

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 tuberculosis, measles, mumps and rubella 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 2005-06, the Department of Health will have a workforce of nearly 6,000 positions, with 22 percent of those positions employed in the Department's health care facilities.

- Approximately 16 percent of these positions are paid exclusively by the General Fund;
- 13 percent are directly supported by fees;
- 56 percent are supported by third party, private patient care and Federal reimbursement; and
- The remaining 15 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 approximately \$47 billion in 2005-06. The 2005-06 Medicaid Budget reflects a

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continued 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 2005-06 Executive Budget 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 cost of living adjustment. This will lead to a full State takeover of local Medicaid costs effective January 1, 2008. To partially offset the cost of the State takeover local governments will have the option of remitting to the State sales tax revenues or the capped contribution. Additionally, the Budget recommends a series of actions to control Medicaid cost increases to keep the program affordable for State taxpayers while ensuring continued access to needed health care services for recipients. Taken together, these actions will begin to relieve the Medicaid burden upon local property taxpayers.

Pharmacy

Absent efforts to control growth, State Medicaid spending on pharmacy services will reach nearly \$1.2 billion in 2005-06. The 2005-06 Executive Budget recommends several measures to control these costs. These include: establishing a preferred drug program; authorizing prior approval of certain high risk / high cost drugs and increasing Medicaid co-payments for generics (\$0.50 to \$1.00) and brand name drugs (\$2.00 to \$3.00) for both fee for service Medicaid and individuals in Medicaid managed care.

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 2005-06 Executive Budget recommends that the Health Care Reform Act, currently set to expire on June 30, 2005, be reauthorized for an additional two years. The recommendations for HCRA maximize available revenues; reduce costs where feasible; continue 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 \$1.9 billion in 2005-06, which reflects a number of Budget recommendations to limit the growth in hospital and clinic costs. These include reconciling Graduate Medical Education (GME) payments and eliminating annual inflationary increases. In addition, the 2005-06 Executive Budget recommends re-establishing a 0.7 percent assessment on hospital revenues.

Long Term Care

State spending on nursing home and community-based care comprises more than half the General Fund Medicaid Budget — or an estimated \$4.5 billion in 2005-06. The 2005-06 Executive Budget recommends several initiatives that affect nursing homes including implementing a new regional reimbursement methodology; eliminating a rate enhancement for providers serving Medicare patients which is no longer necessary due to changes in Federal reimbursement policy; requiring providers to offset inflationary cost increases; increasing the reimbursable assessment to 6 percent; and other actions.

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; creating 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 enhancing certain home care rates to encourage care for the medically needy in community based settings. Also, the Budget recommends closing existing eligibility loopholes that allow individuals to not contribute to the cost of their care; holding Managed Long Term Care premiums at the current levels; and implementing measures to limit administrative costs in the Home Care and Long Term Home Health Care programs.

Managed Care

The 2005-06 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 2005-06.

Managed care enrollment is projected to reach approximately 2 million by the end of 2004-05 and 2.2 million in 2005-06. 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, lower emergency room use, and fewer inpatient days for the Medicaid population.

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 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 2005-06 Executive Budget proposes to freeze Medicaid Managed Care premiums at the 2004-05 levels and to extend the Medicaid Managed Care program permanently.

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 also continue to be made through the State's computerized Medicaid Management Information System (MMIS) that is operated by a private agency with oversight by State personnel. The Department has obtained management and development services for a Replacement Medicaid System (eMEDNY) that will replace both MMIS and the Electronic Medicaid Eligibility Verification System (EMEVS) with an integrated claims processing system. eMEDNY, which will begin full operation in March 2005, will provide updated technologies and bring New York State into compliance with new Federal reporting requirements. In addition, the new system will substantially enhance front-end detection of Medicaid fraud.

