

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 Office of Homeland 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. In addition, the Office of Health Insurance Programs, is responsible for developing and implementing strategies to improve access to health insurance coverage for the uninsured and providing for an integrated approach to oversight and administration of the Medicaid program to strengthen coordination within the Department and among State agencies and focus on improving health outcomes.

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 Health Insurance Programs, the Office of Long Term Care Services and Programs, the centers located in the Office of Public Health, and the Office of Health Systems Management. The 2007-08 Executive Budget provided for the Department's reorganization by consolidating all public health insurance programs under a new office, responsible for Medicaid and Family Health Plus, Child Health Plus, Elderly Pharmaceutical Insurance Coverage, and the AIDS Drug Assistance Program, and all long term care services under a single office to improve integration of planning and program development. These entities are responsible for providing 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 patient care: the Helen Hayes Hospital in West Haverstraw which offers specialty rehabilitation services, 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.

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In 2008-09, the Department of Health will have a workforce of 6,040 positions, with 28 percent of those positions employed in the Department's health care facilities.

- Approximately 35 percent of these positions are paid by the General Fund;
- 10 percent are directly supported by fees;
- 38 percent are supported by third party and private patient care reimbursement; and
- The remaining 17 percent are directly funded by Federal grants.

BUDGET HIGHLIGHTS

MEDICAID

Without any new cost controlling measures, total Medicaid spending in New York would grow to \$47.3 billion in 2008-09. The 2008-09 Medicaid Budget reflects a 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 represent the single largest spending area in the State's budget. While spending growth has been moderated recently, it continues to increase at a rate that places an unaffordable burden on State and local governments. Accordingly, the 2008-09 Executive Budget includes funding to support the Medicaid cap legislation which 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 and refocus Medicaid spending, the Budget recommends a series of actions to limit Medicaid cost increases keeping the program affordable for State taxpayers while ensuring continued access to needed health care services for recipients. This Budget furthers the fundamental retooling of New York's health care system begun in the 2007-08 by:

- recommending a series of measures to control health care costs, including several initiatives to ensure that the State is paying appropriately for prescription drugs;
- reforming Medicaid reimbursement for hospitals and making needed investments in primary and preventive care;
- continuing efforts advanced last year to strengthen care coordination and management for high-cost individuals to lower costs and improve treatment outcomes;
- expanding access to health insurance coverage, by implementing the Family Health Plus Buy-In and EPIC Discount Card programs, simplifying eligibility enrollment processes, including aligning Medicaid and Family Health Plus resource rules, and expanding coverage for children and foster children up to age 21;
- extending the Health Care Reform Act (HCRA) and recommending several actions to ensure that HCRA is fiscally sound;
- beginning the transformation of the Long Term Care system with the establishment of a Home Care Task Force and providing resources to develop reform options;
- providing additional resources through the HEAL NY and F-SHRP programs to support implementation of the Berger Commission recommendations and other reform efforts;

In addition, the Executive Budget advances statutory reforms to assist in the fight against fraud and provides additional resources for the Office of the Medicaid Inspector General to improve and expand the State's Medicaid fraud, waste and abuse control efforts.

Pharmacy

Absent efforts to control growth, State Medicaid spending on pharmacy services will reach \$1.4 billion in 2008-09. The Budget includes a number of recommendations to control the growth of pharmacy costs. Major Budget actions:

- **Move Pharmacy Services Outside of the Family Health Plus (FHP) Benefit:** The Budget recommends that pharmacy benefits for FHP enrollees be provided on a fee for service basis rather than through managed care plans (the same approach used for Medicaid managed care). This allows the State to collect additional drug rebates since it does not currently receive rebates on drugs covered through FHP. This will generate State savings of \$27 million in 2008-09 .
- **Add Anti-Depressants to the Preferred Drug Program (PDP):** The State will add anti-depressants, similar to other states, and other classes of drugs to the PDP allowing the State to collect supplemental rebates. Anti-psychotics, anti-retroviral and anti-rejection drugs will remain exempt from the PDP and protections to ensure that a physician's decision prevails in all instances is maintained. This will generate savings of \$5 million in 2008-09.
- **Expand the Clinical Drug Review Program (CDRP):** The Budget will allow PDP drugs to be included in the CDRP along with over 40 new drugs/drug classes to generate additional savings and ensure the appropriate usage of at-risk drugs. State savings of \$18 million in 2008-09 will be realized.
- **Reduce Pharmacy Reimbursement:** Medicaid reimbursement to pharmacies is lowered from Average Wholesale Price (AWP) less 14 percent to AWP less 17 percent on brand name drugs to more closely reflect the actual wholesale price to pharmacies. This will be offset by a \$1.00 increase in the dispensing fee for generics and brand name drugs on the preferred drug list. The Budget will also reduce co-pays for brand name drugs on the PDL (from \$3 to \$1). This will generate net State savings of \$20 million in 2008-09.
- **Create a Specialty Pharmacy Program:** Contract with selected pharmacies to obtain specialty drugs — which have increased dramatically in number and cost — to ensure that Medicaid recipients receive the appropriate medications. These drugs typically require specific handling and limited distributions. Pharmacies involved will be required to ensure safe delivery, necessary supplies, education and support services. This is expected to produce State savings of \$4 million in 2008-09.
- **Increase Participation in Federal 340B Program:** This program allows eligible entities (e.g., Federally Qualified Health Centers) to obtain certain prescription drugs at costs below the Medicaid level. This is projected to generate State savings of \$4 million in 2008-09.
- **Enhance Utilization Management and Counteract Drug Marketing:** The State will consult with outside experts with national experience in providing pharmacy management services to State Medicaid Programs to strengthen utilization review requirements, implement a Medication Therapy Management Program to improve medication compliance and clinical outcomes, provide objective research to physicians to encourage appropriate prescribing patterns and implement further controls on early refills. These actions will produce State savings of \$12 million in 2008-09.

