

**FY 2019 Health Care Savings Proposals - Executive Budget
State Investments / (Savings) \$ in Millions**

Initiative	Effective Date	Legal - Admin	Descriptions	FY 2018-19		FY 2019-20	
				Gross	Non-Fed	Gross	Non-Fed
GC Pressures							
Global Cap Target	4/1/18	Admin	DOB target to achieve Medicaid savings.	\$850.00	\$425.00	\$850.00	\$425.00
Global Cap Base Deficit	4/1/18	Admin	The Global Cap base is projecting a deficit primarily due to Managed Long-Term Care (MLTC) enrollment growth.	\$0.00	\$0.00	\$278.50	\$139.25
Nursing Home 1% ATB (4 year payback)	4/1/18	Admin	This proposal stretches out the repayment schedule of the Nursing Home 1% Across-The-Board (ATB) retroactive payment (covering SFY 2015 through SFY 2018).	\$70.00	\$35.00	\$70.00	\$35.00
Enrollment Reconciliation	4/1/18	Admin	This proposal provides funding related to enrollment discrepancies for CY 2014 and CY 2015 resulting from system related eligibility issues in the NYS of Health Exchange (NYSOH), WMS, and eMedNY impacting Managed Care plan's ability to bill capitated premiums.	\$20.00	\$10.00	\$20.00	\$10.00
Additional Funding for VAPAP/VBPQIP	4/1/18	Admin	This proposals provides additional funding for financially distressed safety net hospitals.	\$68.60	\$45.40	\$68.60	\$45.40
Outstanding Federal Obligations	4/1/18	Admin	This proposal provides funding to cover outstanding Federal obligations.	\$132.95	\$132.95	\$230.60	\$230.60
Total GC Pressures				\$1,141.55	\$648.35	\$1,517.70	\$885.25
Essential Plan Impact							
Convert VBP-QIP / Other Supplemental programs to Essential Plan	4/1/18	Admin	This proposal converts supplemental programs from Medicaid to the Essential Plan thereby freeing up Global Cap resources.	(\$563.00)	(\$281.50)	(\$758.00)	(\$379.00)
Total Essential Plan Impact				(\$563.00)	(\$281.50)	(\$758.00)	(\$379.00)
Pharmacy Savings Initiatives							
Update Professional Dispensing Fee	4/1/18	Legal	This proposal updates the professional dispensing fee to align with current costs, per CMS requirements under the Covered Outpatient Drug Rule.	\$0.80	\$0.40	\$0.80	\$0.40
Reduce Opioid Dispensing by 20% by 2020	4/1/18	Legal	This proposal will reduce opioid dispensing by 20% by modifying formularies and clinical editing to encourage access to non-opioid alternatives, and requiring treatment plans as a condition for opioid prescribing. It will also eliminate prescriber prevails (FFS) for opioids.	(2.20)	(1.10)	(4.00)	(2.00)
Medication Adherence	4/1/18	Admin	This proposal requires plans to develop and implement a medication adherence program. The program could include medication synchronization, which enables members to consolidate their prescription refills to a single pharmacy trip and enable pharmacists to bill for applicable reduced quantities and dispensing fees.	(10.00)	(5.00)	(10.00)	(5.00)
Rebate Risk Assessment	4/1/18	Admin	This proposal allows the Department to engage with a vendor to perform an independent risk assessment of the rebate billing/collections protocols.	(30.00)	(15.00)	(30.00)	(15.00)
Total Pharmacy Savings				(\$41.40)	(\$20.70)	(\$43.20)	(\$21.60)
LTC Savings Initiatives							
Implement a penalty on poor performing Nursing Homes	4/1/18	Legal	This proposal would use Nursing Home Quality Pool scoring and impose an additional 2% penalty to consistent poor performers by comparing low scoring quintiles for 2 consecutive years, and penalizing those who have scored either a 4:5 or 5:5 respectively.	(\$15.34)	(\$7.67)	(\$15.34)	(\$7.67)
Rationalize Nursing Homes Case Mix Index Increases	4/1/18	Admin	The proposal is to work with the nursing homes industry to revisit the current Minimum Data Set (MDS) census collection process in an effort to promote a higher degree of accuracy in the MDS data, which should result in a reduction of audit findings.	(\$15.00)	(\$7.50)	(\$15.00)	(\$7.50)
Admin Rate Reduction/Regulation Relief	4/1/18	Admin	This proposal reduces MLTC partial capitation plan capitated payments for administration costs across all plans.	(\$37.80)	(\$18.90)	(\$39.70)	(\$19.85)
