

**SFY 2017-18 Health Care Savings Proposals - Enacted Budget
State Investments / (Savings) \$ in Millions**

Initiative	Effective Date	Legal - Admin	Descriptions	SFY 2017-18		SFY 2018-19	
				Gross	Non-Fed	Gross	Non-Fed
Federal Actions/Pressures on GC							
Medicare Part B and Part D Increases	4/1/17	Admin	This proposal would pay for increased Medicare Part B and Part D costs. Medicare Part B costs are expected to increase by 10% and Medicare Part D clawback costs are expected to increase by 11.93% in CY 2017.	175.40	175.40	175.45	175.45
ACA Overclaim Repayment	4/1/17	Admin	This proposal extends the repayment to CMS from 2 to 3 years.	0.00	59.00	0.00	59.00
Compliance with Covered Outpatient Drug Rule and Copay Provisions	4/1/17	Legal	This proposal aligns NY State Medicaid with (1) the CMS Covered Outpatient Drug Rule, which requires that States move to a cost based pharmacy reimbursement methodology for Fee-For-Service (FFS) pharmacy programs, and (2) CMS co-payment provisions for non-preferred drugs.	11.00	5.50	11.00	5.50
Mental Hygiene Stabilization Fund	4/1/17	Admin		(267.00)	(267.00)	(267.00)	(267.00)
Total Federal Actions/Pressures on GC				(80.60)	(27.10)	(80.55)	(27.05)
Pharmacy Savings Initiatives							
Enhanced Program Integrity for Opioids/Controlled Substances	7/1/17	Legal	This proposal will build on the State's effort to combat the opioid crisis by enabling the Commissioner of Health to terminate or suspend provider's Medicaid enrollment where there is a significant evidence of inappropriate or overprescribing of opioids to Medicaid members; and will align refill-too-soon edits with New York State Controlled Substance regulation by decreasing the amount of controlled substance medication a patient can have on hand (from 10 days to 7 days).	(2.90)	(1.45)	(3.90)	(1.95)
Control Exorbitant Prescription Drug Costs	4/1/17	Legal	This proposal aims to reduce pharmacy costs, the fastest growing component of the Medicaid program, by establishing requirements for manufacturers to pay an additional rebate for certain high priced drugs.	(110.00)	(55.00)	(170.00)	(85.00)
Conduct Comprehensive Clinical Editing	4/1/17	Legal	Expands point-of-sale pharmacy claims editing to medical claims, to ensure appropriate utilization.	(0.70)	(0.35)	(0.92)	(0.46)
Generic CPI Penalty Adjustment - 75%	4/1/17	Legal	Generic drug manufacturers are required to pay additional rebates for year over year price increases greater than 75% of the State Maximum Acquisition Cost (SMAC).	(17.60)	(8.80)	(17.60)	(8.80)
Total Pharmacy Savings				(131.20)	(65.60)	(192.42)	(96.21)
LTC Savings Initiatives							
Ban MLTC Marketing	4/1/17	Admin	This proposal instructs plans to cease marketing and advertising activities for the MLTC Partial Capitated product. The goal is to stabilize the sharp growth of MLTC enrollees through the cutting of marketing by the plans.	(6.00)	(3.00)	(24.00)	(12.00)
Adjustment of End-of-Life Services for Medicare	6/1/17	Admin	Aims to align end-of-life/hospice services currently covered by Medicaid with Medicare, where applicable.	(4.40)	(4.40)	(4.40)	(4.40)
Implementation of a Plan Fining Mechanism for DLTC	12/1/17	Admin	Provides a mechanism for fining plans for systemic or habitual violations of implemented guidelines, contract provisions, and best practices guidelines where applicable.	(2.00)	(2.00)	(2.50)	(2.50)
Balancing Incentive Program to support FLSA	4/1/17	Admin	Provides BIP funding to support Fair Labor Standards Act initiatives.	(35.00)	(35.00)	0.00	0.00
Eliminate Bed Hold Payment	4/1/17	Legal	Nursing Homes are reimbursed through the Medicaid rate for reserved bed days related to leaves of absence for temporary hospitalizations. This proposal would eliminate the payment for bed hold days related to hospitalization.	(20.50)	(10.25)	(20.50)	(10.25)
Reduce MLTCP Quality Bonus	4/1/17	Admin	This proposal is to reduce the total current Quality funding projection of \$150 million awarded to Partial Capitation, PACE and MAP managed long term care (MLTC) programs to \$120 million. The Department is exploring operationalizing this reduction as an adjustment to the quality award for lower performing quality tiers.	(30.00)	(15.00)	(30.00)	(15.00)