The Department of Health continues to dedicate \$5 million in administrative resources and educational supports to ensure that individuals who are eligible for both Medicaid and Medicare have access to medically necessary drugs under the Medicare Part D prescription

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drug program. These funds support ongoing Department of Health activities including: education and training for recipients, interventions with pharmacies, prescribers and plans, and monitoring to ensure Medicaid beneficiaries are enrolled and medications are appropriately covered by their Part D plans. In addition, the Budget includes additional funding for the State Medicaid program to continue a wrap around benefit for certain drugs used in the treatment of mental illnesses, HIV/AIDS and organ transplants.

Acute Care

The Health Care Reform Act (HCRA) 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. The Budget recommends a three year extension of HCRA — through March 31, 2011 — and updates reimbursement methodologies to reflect more current costs, promote increased transparency and accountability in how funding is utilized and to promote primary and preventive health care in community settings. In addition, the Budget reflects net State savings in the acute care area of \$100 million, through the following actions:

- **Rebase Inpatient Reimbursement:** Medicaid reimbursement for inpatient services will be updated, over a four-year period, to reflect more recent cost experience (transitioning from a base of 1981 costs to 2005). Most of the resulting savings and a 25 percent reduction in the current trend factor will be redirected to make investments in ambulatory and primary care.
- **Increase Physician Fees and Invest in Community Based Primary Care:** Over four years, consistent with inpatient rebasing, physician fees will be increased and a new clinic reimbursement methodology will be implemented (replacing current caps on clinic reimbursement) that will reimburse providers based upon the intensity of services rather than on a “per visit” basis. In addition, funding is targeted to primary care enhancements, including: diabetes and asthma education, expanded “after-hours” access, mental health reimbursement for social workers serving children and maternal populations and targeted case management for high risk pregnant women.
- **Redirect Graduate Medical Education (GME) Reimbursement:** The Budget will redirect Medicaid GME funding, through inpatient rebasing, to support training in outpatient settings and HCRA funding is redistributed for programs to address physician shortages, increase diversity in medicine and training in biomedical research.
- **Implement Hospital Efficiency Measures:** The Budget will reimburse inpatient detoxification services at cost by establishing a “per-diem” rate and generate efficiency savings through a variety of initiatives including selective contracting with designated hospitals for certain services and restricting reimbursements for “never events” and preventable complications.
- **Berger Commission Savings:** The Budget reflects savings realized from implementation of the Commission’s recommendations, including the closure of 9 hospitals and the merger/affiliation of 48 hospitals.

Long Term Care

State spending on nursing home and community-based care comprises more than half the General Fund Medicaid Budget — or an estimated \$5.7 billion in 2008-09. The Executive Budget includes a number of recommendations to advance reform efforts in this area including the establishment of a Home Care Technical Advisory Council and nearly \$2 million in new funding to develop nursing home reimbursement reform measures and facility restructuring plans, establish a home care database and expedite nursing home appeals. Major Budget actions :

- **Reconfigure Nursing Home Rebasing Funding:** The Executive Budget reconfigures rebasing to eliminate \$85 million in funding that has not received the necessary Federal approval and ensure that the funds planned for payment in 2008-09 are provided in a timely fashion.
- **Offset Inflationary Cost:** The inflationary trend factor of 2.3 percent for nursing homes, personal care and home care will be reduced by 25 percent to promote and encourage the implementation of efficiencies to reduce costs. This generates savings of \$26 million in 2008-09.
- **Restructure Financially Disadvantaged:** The methodology for distributing payments to nursing homes in severe financial distress will be restructured and facilities will be required to submit restructuring plans, with quantifiable benchmarks, to be eligible for these payments.
- **Modify Rate Reimbursement/Manage Utilization:** The Budget encourages efficiencies in home care by reducing administrative costs for Certified Home Health Agencies (CHAAs) and the Long Term Home Health Care Program and modifying rates for CHAAs so that rate ceilings are fixed. This will generate \$25 million in 2008-09 State savings. In addition, the Budget establishes a three-year Personal Care Demonstration Project in New York City to better meet the needs of consumers. The more efficient management of these services is expected to generate State savings of \$6 million in 2008-09.
- **Berger Commission Savings:** The Budget reflects State savings resulting from the implementation of the Berger Commission recommendations, including the closure of 3 nursing homes, downsizing of 12 homes and merger/affiliation of 6 homes.