Expand Access to Assisted Living Program Services (ALPs)	4/1/18	Legal	Targeted increase in ALPs slots across the State and to counties with no or one ALP provider to provide additional non-nursing home residential care alternatives.	\$4.40	\$4.40	\$26.90	\$18.30
Require a Continuous 120 days of Community Based Long Term Care (CBLTC) for Continuing Plan eligibility	4/1/18	Legal	This proposal will require a consecutive 120 days of CBLTC for continuing eligibility.	(\$9.63)	(\$4.81)	(\$20.20)	(\$10.10)
Prohibit Fiscal Intermediary (FI) Bad Actors that Advertise False or Misleading Information.	4/1/18	Legal	This proposal prohibits FIs from advertising false or misleading information to Medicaid enrollees by requiring FIs to submit all advertisements to the Department of Health for approval before they may be disseminated.	(\$9.85)	(\$4.93)	(\$20.74)	(\$10.37)

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Licensed Home Care Services Agencies (LHCSA) Contract Limits w/ MLTC Plans, Review, Registration, & Moratorium	10/1/18	Legal	Sets phased in limits to the number of LHCSA contracts that MLTC plans may contract with. Requires the Public Health & Health Planning Council (PHHPC) to review the public need and financial resources available for new LHCSAs. Requires LHCSAs to register annually with DOH starting in CY 2019. Establishes a moratorium on new LHCSAs until the end of FY 2020.	(\$27.42)	(\$13.71)	(\$69.38)	(\$34.69)
Social Adult Day Health Benefit Efficiency Savings	4/1/18	Admin	This proposal allows MLTC Plans to manage the social adult day benefit more efficiently by eliminating contracts with poor performing providers, adjusting member utilization as necessary, and executing any other reasonable approaches to better utilize the benefit.	(\$56.25)	(\$28.13)	(\$78.75)	(\$39.38)
Restrict MLTC Members from Transitioning from Plan to Plan for 12 Months After Initial Enrollment	10/1/18	Legal	This proposal restricts MLTC members from leaving their enrolled Plan for another Plan within any twelve month period after 90 days of initial enrollment without good cause.	(\$10.45)	(\$5.23)	(\$11.20)	(\$5.60)
Authorization vs. Utilization Adjustment for MLTC	10/1/18	Admin	This proposal requires MLTC plans to shift members from MLTC to fee-for-service for any member who the plan determines has not used any CBLTC services within a calendar month.	(\$2.48)	(\$1.24)	(\$5.20)	(\$2.60)
Limit MLTC Eligibility to < 3 Months in NHs	4/1/18	Legal	This proposal eliminates the duplication of care management services for individuals permanently placed in a Nursing Home for longer than three months by changing the payer source for care management services from MLTC to fee-for-service Medicaid.	(\$157.96)	(\$78.98)	(\$246.14)	(\$123.07)
Traumatic Brain Injury (TBI) Clinic Rate Adjustment	4/1/18	Legal	Adjust the free-standing TBI clinic rate for Medicare Part B beneficiaries participating in the TBI waiver program to be at or above the approved medical assistance payment level less the amount payable under Medicare Part B	\$0.88	\$0.44	\$0.88	\$0.44
Additional Hospice Funding	4/1/18	Legal	The proposal requires DOH to establish a methodology that ensures a prospective 10% increase to Medicaid rates for hospice residence programs.	\$1.72	\$0.86	\$1.72	\$0.86
Rural County Provider funding	4/1/18	Legal	This proposal would conduct a demonstration study looking at cost versus rates for rural county providers. The results of the analysis will allow the Department to increase rates where appropriate.	\$3.00	\$1.50	\$3.00	\$1.50
Total LTC Savings				(\$332.18)	(\$163.89)	(\$489.15)	(\$239.73)
Managed Care Savings Initiatives							
Increase Current Penalties for Managed Care Plans that Fail to Meet Value Based Payments (VBP) targets	4/1/18	Admin	This proposal increases VBP Roadmap penalties for MCOs that fail to achieve required levels of VBP contracting.	(\$20.00)	(\$10.00)	(\$108.00)	(\$54.00)
