community Health			
General Fund	7	15	8
Special Revenue Funds - Federal	631	631	0
Special Revenue Funds - Other	103	117	14
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Federal	5	5	0
Special Revenue Funds - Other	22	27	5
Environmental Health			
General Fund	99	99	0
Special Revenue Funds - Federal	137	137	0
Special Revenue Funds - Other	84	78	(6)
Capital Projects Funds - Other	80	80	0
Health Care Financing			
General Fund	81	92	11
Special Revenue Funds - Other	57	57	0
Health Care Standards and Surveillance			
General Fund	547	547	0
Special Revenue Funds - Other	314	304	(10)
Health Services			
Enterprise Funds	14	14	0
Institution Management			
Special Revenue Funds - Other	1,672	1,672	0
Laboratories and Research			
General Fund	374	405	31
Special Revenue Funds - Federal	81	81	0
Special Revenue Funds - Other	192	208	16
Managed Care			
General Fund	152	158	6
Medicaid Management, Office of			
General Fund	420	426	6
Special Revenue Funds - Federal	88	88	0
Special Revenue Funds - Other	2	2	0
Total	<u>5,762</u>	<u>5,843</u>	<u>81</u>

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**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	153,812,000	162,242,000	8,430,000
Special Revenue Funds - Federal	4,004,825,000	3,979,144,000	(25,681,000)
Special Revenue Funds - Other	489,905,000	504,210,000	14,305,000
Enterprise Funds	10,000	10,000	0
Total	<u>4,648,552,000</u>	<u>4,645,606,000</u>	<u>(2,946,000)</u>
Adjustments:			
Transfer(s) To			
Medicaid Inspector General, Office of the			
General Fund	15,753,000		
Special Revenue Funds - Federal	50,073,000		
Special Revenue Funds - Other	4,500,000		
Appropriated 2005-06	<u>4,718,878,000</u>		

STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)

Program	Available 2005-06	Recommended 2006-07	Change
Administration and Executive Direction			
General Fund	21,063,000	21,953,000	890,000
Special Revenue Funds - Federal	9,824,000	8,984,000	(840,000)
Special Revenue Funds - Other	32,901,000	35,954,000	3,053,000
AIDS Institute			
General Fund	16,238,000	16,329,000	91,000
Child Health Insurance			
Special Revenue Funds - Federal	58,300,000	64,131,000	5,831,000
Special Revenue Funds - Other	11,408,000	11,421,000	13,000
Community Health			
General Fund	0	9,132,000	9,132,000
Special Revenue Funds - Federal	117,128,000	117,128,000	0
Special Revenue Funds - Other	7,746,000	9,084,000	1,338,000
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Federal	34,000,000	0	(34,000,000)
Special Revenue Funds - Other	14,292,000	19,125,000	4,833,000
Environmental Health			
General Fund	9,287,000	9,287,000	0
Special Revenue Funds - Federal	15,678,000	15,678,000	0
Special Revenue Funds - Other	17,208,000	18,166,000	958,000
Health Care Financing			
General Fund	4,807,000	8,414,000	3,607,000
Special Revenue Funds - Other	9,084,000	8,425,000	(659,000)
Health Care Standards and Surveillance			
General Fund	53,806,000	52,681,000	(1,125,000)
Special Revenue Funds - Federal	300,000	0	(300,000)
Special Revenue Funds - Other	65,423,000	64,691,000	(732,000)
Institution Management			
Special Revenue Funds - Other	150,899,000	140,327,000	(10,572,000)
Enterprise Funds	10,000	10,000	0
Laboratories and Research			
General Fund	32,726,000	39,812,000	7,086,000
Special Revenue Funds - Federal	11,448,000	15,076,000	3,628,000
Special Revenue Funds - Other	44,422,000	45,995,000	1,573,000
Maintenance Undistributed			
General Fund	(123,962,000)	(138,962,000)	(15,000,000)
Special Revenue Funds - Other	123,962,000	138,962,000	15,000,000
Managed Care			
General Fund	14,841,000	15,372,000	531,000
Special Revenue Funds - Other	60,000	60,000	0
Medicaid Management, Office of			
General Fund	50,971,000	51,427,000	456,000
Special Revenue Funds - Federal	3,662,424,000	3,662,424,000	0
Special Revenue Funds - Other	12,500,000	12,000,000	(500,000)
Medicaid Management Information System			
General Fund	74,035,000	76,797,000	2,762,000
Special Revenue Funds - Federal	95,723,000	95,723,000	0
Total	<u>4,648,552,000</u>	<u>4,645,606,000</u>	<u>(2,946,000)</u>