Managed Care

The State's Medicaid managed care program — currently authorized through March 2009 — ensures that the neediest people receive high quality, accessible health care. In addition, the program has Special Needs Plans which provide comprehensive services to 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. To date, New York City and fifty-seven counties are operating managed care programs. New York City and thirty-seven of these counties currently require mandatory enrollment. Managed care enrollment is projected to reach approximately 2.1 million by the end of 2007-08 and 2.2 million in 2008-09.

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Major budget actions include:

- **State Enrollment Portal/Facilitated Enrollment:** The Budget will create a State Enrollment Portal to directly enroll individuals in Medicaid and centralize access for all public health insurance programs. Funding is also increased for facilitated enrollment by community-based organizations. The \$7.5 million costs of these investments in 2008-09 will be financed by decreasing managed care premiums.
- **Limit Premium Increases:** Managed care plans, including Family Health Plus and Managed Long Term Care plans, will be required to partially offset inflationary increases to promote efficiencies and make health care coverage more affordable. This will generate State savings of \$23 million in 2008-09.
- **Update Utilization Thresholds/Improve Care Management:** Medicaid Utilization thresholds will be updated to more appropriately reflect current clinical practices and utilization will be monitored against clinical profiles to ensure the quality and effectiveness of patient care. Initiatives to improve pre-natal and diabetes care management and avoid costly hospitalizations are also recommended. Combined, these actions are expected to produce State savings of \$13 million in 2008-09.
- **Mandatory Managed Care and Dual Eligible Enrollment:** The Budget reflects the continued expansion of managed care on a mandatory basis, including enrollment of Supplemental Security Income (SSI) and Seriously and Persistently Mentally Ill (SPMI) individuals. It also requires dual eligibles (those in Medicaid and Medicare) who are enrolled in a Medicare managed care plan to enroll in the same plan for their Medicaid benefits to provide better coordination of care for these recipients. These actions will generate State savings of \$3 million in 2008-09.

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 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. 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 continues to set a national standard for children's health insurance coverage for children up to age 19. Federal funds combined with State HCRA moneys allow CHPlus to provide comprehensive health insurance benefits for nearly 400,000 children. The Budget will provide State-only funds to fully

finance the planned expansion of Child Health Plus from 250 percent to 400 percent of the Federal Poverty Level in the event Federal dollars continue to be unavailable because of ongoing disagreements in Washington regarding extension of the Federal State Children's Health Insurance Program. Family contribution levels will also be increased.

FAMILY HEALTH PLUS

The Family Health Plus (FHP) 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 is provided to families with incomes up to 150 percent of the gross FPL. For individuals without children, coverage is offered to those at 100 percent of the FPL. When Federal funds are combined with State HCRA and General Fund moneys, FHP provides comprehensive health insurance benefits for 518,000 adults. The Budget implements the Family Health Plus Buy-In Program, beginning in April 2008, that gives employers the option to "buy-in" to Family Health Plus coverage for their employees. The State will share in the cost for employees that would have been eligible for Family Health Plus coverage.

OTHER PUBLIC HEALTH PROGRAMS

General Fund appropriations finance 16 percent of the Department of Health's total budget of \$6.5 billion in 2008-09 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 33 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 51 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. Major Budget actions include:

- **Primary and Preventive Care**: The Budget includes more than \$100 million for primary and preventive care programs, including school based health clinics, nutrition programs, cancer screening, prenatal and postpartum visits and a variety of other programs. New funding of \$4.5 million is added for a comprehensive hepatitis C program, HIV programs and for childhood lead poisoning, adolescent pregnancy and obesity prevention programs.
- **HEAL NY**: The fourth \$250 million installment is recommended, increasing available appropriation levels to \$1 billion over four-years, for the Healthcare Efficiency and Affordability Law for New Yorkers (HEAL NY) Program