Reduce FFS/MCO Rate for Providers Without VBP Contracts	7/1/18	Admin	This proposal establishes a new FFS/MCO Benchmark rate for providers without sufficient level of VBP contracting the State at FFS less a percentage to achieve targeted savings.	(\$15.00)	(\$7.50)	(\$15.00)	(\$7.50)
Reduce Overutilization of Laboratory Services	4/1/18	Admin	This proposal reduces overutilization of laboratory services through establishment of clinically determined efficiency standards.	(\$15.00)	(\$7.50)	(\$20.00)	(\$10.00)
Total Managed Care Savings				(\$50.00)	(\$25.00)	(\$143.00)	(\$71.50)
Health Home Savings Initiatives							
Criminal Background Checks	4/1/18	Legal	Requires Health Home care managers serving children and individuals with intellectual and developmental disabilities, and home and community based providers authorized to provide services under the 1115 waiver (upon approval) to children under 21 to get a criminal background check. Subjects such care managers and providers to State Central Registry checks and makes them mandated reporters.	\$1.10	\$1.10	\$1.10	\$1.10
Penalty for Failure to Enroll High Risk Plan Members in Health Homes	4/1/18	Legal	Plans will be assessed a penalty for failure to enroll HARP and other high risk, high cost members (adults or children) in Health Homes.	(\$30.00)	(\$15.00)	(\$30.00)	(\$15.00)
Health Home Healthy Rewards Program	4/1/18	Admin	Plan administered rewards program for Health Home members that participate in wellness and preventative care (e.g., annual physicals, smoking cessation, continuous enrollment in Health Homes).	(\$30.00)	(\$15.00)	(\$30.00)	(\$15.00)
Redirect Outreach Resources to Increase HH Enrollment of High Risk Members	10/1/18	Admin	No later than August 2018 each Plan will be required to submit a detailed Outreach Plan to the Department for Department approval describing how it will optimize outreach resources and payments to locate and enroll high risk members in Health Home (e.g., locate Health Home outreach staff in shelters, hospitals, LDSS) and projecting the number of members expected to enroll in Health Homes.	(\$8.80)	(\$4.40)	(\$17.50)	(\$8.75)
Total Health Home Savings				(\$67.70)	(\$33.30)	(\$76.40)	(\$37.65)

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Other Savings							
Reduce Accounts Receivable Balances	4/1/18	Admin	This proposal allows the State to begin an Enhanced Recovery Initiative to reduce/eliminate outstanding accounts receivable balances owed to the State by providers.	(\$12.55)	(\$12.55)	(\$25.00)	(\$25.00)
MC Pilot to Improve Access to Clozapine	10/1/18	Admin	This proposal aims to increase the identification, engagement, and clozapine utilization of high-cost, high-utilizing Medicaid enrollees with schizophrenia spectrum disorders (clozapine candidates). In order to achieve better patient outcomes and reduce unnecessary emergency room and inpatient utilization the State will partner with Managed Care Plans and providers on a pilot to improve access to Clozapine	(\$4.08)	(\$2.04)	(\$8.67)	(\$4.34)
Best Practices in ER Diversion & Inpatient Discharge	10/1/18	Admin	This proposal implements best practices statewide through OMH clinical protocols in partnership with managed care plans and hospitals.	(\$9.08)	(\$4.54)	(\$18.67)	(\$9.34)
Reducing Unnecessary Utilization - Physical Therapy Cap	4/1/18	Legal Admin	This proposal provides funding into preventive services by increasing the cap on P.T. visits from 20 to 40.	\$4.58	\$2.29	\$6.10	\$3.05
Correct Ambulatory Patient Group (APG) Weights for IV Infusion/Hydration Bags	4/1/18	Admin	This proposal reduces the amount paid via the Medicaid (APG) methodology to emergency departments and hospital outpatient departments for IV infusion/hydration using saline. The APG payment for each saline bag is approximately \$500. This proposal would reduce the payment by 50% or to approximately \$250 per bag.	(\$10.06)	(\$5.03)	(\$10.06)	(\$5.03)
Remove Originating Site Requirement from Telehealth Program	10/1/18	Legal	This proposal assumes savings associated with removing the originating site requirement in the telehealth program.	(\$10.00)	(\$5.00)	(\$10.00)	(\$5.00)