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**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2006-07 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	7,463,000	0	6,958,000	(80,000)
AIDS Institute	10,448,000	91,000	10,448,000	91,000
Environmental Health	7,350,000	0	7,350,000	199,000
Health Care Financing	7,198,000	3,202,000	7,128,000	3,167,000
Health Care Standards and Surveillance	36,691,000	(1,008,000)	36,321,000	(1,008,000)
Laboratories and Research	25,086,000	2,086,000	24,765,000	2,086,000
Managed Care	10,961,000	451,000	10,961,000	451,000
Medicaid Management, Office of	26,418,000	381,000	26,418,000	381,000
Total	<u>131,615,000</u>	<u>5,203,000</u>	<u>130,349,000</u>	<u>5,287,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	250,000	25,000	255,000	55,000
AIDS Institute	0	0	0	0
Environmental Health	0	(187,000)	0	(12,000)
Health Care Financing	0	0	70,000	35,000
Health Care Standards and Surveillance	120,000	0	250,000	0
Laboratories and Research	64,000	0	257,000	0
Managed Care	0	0	0	0
Medicaid Management, Office of	0	0	0	0
Total	<u>434,000</u>	<u>(162,000)</u>	<u>832,000</u>	<u>78,000</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2006-07 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Executive Direction	14,490,000	890,000	740,000	0
AIDS Institute	5,881,000	0	1,333,881	0
Community Health	9,132,000	9,132,000	0	0
Environmental Health	1,937,000	0	0	(159,000)
Health Care Financing	1,216,000	405,000	63,000	51,000
Health Care Standards and Surveillance	15,990,000	(117,000)	279,500	0
Laboratories and Research	14,726,000	5,000,000	3,285,000	0
Managed Care	4,411,000	80,000	114,000	80,000
Medicaid Management, Office of	25,009,000	75,000	0	0
Medicaid Management Information System	76,797,000	2,762,000	0	0
Total	169,589,000	18,227,000	5,815,381	(28,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Executive Direction	262,000	0	12,547,000	0
AIDS Institute	311,700	0	3,556,900	0
Community Health	0	0	0	0
Environmental Health	0	(415,000)	1,937,000	714,000
Health Care Financing	118,300	80,000	934,000	212,000
Health Care Standards and Surveillance	1,247,300	0	13,997,700	110,000
Laboratories and Research	76,000	0	6,060,000	0
Managed Care	0	0	4,297,000	0
Medicaid Management, Office of	0	0	4,955,000	75,000
Medicaid Management Information System	0	0	76,797,000	2,762,000
Total	2,015,300	(335,000)	125,081,600	3,873,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	51,000	0	890,000	890,000
AIDS Institute	228,519	0	450,000	0
Community Health	0	0	9,132,000	9,132,000
Environmental Health	0	(140,000)	0	0
Health Care Financing	100,700	62,000	0	0
Health Care Standards and Surveillance	192,500	0	273,000	(227,000)
Laboratories and Research	5,305,000	5,000,000	0	0
Managed Care	0	0	0	0
Medicaid Management, Office of	0	0	20,054,000	0
Medicaid Management Information System	0	0	0	0
Total	5,877,719	4,922,000	30,799,000	9,795,000

HEALTH

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2006-07 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Executive Direction	44,938,000	2,213,000	16,276,000	(542,000)
Child Health Insurance	75,552,000	5,844,000	2,428,000	0
Community Health	126,212,000	1,338,000	0	0
Elderly Pharmaceutical Insurance Coverage	19,125,000	(29,167,000)	1,701,000	301,000
Environmental Health	33,844,000	958,000	5,643,000	579,000
Health Care Financing	8,425,000	(659,000)	4,467,000	0
Health Care Standards and Surveillance	64,691,000	(1,032,000)	16,529,000	1,249,000
Institution Management	115,893,000	(9,680,000)	0	0
Laboratories and Research	61,071,000	5,201,000	9,450,000	30,000
Managed Care	60,000	0	0	0
Medicaid Management, Office of	3,674,424,000	(500,000)	3,766,000	0
Medicaid Management Information System	95,723,000	0	0	0
Total	4,319,958,000	(25,484,000)	60,260,000	1,617,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	18,450,000	3,558,000	10,212,000	(803,000)
Child Health Insurance	8,993,000	13,000	64,131,000	5,831,000
Community Health	0	0	126,212,000	1,338,000
Elderly Pharmaceutical Insurance Coverage	17,231,000	4,507,000	193,000	(33,975,000)
Environmental Health	11,123,000	379,000	17,078,000	0
Health Care Financing	3,958,000	(659,000)	0	0
Health Care Standards and Surveillance	24,517,000	(181,000)	23,645,000	(2,100,000)
Institution Management	0	0	115,893,000	(9,680,000)
Laboratories and Research	14,039,000	337,000	37,582,000	4,834,000
Managed Care	0	0	60,000	0
Medicaid Management, Office of	11,961,000	0	3,658,697,000	(500,000)
Medicaid Management Information System	0	0	95,723,000	0
Total	110,272,000	7,954,000	4,149,426,000	(35,055,000)