- authorized in 2005-06. This program supports healthcare projects to upgrade information and healthcare technology, enhance the efficiency of facility operations and support facility improvement, reconfiguration and consolidation. The Budget dedicates \$7 million in HEAL NY funding to support health planning.
- **Elderly Pharmaceutical Insurance Coverage (EPIC) Program:** The Executive Budget includes \$699 million for EPIC to ensure that 350,000 senior citizens receive crucial prescription insurance. The Budget reduces reimbursement for brand name drugs from Average Wholesale Price (AWP) less 14 percent to AWP less 17 percent while increasing the generic dispensing fee from \$4.50 to \$5.50. The Budget also expands EPIC to offer a discount card to financially vulnerable individuals. The program would have the same income-eligibility levels as EPIC, but would be available to those under the age of 65. Additionally, EPIC will continue to enroll all eligible seniors in Medicare Part D unless such enrollment presents a significant financial hardship. The EPIC program also continues to cover Part D premium costs to prevent an increased cost to seniors as a result of coordinating benefits with the Medicare prescription drug program;
 - **Early Intervention:** The Budget includes \$186 million for the State share of Early Intervention which provides needed services to infants and toddlers under the age of three who have developmental delays. The Budget eliminates a cost-of-living adjustment for Early Intervention providers. A one-time adjustment of \$60 million will be taken to correct for overpayments made to New York City.
 - **General Public Health Works:** The Budget recommends \$240 million for the General Public Health Works Program to reimburse counties for core and optional public health services at the rate of 36 percent.
 - **Stem Cell Research:** The Budget includes an additional \$50 million to support the stem cell research program. When combined with the funds provided in 2007-08, \$150 million will now be available for stem cell research this year.
 - **Emergency Preparedness:** The Budget includes \$15.5 million for State emergency preparedness programs and to stockpile medications and supplies in the event of a pandemic outbreak, such as the avian flu. It also includes \$12.5 for county emergency preparedness grants. The Budget also continues the \$40 million reserve appropriation to address any public health emergencies.
 - **HIV/AIDS:** Sustains the State's commitment to fighting the AIDS epidemic by providing statewide spending of \$3.6 billion for AIDS programs — a year-to-year increase of more than \$105 million — including \$133.6 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; New funding of \$500,000 is recommended for HIV-related risk reduction efforts.
 - **Roswell Park Cancer Institute:** Includes \$118 million for the Roswell Park Cancer Corporation including \$78 million for operating support, \$15 million for cancer research and \$25 million for capital projects.
 - **Anti-Smoking Initiatives:** Includes \$84 million for an anti-smoking program, an increase of \$2.2 million, for counter advertising, community and school-based education programs, cancer mapping, cancer research, strict enforcement of laws regulating the sale and use of tobacco products.
 - **Cost of Living Adjustment:** Includes \$56 million to support the third year of the three-year Cost of Living Adjustment tied to the Consumer Price Index, effective October 1, 2006, for various public health, State Office for the Aging and AIDS programs; and extends the COLA adjustment to March 31, 2012.

- **Adult Homes**: Includes \$4.7 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.
- **Wadsworth Center/Clinical Laboratories**: Maintains funding for the Wadsworth Center for Laboratories and Research to purchase critical equipment, as well as \$10 million for capital improvements to the Wadsworth Laboratories. The Budget establishes a new Clinical Laboratory Masters Degree Training Program to allow Wadsworth to train lab personnel on-site. It also establishes fee-financed programs to certify clinical laboratory specialists and register labs that conduct limited testing.

PROGRAM HIGHLIGHTS

MEDICAID

Medicaid was established in 1965 by the Federal government as a health insurance program for the poor. 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.

PUBLIC HEALTH

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, cancer education and outreach 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. The newborn screening program tests for 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

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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 bio-terrorism.

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 \$3.6 billion to combat HIV/AIDS next year.

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.

Responsibility for setting Medicaid reimbursement rates for hospitals, nursing homes, home health agencies and diagnostic and treatment centers, as well as oversight of the HCRA surcharges and assessments, is overseen by the Office of Health Insurance Programs, which was established in 2007-08.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---|----------------------|---|
| State Operations | 1,974,276,500 | 2,005,909,000 | 31,632,500 | 7,977,731,300 |
| Aid To Localities | 49,366,162,460 | 48,735,136,300 | (631,026,160) | 34,039,193,400 |
| Capital Projects | 304,412,000 | 277,580,000 | (26,832,000) | 860,514,000 |
| Total | <u>51,644,850,960</u> | <u>51,018,625,300</u> | <u>(626,225,660)</u> | <u>42,877,438,700</u> |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---|--|--|-------------------|
| Administration and Executive Direction | | | |
| General Fund | 107 | 117 | 10 |
| Special Revenue Funds - Federal | 58 | 58 | 0 |
| Special Revenue Funds - Other | 253 | 253 | 0 |
| AIDS Institute | | | |
| General Fund | 178 | 179 | 1 |
| Child Health Insurance | | | |
| Special Revenue Funds - Other | 41 | 41 | 0 |
| Community Health | | | |
| General Fund | 26 | 30 | 4 |
| Special Revenue Funds - Federal | 616 | 631 | 15 |
| Special Revenue Funds - Other | 131 | 131 | 0 |
| Elderly Pharmaceutical Insurance Coverage | | | |
| Special Revenue Funds - Other | 32 | 32 | 0 |
| Environmental Health | | | |
| General Fund | 99 | 101 | 2 |
| Special Revenue Funds - Federal | 132 | 137 | 5 |
| Special Revenue Funds - Other | 79 | 92 | 13 |
| Capital Projects Funds - Other | 80 | 80 | 0 |
| Health Care Financing | | | |
| General Fund | 76 | 76 | 0 |
| Special Revenue Funds - Other | 65 | 75 | 10 |
| Health Insurance Programs, Office of | | | |
| General Fund | 443 | 456 | 13 |
| Special Revenue Funds - Federal | 66 | 91 | 25 |
| Special Revenue Funds - Other | 5 | 5 | 0 |
| Health Systems Management, Office of | | | |
| General Fund | 586 | 611 | 25 |
| Special Revenue Funds - Other | 263 | 292 | 29 |
| Institution Management | | | |
| Special Revenue Funds - Other | 1,585 | 1,672 | 87 |
| Laboratories and Research | | | |
| General Fund | 410 | 412 | 2 |
| Special Revenue Funds - Federal | 76 | 81 | 5 |
| Special Revenue Funds - Other | 222 | 222 | 0 |
| Managed Care and Program Evaluation, Division of | | | |
| General Fund | 155 | 165 | 10 |
| Total | 5,784 | 6,040 | 256 |