OMIG Savings Initiatives	7/1/18	Admin	OMIG is increasing recoveries by pursuing recovery of claims that should have been paid by Medicare, through the Recovery Audit Contract (RAC), performing audits of claims for family planning and health reproductive services paid by a MCO for enrollees who go to a non-network MCO, and collecting on a settlement for a backlog of paid Medicaid claims related to home health services for dual eligible beneficiaries.	(\$50.00)	(\$25.00)	(\$20.00)	(\$10.00)
Total Other Savings				(\$91.19)	(\$51.87)	(\$86.30)	(\$55.65)
Other Investments							
First One Thousand Days	4/1/18	Admin	This proposal implements the first 1,000 Days 10-point plan.	\$2.90	\$1.45	\$11.60	\$5.80
Ambulance Fee Increase	4/1/18	Admin	This proposal includes funding to support an ambulance rate increase.	\$12.56	\$6.28	\$18.84	\$9.42
Supportive Housing	4/1/19	Admin	This proposal provides funding for supportive housing for high cost Medicaid members. Such proposal would work with Plans, VBP contractors, & PPSs to move high utilizers who are homeless into housing. Such proposal would also expand to families in conjunction with the First 1,000 days.	\$0.00	\$0.00	\$44.00	\$44.00
Total Other Investments				\$15.46	\$7.73	\$74.44	\$59.22
Adds/Avails							
Increased MRT/Safety Net Inter-Governmental Transfer (IGT)	4/1/18	Admin	This proposal provides an increased MRT/Safety net IGT contribution from the SUNY system.	(\$46.30)	(\$46.30)	\$0.00	\$0.00
MCO Tax Repeal	4/1/18	Admin	Section 9010 of the ACA imposes a Health Insurance Providers Fee (HIPF) for any covered entity whose business operations provide health insurance for United States health risks. This tax is suspended for Calendar Year 2019.	(\$7.80)	(\$3.90)	(\$222.40)	(\$111.20)
Telehealth Expansion	10/1/18	Legal	Telehealth is being expanded to include additional originating sites, including the patient's place of residence or other temporary location, and additional provider-types who may render services via telehealth.	(\$20.00)	(\$10.00)	(\$20.00)	(\$10.00)
Health Homes - Quality Improvements	4/1/18	Admin	Health Home Quality Incentive Pool rewards high performing Health Homes that meet performance goals and impose penalties on underperforming Health Homes.	(\$20.00)	(\$10.00)	(\$33.00)	(\$16.50)
Maximus Contract - 3-year Extension	4/1/18	Legal	This proposal extends the Maximus contract to three years and changes the cost-plus reimbursement structure to a performance-based contract structure.	(\$30.00)	(\$15.00)	(\$30.00)	(\$15.00)
Claims Editing Enhancements	4/1/18	Admin	This proposal improves cost avoidance measures and enhanced fraud, waste, and abuse deterrence by expanding cost avoidance functions and enhancing the review processes for delays in claims filings.	(\$34.00)	(\$17.00)	(\$34.00)	(\$17.00)

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Proportionally Reduce Managed Care Quality Pools	4/1/18	Admin	This proposal reduces the Managed Care Quality pools proportionately between Mainstream Managed Care and Managed Long Term Care based on program spending. The reductions will be taken from the lower tiers consistent with prior year budget actions.	(\$25.94)	(\$12.97)	(\$10.00)	(\$5.00)
Reimbursement rates for Crouse Community Center	4/1/18	Legal	This proposal provides a FFS rate increase of 17 percent and a MC rate increase of 4 percent to Crouse Community Center.	\$0.70	\$0.35	\$0.70	\$0.35
Hepatitis C Investment	4/1/18	Admin	This proposal provides funding to support services targeting two populations disproportionately impacted by hepatitis C: people who inject drugs (PWID); and incarcerated individuals.	\$10.00	\$5.00	\$10.00	\$5.00
Safety Net (50% Safety Net 50% CHA & SCH)	4/1/18	Legal	This proposal provides additional funding for safety net hospitals, critical access hospitals, and sole community hospitals.	\$60.00	\$30.00	\$60.00	\$30.00
Total Adds/Avails				(\$113.34)	(\$79.82)	(\$278.70)	(\$139.35)
Total MRT				(\$101.80)	\$0.00	(\$282.61)	(\$0.00)