

MEMORANDUM IN SUPPORT

A BUDGET BILL submitted by the Governor
in accordance with Article VII of the Constitution

AN ACT to amend chapter 2 of the laws of 1998, amending the public health law, the social services law and the insurance law relating to expanding the child health insurance plan, in relation to the effectiveness of such chapter; to amend chapter 58 of the laws of 2004, amending the social services law and other laws relating to implementing the state fiscal plan for the 2004-05 fiscal year, in relation to health care; to amend the public health law, in relation to tobacco control and insurance initiatives pool distributions; to amend the social services law, in relation to the medically needy eligibility standards; to amend chapter 59 of the laws of 2004 implementing the state fiscal plan for the 2004-05 fiscal year, in relation to the STAR program; to provide statutory authority for a property transfer in Buffalo, New York; and to amend the insurance law, in relation to insurance conversions

Purpose: This bill is intended to facilitate implementation of the 2004-05 State budget by amending the Public Health Law and the Social Services Law regarding health care financing; making additional funds available to meet the purposes of the School Tax Relief Fund for 2004-05; authorizing a transfer of real property by the State; and modifying Insurance Law to allow additional conversions of health insurance plans to for-profit entities.

Summary of Provisions: Sections 1 through 3 of this bill make technical revisions to amend Chapter 58 of the Laws of 2004 to modify an effective date for Child Health Plus; to modify the General Medical Education payment dates; and to provide dollar-for-dollar asset protection under the Partnership for Long Term Care insurance program.

Sections 4 and 5 of this bill amend Chapter 58 of the Laws of 2004 to increase the Family Health Plus allocation from \$348 million to \$374 million in calendar year 2004 and from \$181 million to \$228 million in calendar year 2005 due to increased enrollment; and to authorize the transfer of funds from HCRA to Medicaid for the Nursing Home Financially Disadvantaged program.

Section 6 makes a technical amendment to Social Services Law to modify the Medically Needy standard to comply with Federal limits.

Section 7 amends Chapter 59 of the Laws of 2004 to ensure adequate funds are available to meet the purposes of the School Tax Relief program.

Section 8 provides a statutory mechanism for the property transfer of the General William J. Donovan State Office Building.

Sections 9 through 13 modify the Insurance Law to expand existing language to authorize the conversion of health insurance plans, similar to Empire Blue Cross, to for-profit entities.

Section 14 provides that all sections of the bill shall take effect immediately, and that sections 1 through 7 shall be deemed to have been in full force and effect on and after April 1, 2004, and sections 9 through 13 shall be deemed to have been in full force and effect on and after January 25, 2002.

Existing Law: This is a new bill.

Statement in Support: Enactment of this bill is necessary to provide funding for liabilities occurring in the 2004-05 fiscal year that exceed the budgeted resources, and to otherwise facilitate complete implementation of the 2004-05 budget.

Budget Implications: The provisions of this bill are accommodated in the current Financial Plan for 2004-05.