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

| <u>Fund Type</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|--------------------------------------|------------------------------|--------------------------------|-------------------|
| General Fund | 228,166,000 | 260,672,800 | 32,506,800 |
| Special Revenue Funds - Federal | 1,160,840,000 | 1,191,493,000 | 30,653,000 |
| Special Revenue Funds - Other | 585,260,500 | 553,733,200 | (31,527,300) |
| Enterprise Funds | 10,000 | 10,000 | 0 |
| Total | <u>1,974,276,500</u> | <u>2,005,909,000</u> | <u>31,632,500</u> |
| Adjustments: | | | |
| Transfer(s) From | | | |
| Special Pay Bill | | | |
| General Fund | (327,000) | | |
| Special Revenue Funds - Other | (514,000) | | |
| Transfer(s) To | | | |
| Health, Department of | | | |
| Special Revenue Funds - Federal (Aid | | | |
| To Localities) | 2,800,000,000 | | |
| Appropriated 2007-08 | <u>4,773,435,500</u> | | |

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

| <u>Program</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|---|------------------------------|--------------------------------|-------------------|
| Administration and Executive Direction | | | |
| General Fund | 29,636,500 | 31,636,500 | 2,000,000 |
| Special Revenue Funds - Federal | 9,146,000 | 10,003,000 | 857,000 |
| Special Revenue Funds - Other | 36,130,800 | 37,110,800 | 980,000 |
| AIDS Institute | | | |
| General Fund | 16,714,000 | 17,008,000 | 294,000 |
| Child Health Insurance | | | |
| Special Revenue Funds - Federal | 64,130,000 | 64,130,000 | 0 |
| Special Revenue Funds - Other | 11,559,000 | 16,045,000 | 4,486,000 |
| Community Health | | | |
| General Fund | 7,981,000 | 12,774,800 | 4,793,800 |
| Special Revenue Funds - Federal | 118,018,000 | 143,903,000 | 25,885,000 |
| Special Revenue Funds - Other | 10,584,000 | 6,062,000 | (4,522,000) |
| Elderly Pharmaceutical Insurance Coverage | | | |
| Special Revenue Funds - Other | 20,333,000 | 20,911,000 | 578,000 |
| Environmental Health | | | |
| General Fund | 9,317,500 | 9,515,000 | 197,500 |
| Special Revenue Funds - Federal | 15,678,000 | 18,105,000 | 2,427,000 |
| Special Revenue Funds - Other | 19,963,700 | 21,207,400 | 1,243,700 |
| Health Care Financing | | | |
| General Fund | 7,371,000 | 7,577,000 | 206,000 |
| Special Revenue Funds - Other | 10,378,000 | 11,363,000 | 985,000 |
| Health Insurance Programs, Office of | | | |
| General Fund | 58,092,000 | 63,909,000 | 5,817,000 |
| Special Revenue Funds - Federal | 846,697,000 | 846,697,000 | 0 |
| Special Revenue Funds - Other | 14,900,000 | 14,200,000 | (700,000) |
| Health Services | | | |
| General Fund | 30,000 | 30,000 | 0 |
| Health Systems Management, Office of | | | |
| General Fund | 64,545,000 | 25,073,000 | (39,472,000) |
| Special Revenue Funds - Other | 70,698,000 | 51,944,000 | (18,754,000) |
| Institution Management | | | |
| Special Revenue Funds - Other | 139,377,000 | 155,157,000 | 15,780,000 |
| Enterprise Funds | 10,000 | 10,000 | 0 |
| Laboratories and Research | | | |
| General Fund | 41,431,000 | 43,881,500 | 2,450,500 |
| Special Revenue Funds - Federal | 11,448,000 | 12,932,000 | 1,484,000 |
| Special Revenue Funds - Other | 146,015,000 | 86,128,000 | (59,887,000) |
| Long Term Care, Office of | | | |
| General Fund | 0 | 50,258,000 | 50,258,000 |
| Special Revenue Funds - Other | 0 | 20,283,000 | 20,283,000 |
| Maintenance Undistributed | | | |
| General Fund | (105,262,000) | (113,322,000) | (8,060,000) |
| Special Revenue Funds - Other | 105,262,000 | 113,322,000 | 8,060,000 |
| Managed Care and Program Evaluation, Division of | | | |
| General Fund | 17,461,000 | 17,827,000 | 366,000 |
| Special Revenue Funds - Other | 60,000 | 0 | (60,000) |
| Medicaid Management Information System | | | |
| General Fund | 80,849,000 | 94,505,000 | 13,656,000 |
| Special Revenue Funds - Federal | 95,723,000 | 95,723,000 | 0 |
| Total | <u>1,974,276,500</u> | <u>2,005,909,000</u> | <u>31,632,500</u> |