CHILD HEALTH PLUS

New York's Child Health Plus (CHP) program continues to set a national standard for children's health insurance coverage for children up to age 19. CHP 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 over 450,000 children. Under Governor Pataki, the program has expanded to include comprehensive health benefits and increased

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eligibility to 250 percent of the Federal Poverty Level (FPL). When eligible Federal funds are combined with State HCRA moneys, CHP will provide comprehensive coverage to virtually all eligible children in the State. The 2005-06 Executive Budget proposes to freeze CHP premiums at 2004-05 levels and reauthorizes the program for two years through June 2007.

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 Executive Budget recommends modifying the asset/resource test; requiring a 12-month waiting period for those who had group health coverage previously; prohibiting coverage for individuals employed by a large business or governmental entity; making the benefit package consistent with that offered through Healthy New York; capping marketing and enrollment funding; and eliminating facilitated enrollment funding.

OTHER PUBLIC HEALTH PROGRAMS

Excluding Medicaid and HCRA program costs, General Fund appropriations finance 22 percent of the Department of Health's budget in 2005-06. 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 47 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 31 percent is provided by Federal grants and Enterprise funds.

Capital Project appropriations 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 facility revenues and/or the General Fund.

This overall recommendation ensures that public health priorities are preserved. As such, the 2005-06 Executive Budget:

- Recommends \$250 million in new capital appropriations, or a total of \$1 billion over the next four years, for a Health Care System Improvement and Community Health Center Capital Grant Program. 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. Three quarters of this funding, or \$750 million, would be financed with bonds issued by the Dormitory Authority, with debt service supported by HCRA;
- Provides \$841 million for the Elderly Pharmaceutical Insurance Coverage program (EPIC) to ensure that more than 358,000 senior citizens receive crucial prescription insurance. The Executive Budget provides a series of measures that will reduce the cost of the EPIC program by \$40 million annually as a result of coordinating with the new Medicare Prescription Drug Program. EPIC fees will be waived for those individuals — reducing their costs and producing savings for EPIC. New York will continue to assist in covering prescription drug costs for more seniors than any other state in the nation;
- Provides \$260 million for the State share of Early Intervention (EI) costs and dramatically restructures this program serving 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

- require parents earning above 250 percent of the Federal Poverty Level to pay monthly fees ranging from \$25 to \$215. Several additional measures are proposed to promote cost effectiveness, including modifying the home visit rate structure and providing counties with the authority to set rates;
- Includes \$231.5 million for the General Public Health Works program to reimburse counties and New York City for providing public health services such as childhood immunizations, primary health care, and control of communicable diseases such as tuberculosis and sexually transmitted diseases in 2005. Legislation accompanying the budget will create a grant program that will increase county flexibility as well as assist counties in managing their cash flow. The Budget includes a \$10 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 \$3.2 billion, a year-to-year increase of \$171.1 million, including \$104.3 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 for the Roswell Park Cancer Institute Corporation;
 - Includes \$41 million, funded largely from HCRA, for an anti-smoking program, including counter advertising, community and school-based education programs, cancer mapping and strict enforcement of laws regulating the sale and use of tobacco products;
 - Supports the optional State supplementation of the Federal nutrition assistance program for women, infants and children (WIC) with \$45.7 million. New York continues to be one of only 13 states to augment Federal nutrition funds; and
 - Includes \$4.75 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 for the Mentally Disabled 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.

PROGRAM HIGHLIGHTS

MEDICAID

Originally established in 1965 by the Federal government as a health insurance program for the poor, New York's Medicaid program costs are projected to total \$44.5 billion in 2004-05, and provide coverage to nearly 4 million New Yorkers. Cost containment and revenue maximization initiatives have resulted in the State's 2004-05 General Fund Medicaid spending being held to average annual increases of only 1.5 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.