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Total LTC Savings				(97.90)	(69.65)	(81.40)	(44.15)
Managed Care Savings Initiatives							
Require Medicare Coverage as a Condition of Medicaid Eligibility	1/1/18	Admin	This proposal would require Medicare coverage as a condition of Medicaid eligibility for those eligible. The Department will notify the 60,000 Medicare eligible enrollees on Medicaid that they should obtain Medicare coverage.	(51.00)	(25.50)	(204.00)	(102.00)
Reduction in Mainstream Managed Care Quality Bonus	4/1/17	Admin	The Medicaid Managed Care Quality Incentive pool is currently valued at \$315 million in gross annual funding. This proposal would reduce the value of the pool to \$275 million gross annual funding. The Department is exploring operationalizing this reduction as an adjustment to the quality award for lower performing quality tiers.	(40.00)	(20.00)	(40.00)	(20.00)
Reduction in Number of VBP Pilots	4/1/17	Admin	This proposal would reduce the incentive funding for the VBP Pilot Program from \$25 million gross annually to \$15 million gross annually.	(10.00)	(5.00)	(10.00)	(5.00)
Reduce Payments to Plans for Facilitated Enrollment	4/1/17	Admin	This proposal would reduce Medicaid Managed Care Premium Payments to plans for facilitated enrollment by \$20 million gross to reflect the decline in the uninsured rate. It would also ensure that those plans receiving the payments have active facilitated enrollers.	(20.00)	(10.00)	(20.00)	(10.00)
Total Managed Care Savings				(121.00)	(60.50)	(274.00)	(137.00)
Transportation Initiatives							
Reduce 911 "Frequent Flier" calls	10/1/17	Admin	The proposal is intended to reduce abuse of the 911 emergency transportation for those enrollees receiving an ambulance ride to a hospital emergency department when no emergency existed.	(8.50)	(4.25)	(17.00)	(8.50)
Transportation Manager savings	4/1/17	Admin	Savings will be achieved from the competitive re-procurement of the NYC Medicaid Transportation Management contract at a reduced price.	(16.00)	(8.00)	(16.00)	(8.00)
Total Transportation Care Savings				(24.50)	(12.25)	(33.00)	(16.50)
Other Savings/Investments							
Reduction of BIP Funds (No Wrong Door/NY Connects)	4/1/17	Admin	CMS has provided an extension for States to spend the money they earned during the BIP period through 9/30/17, providing two additional quarters of BIP funding than anticipated (4/1/17-6/30/17 and 7/1/17 – 9/30/17).	(4.00)	(4.00)	0.00	0.00
Increase Penalty for Early Elective Deliveries	4/1/17	Admin	This proposal would further reduce payments to practitioners and facilities for elective C-section deliveries and inductions of labor under 39 weeks gestation unless a documented medical indication is present.	(3.00)	(1.50)	(3.00)	(1.50)
Continued Medicaid Coverage Review	4/1/17	Admin	This proposal would conduct a comprehensive examination of the current list of covered benefits and processes in the New York State Medicaid program and develop a list of savings proposals that will improve health care quality, lower costs and improve efficiency in the program. A list of savings proposals is under development. The Medicaid Evidence Based Benefit Review Advisory Committee would be engaged when such examination requires an evidence-based review.	(10.00)	(5.00)	(10.00)	(5.00)
Enhanced Claim Editing for ESO	4/1/17	Admin	This proposal would enhance payment edits for undocumented immigrants who use emergency services only (ESO) and would place edits in the system to ensure that Medicaid payments are limited to emergency services which meet the federal regulatory definition.	(5.00)	(2.50)	(5.00)	(2.50)
Reduce VAPAP/VBP-QIP	4/1/17	Admin	This proposal would reduce funding for VAPAP/VBP-QIP.	(30.00)	(15.00)	(30.00)	(15.00)
Realign Children's SPA and MC implementation	4/1/17	Admin	The State recently updated the schedule for implementation of the expanded Medicaid benefit package for children to realign the rollout of the six new State Plan Amendment (SPA) services with the integration of children's services into Medicaid managed care under the Children's 1115 Waiver.	(10.00)	(10.00)	0.00	0.00