HEALTH

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|---|--------------------|------------------|---|------------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 8,172,300 | 0 | 8,112,300 | 445,000 |
| AIDS Institute | 11,047,000 | 214,000 | 11,027,000 | 211,000 |
| Community Health | 2,660,800 | 691,800 | 2,640,700 | 755,700 |
| Environmental Health | 7,125,000 | 44,500 | 6,857,300 | (1,700) |
| Health Care Financing | 5,070,000 | 206,000 | 5,020,000 | 166,000 |
| Health Insurance Programs, Office of | 27,567,000 | (93,000) | 27,216,000 | (444,000) |
| Health Services | 30,000 | 0 | 30,000 | 0 |
| Health Systems Management, Office of | 16,927,000 | (25,370,000) | 16,328,000 | (24,844,000) |
| Laboratories and Research | 27,670,500 | 1,857,500 | 26,800,000 | 1,314,000 |
| Long Term Care, Office of | 26,754,000 | 26,754,000 | 25,818,000 | 25,818,000 |
| Managed Care and Program Evaluation, Division of | 11,381,000 | 0 | 11,381,000 | 0 |
| Total | <u>144,404,600</u> | <u>4,304,800</u> | <u>141,230,300</u> | <u>3,420,000</u> |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|---|---|------------------|---|------------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 10,000 | (240,000) | 50,000 | (205,000) |
| AIDS Institute | 0 | 0 | 20,000 | 3,000 |
| Community Health | 0 | (5,000) | 20,100 | (58,900) |
| Environmental Health | 243,700 | 33,700 | 24,000 | 12,500 |
| Health Care Financing | 10,000 | 5,000 | 40,000 | 35,000 |
| Health Insurance Programs, Office of | 1,000 | 1,000 | 350,000 | 350,000 |
| Health Services | 0 | 0 | 0 | 0 |
| Health Systems Management, Office of | 53,000 | (72,000) | 546,000 | (454,000) |
| Laboratories and Research | 70,000 | 0 | 800,500 | 543,500 |
| Long Term Care, Office of | 82,000 | 82,000 | 854,000 | 854,000 |
| Managed Care and Program Evaluation, Division of | 0 | 0 | 0 | 0 |
| Total | <u>469,700</u> | <u>(195,300)</u> | <u>2,704,600</u> | <u>1,080,100</u> |

STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Supplies and Materials | |
|---|--------------------|-------------------|------------------------|----------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 23,464,200 | 2,000,000 | 1,077,400 | 0 |
| AIDS Institute | 5,961,000 | 80,000 | 1,333,881 | 0 |
| Community Health | 10,114,000 | 4,102,000 | 200,900 | 190,900 |
| Environmental Health | 2,390,000 | 153,000 | 101,000 | (32,600) |
| Health Care Financing | 2,507,000 | 0 | 99,000 | (20,000) |
| Health Insurance Programs, Office of | 36,342,000 | 5,910,000 | 536,000 | 0 |
| Health Systems Management, Office of | 8,146,000 | (14,102,000) | 186,000 | (240,000) |
| Laboratories and Research | 16,211,000 | 593,000 | 3,352,000 | 0 |
| Long Term Care, Office of | 23,504,000 | 23,504,000 | 350,000 | 350,000 |
| Managed Care and Program Evaluation, Division of | 6,446,000 | 366,000 | 156,000 | 0 |
| Medicaid Management Information System | 94,505,000 | 13,656,000 | 0 | 0 |
| Total | 229,590,200 | 36,262,000 | 7,392,181 | 248,300 |

| Program | Travel | | Contractual Services | |
|---|------------------|----------------|----------------------|-------------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 406,500 | 25,000 | 19,352,000 | 835,000 |
| AIDS Institute | 311,700 | 0 | 3,636,900 | 80,000 |
| Community Health | 116,800 | 84,800 | 9,487,000 | 7,872,000 |
| Environmental Health | 374,400 | 0 | 1,661,000 | 38,400 |
| Health Care Financing | 40,000 | 10,000 | 2,318,000 | 0 |
| Health Insurance Programs, Office of | 823,000 | 0 | 29,902,000 | 3,860,000 |
| Health Systems Management, Office of | 237,000 | (1,010,000) | 6,499,000 | (12,338,000) |
| Laboratories and Research | 76,000 | 0 | 7,085,000 | 200,000 |
| Long Term Care, Office of | 1,065,000 | 1,065,000 | 14,674,000 | 14,674,000 |
| Managed Care and Program Evaluation, Division of | 130,000 | 2,000 | 6,000,000 | 334,000 |
| Medicaid Management Information System | 0 | 0 | 94,505,000 | 13,656,000 |
| Total | 3,580,400 | 176,800 | 195,119,900 | 29,211,400 |