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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, HCRA was extended for two years, through June 2005. In addition, revenues were enhanced, through increases in health care surcharges and the dedication of additional Empire Conversion proceeds and Federal World Trade Center Funds, 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 2005-06 Executive Budget extends HCRA for two years until June 2007. In the context of this renewal a number of additional revenue sources are being designated to support increased program costs. Included are increases in health care surcharges and assessments and dedication of proceeds from any not-for-profit insurer to for profit status to HCRA. Furthermore, the Budget also proposes to reduce costs where feasible and eliminate certain HCRA programs which, when combined with the additional revenues, will ensure financing of HCRA programs through the June 2007 extension.

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 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 Center annually report nearly three million test results to providers. These programs encompass such public health concerns as HIV, tuberculosis, environmental contamination and genetic disorders in newborns. In 2005-06, free newborn screenings will be expanded to include a total of 44 disorders, making New York State a national leader. Ongoing research, largely

funded by external grants, is carried out for public health problems such as AIDS, Lyme disease, 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 Center for Community Health continue to play key roles in managing the State's preparation for response to bio-terrorism.

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 \$3.2 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.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2004-05	Appropriations Recommended 2005-06	Change	Reappropriations Recommended 2005-06
State Operations	4,667,485,900	4,717,351,000	49,865,100	11,735,203,900
Aid To Localities	37,356,266,600	41,877,478,600	4,521,212,000	28,326,594,600
Capital Projects	97,600,000	326,600,000	229,000,000	224,091,000
Total	<u>42,121,352,500</u>	<u>46,921,429,600</u>	<u>4,800,077,100</u>	<u>40,285,889,500</u>

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

Full-Time Equivalent Positions (FTE)

Program	2004-05	2005-06	FTE Change
	Estimated FTEs 03/31/05	Estimated FTEs 03/31/06	
Administration and Executive Direction			
General Fund	88	88	0
Special Revenue Funds - Federal	58	58	0
Special Revenue Funds - Other	249	249	0
AIDS Institute			
General Fund	164	164	0
Child Health Insurance			
Special Revenue Funds - Other	37	37	0
Community Health			
Special Revenue Funds - Federal	566	626	60
Special Revenue Funds - Other	78	78	0
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	22	22	0
Environmental Health			
General Fund	99	99	0
Special Revenue Funds - Federal	113	113	0
Special Revenue Funds - Other	71	71	0
Capital Projects Funds - Other	70	70	0
Health Care Financing			
General Fund	56	56	0
Special Revenue Funds - Other	57	57	0
Health Care Standards and Surveillance			
General Fund	547	547	0
Special Revenue Funds - Other	248	263	15
Health Services			
Enterprise Funds	14	14	0
Institution Management			
Special Revenue Funds - Other	1,672	1,672	0
Laboratories and Research			
General Fund	374	374	0
Special Revenue Funds - Federal	81	81	0
Special Revenue Funds - Other	176	176	0
Managed Care			
General Fund	152	152	0
Medicaid Audit and Fraud Prevention			
General Fund	233	233	0
Special Revenue Funds - Federal	246	246	0
Special Revenue Funds - Other	32	32	0
Office of Medicaid Management			
General Fund	345	360	15
Special Revenue Funds - Federal	22	22	0
Special Revenue Funds - Other	2	2	0
Total	5,872	5,962	90

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

Fund Type	Available 2004-05	Recommended 2005-06	Change
General Fund	178,082,000	184,565,000	6,483,000
Special Revenue Funds - Federal	4,053,289,700	4,054,898,000	1,608,300
Special Revenue Funds - Other	436,104,200	477,878,000	41,773,800
Enterprise Funds	10,000	10,000	0
Total	<u>4,667,485,900</u>	<u>4,717,351,000</u>	<u>49,865,100</u>
Adjustments:			
Transfer(s) From			
Health, Department of			
Special Revenue Funds - Other	(4,782,130)		
Special Pay Bill			
General Fund	(5,363,000)		
Special Revenue Funds - Federal	(3,717,700)		
Special Revenue Funds - Other	(7,538,200)		
Transfer(s) To			
Helen Hayes Hospital			
Special Revenue Funds - Other	1,800,370		
Montrose State Veterans Home			
Special Revenue Funds - Other	753,880		
New York City Veterans Home			
Special Revenue Funds - Other	831,050		
New York State Home for Veterans and Their Dependents			
Special Revenue Funds - Other	928,890		
Western New York Veterans Home			
Special Revenue Funds - Other	467,940		
Appropriated 2004-05	<u>4,650,867,000</u>		