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	9,103,817,600	9,538,589,300	434,771,700
Special Revenue Funds - Federal	25,688,743,585	25,800,206,000	111,462,415
Special Revenue Funds - Other	7,801,664,000	6,769,961,000	(1,031,703,000)
Fiduciary Funds	1,771,200,000	1,771,200,000	0
Total	44,365,425,185	43,879,956,300	(485,468,885)

Adjustments:	
Prior Year Deficiency	
Health, Department of	
General Fund	225,000,000
Special Revenue Funds - Other	27,000,000
Recommended Deficiency	
Health, Department of	
General Fund	(606,000,000)
Transfer(s) To	
Medicaid Inspector General, Office of the	
General Fund (State Operations)	5,550,000
Appropriated 2005-06	<u>44,016,975,185</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2005-06	Recommended 2006-07	Change
Administration and Executive Direction			
General Fund	602,000	608,000	6,000
AIDS Institute			
General Fund	8,564,300	9,187,000	622,700
Special Revenue Funds - Other	88,253,000	88,253,000	0
Child Health Insurance			
Special Revenue Funds - Federal	435,000,000	478,500,000	43,500,000
Special Revenue Funds - Other	435,000,000	435,000,000	0
Community Health			
General Fund	600,847,300	547,117,300	(53,730,000)
Special Revenue Funds - Federal	694,035,000	694,035,000	0
Special Revenue Funds - Other	80,373,000	99,385,000	19,012,000
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	851,000,000	874,075,000	23,075,000
Environmental Health			
General Fund	6,000,000	6,000,000	0
Special Revenue Funds - Federal	3,206,000	3,206,000	0
Special Revenue Funds - Other	200,000	200,000	0
Health Care Reform Act Program			
Special Revenue Funds - Other	1,608,550,000	1,154,310,000	(454,240,000)
Health Care Standards and Surveillance			
General Fund	12,731,000	9,731,000	(3,000,000)
Special Revenue Funds - Federal	350,000	400,000	50,000
Special Revenue Funds - Other	5,500,000	2,750,000	(2,750,000)
Laboratories and Research			
General Fund	931,000	931,000	0
Special Revenue Funds - Federal	3,201,000	3,201,000	0
Maintenance Undistributed			
General Fund	(7,288,000)	(7,288,000)	0
Special Revenue Funds - Other	7,288,000	7,288,000	0
Medicaid Management, Office of			
General Fund	10,108,000	11,477,000	1,369,000
Medical Assistance			
General Fund	8,349,522,000	8,828,821,000	479,299,000
Special Revenue Funds - Federal	24,071,151,585	24,139,064,000	67,912,415
Special Revenue Funds - Other	4,725,500,000	4,108,700,000	(616,800,000)
Fiduciary Funds	1,771,200,000	1,771,200,000	0
Medical Assistance Administration			
General Fund	121,800,000	132,005,000	10,205,000
Special Revenue Funds - Federal	481,800,000	481,800,000	0
Total	<u>44,365,425,185</u>	<u>43,879,956,300</u>	<u>(485,468,885)</u>

**CAPITAL PROJECTS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Health Care Efficiency and Affordability Law for New Yorkers				
Capital Projects Fund	65,000,000	165,000,000	100,000,000	65,000,000
Capital Projects Fund - Advances	185,000,000	85,000,000	(100,000,000)	185,000,000
Laboratories and Research				
Capital Projects Fund	4,000,000	10,000,000	6,000,000	13,995,000
Maintenance and Improvements of Existing Institutions				
Capital Projects Fund	7,600,000	7,600,000	0	26,805,000
New Institution Construction				
Capital Projects Fund - Advances	0	0	0	21,000,000
Water Resources				
Federal Capital Projects Fund	65,000,000	32,937,000	(32,063,000)	138,803,000
Total	<u>326,600,000</u>	<u>300,537,000</u>	<u>(26,063,000)</u>	<u>450,603,000</u>