| Program | Equipment | | Maintenance Undistributed | |
|---|------------------|----------------|---------------------------|------------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 628,300 | 554,000 | 2,000,000 | 586,000 |
| AIDS Institute | 228,519 | 0 | 450,000 | 0 |
| Community Health | 309,300 | 304,300 | 0 | (4,350,000) |
| Environmental Health | 100,600 | (5,800) | 153,000 | 153,000 |
| Health Care Financing | 50,000 | 10,000 | 0 | 0 |
| Health Insurance Programs, Office of | 831,000 | 0 | 4,250,000 | 2,050,000 |
| Health Systems Management, Office of | 201,000 | (314,000) | 1,023,000 | (200,000) |
| Laboratories and Research | 5,305,000 | 0 | 393,000 | 393,000 |
| Long Term Care, Office of | 415,000 | 415,000 | 7,000,000 | 7,000,000 |
| Managed Care and Program Evaluation, Division of | 160,000 | 30,000 | 0 | 0 |
| Medicaid Management Information System | 0 | 0 | 0 | 0 |
| Total | 8,228,719 | 993,500 | 15,269,000 | 5,632,000 |

HEALTH

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|---|----------------------|--------------------|-------------------------|----------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 47,113,800 | 1,837,000 | 16,885,000 | 188,000 |
| Child Health Insurance | 80,175,000 | 4,486,000 | 2,777,000 | 176,000 |
| Community Health | 149,965,000 | 21,363,000 | 2,281,000 | 206,000 |
| Elderly Pharmaceutical Insurance Coverage | 20,911,000 | 578,000 | 2,002,000 | (114,000) |
| Environmental Health | 39,312,400 | 3,670,700 | 7,322,100 | 255,900 |
| Health Care Financing | 11,363,000 | 985,000 | 5,420,000 | 108,000 |
| Health Insurance Programs, Office of | 860,897,000 | (700,000) | 1,509,000 | (584,000) |
| Health Systems Management, Office of | 51,944,000 | (18,754,000) | 14,460,000 | (1,601,000) |
| Institution Management | 155,167,000 | 15,780,000 | 87,937,000 | 4,525,000 |
| Laboratories and Research | 99,060,000 | (58,403,000) | 9,225,000 | (4,154,158) |
| Long Term Care, Office of | 20,283,000 | 20,283,000 | 1,659,000 | 1,659,000 |
| Managed Care and Program Evaluation, Division of | 0 | (60,000) | 0 | (30,000) |
| Medicaid Management Information System | 95,723,000 | 0 | 0 | 0 |
| Total | 1,631,914,200 | (8,934,300) | 151,477,100 | 634,742 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|---|----------------------------|------------------|----------------------------------|---------------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 20,225,800 | 792,000 | 10,003,000 | 857,000 |
| Child Health Insurance | 13,268,000 | 4,310,000 | 64,130,000 | 0 |
| Community Health | 3,781,000 | (4,728,000) | 143,903,000 | 25,885,000 |
| Elderly Pharmaceutical Insurance Coverage | 18,684,000 | 667,000 | 225,000 | 25,000 |
| Environmental Health | 12,335,300 | 837,800 | 19,655,000 | 2,577,000 |
| Health Care Financing | 5,943,000 | 877,000 | 0 | 0 |
| Health Insurance Programs, Office of | 12,691,000 | (116,000) | 846,697,000 | 0 |
| Health Systems Management, Office of | 21,189,000 | (6,153,000) | 16,295,000 | (11,000,000) |
| Institution Management | 67,230,000 | 11,255,000 | 0 | 0 |
| Laboratories and Research | 26,083,000 | (6,552,842) | 63,752,000 | (47,696,000) |
| Long Term Care, Office of | 7,624,000 | 7,624,000 | 11,000,000 | 11,000,000 |
| Managed Care and Program Evaluation, Division of | 0 | (30,000) | 0 | 0 |
| Medicaid Management Information System | 0 | 0 | 95,723,000 | 0 |
| Total | 209,054,100 | 8,782,958 | 1,271,383,000 | (18,352,000) |

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

| <u>Fund Type</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|--------------------------------------|------------------------------|--------------------------------|----------------------|
| General Fund | 13,349,893,460 | 13,563,331,300 | 213,437,840 |
| Special Revenue Funds - Federal | 27,968,484,000 | 27,377,860,000 | (590,624,000) |
| Special Revenue Funds - Other | 6,276,585,000 | 6,022,745,000 | (253,840,000) |
| Fiduciary Funds | 1,771,200,000 | 1,771,200,000 | 0 |
| Total | <u>49,366,162,460</u> | <u>48,735,136,300</u> | <u>(631,026,160)</u> |
| Adjustments: | | | |
| Transfer(s) From | | | |
| Alcoholism and Substance Abuse | | | |
| Services, Office of | | | |
| General Fund (State Operations) | (27,837,000) | | |
| General State Charges | | | |
| General Fund (State Operations) | (1,505,759,000) | | |
| Health, Department of | | | |
| Special Revenue Funds - Federal | | | |
| (State Operations) | (2,800,000,000) | | |
| Mental Health, Office of | | | |
| General Fund (State Operations) | (790,258,000) | | |
| Mental Retardation and Developmental | | | |
| Disabilities, Office of | | | |
| General Fund (State Operations) | (476,146,000) | | |
| Transfer(s) To | | | |
| Quality of Care and Advocacy for | | | |
| Persons With Disabilities, | | | |
| Commission on | | | |
| Special Revenue Funds - Other | 60,000 | | |
| Appropriated 2007-08 | <u>43,766,222,460</u> | | |