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

Program	Available 2004-05	Recommended 2005-06	Change
Administration and Executive Direction			
General Fund	24,591,310	21,063,000	(3,528,310)
Special Revenue Funds - Federal	10,370,000	9,824,000	(546,000)
Special Revenue Funds - Other	33,116,450	32,901,000	(215,450)
AIDS Institute			
General Fund	15,653,180	16,238,000	584,820
Child Health Insurance			
Special Revenue Funds - Federal	53,000,000	58,300,000	5,300,000
Special Revenue Funds - Other	11,219,900	11,408,000	188,100
Community Health			
Special Revenue Funds - Federal	120,271,800	117,128,000	(3,143,800)
Special Revenue Funds - Other	6,910,200	7,064,000	153,800
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Federal	0	34,000,000	34,000,000
Special Revenue Funds - Other	13,567,770	14,292,000	724,230
Environmental Health			
General Fund	8,902,760	9,287,000	384,240
Special Revenue Funds - Federal	27,777,000	15,678,000	(12,099,000)
Special Revenue Funds - Other	16,318,850	17,208,000	889,150
Health Care Financing			
General Fund	4,537,000	4,807,000	270,000
Special Revenue Funds - Other	7,484,000	9,084,000	1,600,000
Health Care Standards and Surveillance			
General Fund	51,376,660	53,806,000	2,429,340
Special Revenue Funds - Federal	0	300,000	300,000
Special Revenue Funds - Other	57,217,400	64,821,000	7,603,600
Institution Management			
Special Revenue Funds - Other	136,914,020	150,899,000	13,984,980
Enterprise Funds	10,000	10,000	0
Laboratories and Research			
General Fund	32,081,500	32,726,000	644,500
Special Revenue Funds - Federal	11,448,000	11,448,000	0
Special Revenue Funds - Other	32,333,610	44,179,000	11,845,390
Maintenance Undistributed			
General Fund	(112,162,000)	(108,962,000)	3,200,000
Special Revenue Funds - Other	108,962,000	108,962,000	0
Managed Care			
General Fund	14,272,000	14,841,000	569,000
Special Revenue Funds - Other	60,000	60,000	0
Medicaid Audit and Fraud Prevention			
General Fund	19,633,000	20,365,000	732,000
Special Revenue Funds - Federal	61,304,900	65,800,000	4,495,100
Special Revenue Funds - Other	4,500,000	4,500,000	0
Office of Medicaid Management			
General Fund	45,161,590	46,359,000	1,197,410
Special Revenue Funds - Federal	3,673,395,000	3,646,697,000	(26,698,000)
Special Revenue Funds - Other	7,500,000	12,500,000	5,000,000
Medicaid Management Information System			
General Fund	74,035,000	74,035,000	0
Special Revenue Funds - Federal	95,723,000	95,723,000	0
Total	<u>4,667,485,900</u>	<u>4,717,351,000</u>	<u>49,865,100</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2005-06 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	7,463,000	(228,310)	7,038,000	(425,310)
AIDS Institute	10,357,000	584,820	10,357,000	584,820
Environmental Health	7,350,000	384,240	7,151,000	384,240
Health Care Financing	3,996,000	241,000	3,961,000	241,000
Health Care Standards and Surveillance	37,699,000	1,929,340	37,329,000	1,929,340
Laboratories and Research	23,000,000	569,500	22,679,000	569,500
Managed Care	10,510,000	569,000	10,510,000	569,000
Medicaid Audit and Fraud Prevention	15,529,000	732,000	15,529,000	732,000
Office of Medicaid Management	22,305,000	1,197,410	22,305,000	1,197,410
Total	138,209,000	5,979,000	136,859,000	5,782,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	225,000	100,000	200,000	97,000
AIDS Institute	0	0	0	0
Environmental Health	187,000	0	12,000	0
Health Care Financing	0	0	35,000	0
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 Audit and Fraud Prevention	0	0	0	0
Office of Medicaid Management	0	0	0	0
Total	596,000	100,000	754,000	97,000