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School Supportive Health Services NYC Expansion	4/1/17	Admin	This proposal would require NYC to submit a savings plan to DOH to achieve \$55 million in savings, subject to a MOU. If such plan fails to achieve \$55 million in savings, the Department will reduce payments to the City totaling \$55 million.	(110.00)	(55.00)	(110.00)	(55.00)
DOH Global Cap Admin	4/1/17	Admin	This proposal would reduce the funding associated with the OHIP State operations budget in order to achieve necessary savings in SFY 17-18.	(16.00)	(8.00)	(16.00)	(8.00)
PCMH Enhanced Funding Reduction	4/1/17	Admin	This proposal would reduce/eliminate medical home incentive payments for practices at lower levels of NCQA/APC certification.	(20.00)	(10.00)	(20.00)	(10.00)
Reduce Hospital Quality Pool	4/1/17	Admin	This proposal would reduce the funding associated with the Hospital Quality Pool.	(30.00)	(15.00)	(30.00)	(15.00)
Reduce Supportive Housing	4/1/17	Admin	This proposal would reduce the Medicaid Redesign Team (MRT) Supportive Housing Program by \$20 million. In order to achieve savings, this proposal would delay the development of any new programs and restrict growth of existing housing programs to their current levels.	(20.00)	(20.00)	(20.00)	(20.00)
VBP Implementation/Targeted Provider Rate Increase	4/1/17	Admin	Consistent with the move to Value Based Payment (VBP), the Department will be modifying its Managed Care reimbursement methodology in various ways to better align Managed Care Organization (MCO) and individual servicing provider incentives.	0.00	0.00	75.02	37.51
OPWDD Transition to Managed Care	4/1/17	Admin	This proposal provides funding for the transition of OPWDD programs to managed care.	0.00	0.00	10.00	5.00
Total Other				(258.00)	(146.00)	(158.98)	(89.49)
Legislative Avails							
Medicaid Reestimate / DSRIP Savings	4/1/17	Admin	Savings will be achieved through PPA/LANE Adjustment.	(50.00)	(25.00)	(50.00)	(25.00)
A/R Payment	4/1/17	Legal	This proposal relates to the bank financing of collectible accounts receivable balances.	(10.07)	(10.07)	0.00	0.00
Health Homes Reduction	4/1/17	Legal	This proposal restructures and reprograms Health Home outreach resources to increase enrollment and reduce costs of the Health Home program.	(20.00)	(10.00)	(20.00)	(10.00)
Total Avails				(80.07)	(45.07)	(70.00)	(35.00)
Legislative Adds							
Enhanced Safety Net Hospital Program	4/1/17	Legal	This proposal provides funding to Safety Net providers meeting certain criteria.	20.00	10.00	20.00	10.00
Women's Health and Prenatal Care	4/1/17	Legal	This proposal provides for Medicaid coverage of a set of services to ensure improved outcomes for women who are receiving ovulation enhancing drugs by providing monitoring of such treatment. Should ninety percent federal financial participation for the proposed services not be available, the state share of appropriations related to these services may be used for a grant program for this purpose.	10.00	5.00	10.00	5.00
SUNY DSH	4/1/17	Legal	Provides additional funding to SUNY to support DSH costs.	18.60	9.30	40.00	20.00
Pasteurized Donor Human Milk	4/1/17	Legal	This proposal provides for use of pasteurized donor human milk (PDHM), with fortifiers as medically indicated, for inpatient use when medically necessary. Use of PDHM is based on a written medical order for infants who have a documented birth weight of less than 1500 grams, or are at high risk of developing necrotizing enterocolitis, or have other conditions as determined by the commissioner of health or his designee.	0.00	0.00	0.00	0.00
Critical Access Hospitals	4/1/17	Legal	Provides additional funding to support Critical Access Hospitals.	20.00	10.00	20.00	10.00
Monroe County NH	4/1/17	Admin	This proposal provides funding to reimburse St. Anne's Nursing Home for retroactive claims.	1.72	0.86	0.00	0.00
Wage Parity for CDPAP Assistants	4/1/17	Legal	This proposal provides funding for additional and supplemental wages as established by DOL for the CDPAP assistants.	18.00	9.00	36.80	18.40
Total Adds				88.32	44.16	126.80	63.40
TOTAL				(704.95)	(382.00)	(763.55)	(382.00)
Financial Plan Investment				382.00	382.00	382.00	382.00
GRAND TOTAL				(322.95)	0.00	(381.55)	0.00