HEALTH

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

| <u>Program</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|---|------------------------------|--------------------------------|----------------------|
| Administration and Executive Direction | | | |
| General Fund | 632,000 | 608,000 | (24,000) |
| AIDS Institute | | | |
| General Fund | 21,476,700 | 28,157,700 | 6,681,000 |
| Special Revenue Funds - Other | 88,253,000 | 88,253,000 | 0 |
| Child Health Insurance | | | |
| Special Revenue Funds - Federal | 487,800,000 | 487,800,000 | 0 |
| Special Revenue Funds - Other | 442,500,000 | 442,500,000 | 0 |
| Community Health | | | |
| General Fund | 650,318,500 | 691,072,600 | 40,754,100 |
| Special Revenue Funds - Federal | 682,915,000 | 745,491,000 | 62,576,000 |
| Special Revenue Funds - Other | 71,929,000 | 74,964,000 | 3,035,000 |
| Elderly Pharmaceutical Insurance Coverage | | | |
| General Fund | 40,300,000 | 0 | (40,300,000) |
| Special Revenue Funds - Other | 747,175,000 | 678,300,000 | (68,875,000) |
| Environmental Health | | | |
| General Fund | 6,000,000 | 13,650,000 | 7,650,000 |
| Special Revenue Funds - Federal | 3,206,000 | 3,687,000 | 481,000 |
| Special Revenue Funds - Other | 200,000 | 200,000 | 0 |
| Health Care Financing | | | |
| General Fund | 150,000 | 814,000 | 664,000 |
| Health Care Reform Act Program | | | |
| Special Revenue Funds - Other | 1,252,100,000 | 1,266,900,000 | 14,800,000 |
| Health Insurance Programs, Office of | | | |
| General Fund | 17,048,000 | 1,500,000 | (15,548,000) |
| Special Revenue Funds - Federal | 300,000,000 | 300,000,000 | 0 |
| Special Revenue Funds - Other | 300,000,000 | 300,000,000 | 0 |
| Health Systems Management, Office of | | | |
| General Fund | 25,278,700 | 16,749,000 | (8,529,700) |
| Special Revenue Funds - Federal | 400,000 | 400,000 | 0 |
| Special Revenue Funds - Other | 6,490,000 | 0 | (6,490,000) |
| Laboratories and Research | | | |
| General Fund | 4,943,000 | 931,000 | (4,012,000) |
| Special Revenue Funds - Federal | 3,201,000 | 3,682,000 | 481,000 |
| Long Term Care, Office of | | | |
| General Fund | 0 | 20,773,000 | 20,773,000 |
| Special Revenue Funds - Other | 0 | 4,690,000 | 4,690,000 |
| Maintenance Undistributed | | | |
| General Fund | (7,288,000) | (7,288,000) | 0 |
| Special Revenue Funds - Other | 7,288,000 | 7,288,000 | 0 |
| Medical Assistance | | | |
| General Fund | 12,037,898,000 | 12,255,414,000 | 217,516,000 |
| Special Revenue Funds - Federal | 25,909,162,000 | 25,255,000,000 | (654,162,000) |
| Special Revenue Funds - Other | 3,360,650,000 | 3,159,650,000 | (201,000,000) |
| Fiduciary Funds | 1,771,200,000 | 1,771,200,000 | 0 |
| Medical Assistance Administration | | | |
| General Fund | 540,950,000 | 540,950,000 | 0 |
| Special Revenue Funds - Federal | 581,800,000 | 581,800,000 | 0 |
| Community Projects | | | |
| General Fund | 12,186,560 | 0 | (12,186,560) |
| Total | <u>49,366,162,460</u> | <u>48,735,136,300</u> | <u>(631,026,160)</u> |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|--|------------------------------|--------------------------------|---------------------|-------------------------------------|
| Health Care Efficiency and Affordability Law for New Yorkers | | | | |
| Capital Projects Fund | 165,000,000 | 165,000,000 | 0 | 333,298,000 |
| Capital Projects Fund - Advances | 85,000,000 | 85,000,000 | 0 | 346,929,000 |
| Laboratories and Research | | | | |
| Capital Projects Fund | 10,000,000 | 10,000,000 | 0 | 22,380,000 |
| Capital Projects Fund - Authority Bonds | 0 | 0 | 0 | 5,000,000 |
| Maintenance and Improvements of Existing Institutions | | | | |
| Capital Projects Fund | 7,600,000 | 7,600,000 | 0 | 24,934,000 |
| New Institution Construction | | | | |
| Cap Proj Fund - DOH (Direct Auth Bonds) | 0 | 0 | 0 | 21,000,000 |
| Water Resources | | | | |
| Federal Capital Projects Fund | 36,812,000 | 9,980,000 | (26,832,000) | 106,973,000 |
| Total | <u>304,412,000</u> | <u>277,580,000</u> | <u>(26,832,000)</u> | <u>860,514,000</u> |