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**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2005-06 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Executive Direction	13,600,000	(3,300,000)	740,000	0
AIDS Institute	5,881,000	0	1,333,881	0
Environmental Health	1,937,000	0	159,000	0
Health Care Financing	811,000	29,000	12,000	0
Health Care Standards and Surveillance	16,107,000	500,000	279,500	0
Laboratories and Research	9,726,000	75,000	3,285,000	75,000
Managed Care	4,331,000	0	34,000	0
Medicaid Audit and Fraud Prevention	4,836,000	0	0	0
Office of Medicaid Management	24,054,000	0	0	0
Medicaid Management Information System	74,035,000	0	0	0
Total	155,318,000	(2,696,000)	5,843,381	75,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Executive Direction	262,000	0	12,547,000	(3,146,000)
AIDS Institute	311,700	0	3,556,900	0
Environmental Health	415,000	0	1,223,000	0
Health Care Financing	38,300	0	722,000	0
Health Care Standards and Surveillance	1,247,300	0	13,887,700	6,600,000
Laboratories and Research	76,000	0	6,060,000	0
Managed Care	0	0	4,297,000	0
Medicaid Audit and Fraud Prevention	0	0	3,687,000	0
Office of Medicaid Management	0	0	4,000,000	0
Medicaid Management Information System	0	0	74,035,000	0
Total	2,350,300	0	124,015,600	3,454,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	51,000	(154,000)	0	0
AIDS Institute	228,519	0	450,000	0
Environmental Health	140,000	0	0	0
Health Care Financing	38,700	29,000	0	0
Health Care Standards and Surveillance	192,500	0	500,000	(6,100,000)
Laboratories and Research	305,000	0	0	0
Managed Care	0	0	0	0
Medicaid Audit and Fraud Prevention	0	0	1,149,000	0
Office of Medicaid Management	0	0	20,054,000	0
Medicaid Management Information System	0	0	0	0
Total	955,719	(125,000)	22,153,000	(6,100,000)

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2005-06 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Executive Direction	42,725,000	(761,450)	16,818,000	(387,060)
Child Health Insurance	69,708,000	5,488,100	2,428,000	78,450
Community Health	124,192,000	(2,990,000)	0	(1,566,900)
Elderly Pharmaceutical Insurance Coverage	48,292,000	34,724,230	1,400,000	66,220
Environmental Health	32,886,000	(11,209,850)	5,064,000	(4,150)
Health Care Financing	9,084,000	1,600,000	4,467,000	194,000
Health Care Standards and Surveillance	65,121,000	7,903,600	15,280,000	(1,188,290)
Institution Management	125,573,000	9,908,980	0	(3,091,790)
Laboratories and Research	55,627,000	11,845,390	9,420,000	255,420
Managed Care	60,000	0	0	0
Medicaid Audit and Fraud Prevention	70,300,000	4,495,100	0	(977,800)
Office of Medicaid Management	3,659,197,000	(21,698,000)	0	0
Medicaid Management Information System	95,723,000	0	0	0
Total	4,398,488,000	39,306,100	54,877,000	(6,621,900)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	14,892,000	1,824,610	11,015,000	(2,199,000)
Child Health Insurance	8,980,000	109,650	58,300,000	5,300,000
Community Health	0	(712,100)	124,192,000	(711,000)
Elderly Pharmaceutical Insurance Coverage	12,724,000	2,115,010	34,168,000	32,543,000
Environmental Health	10,744,000	745,300	17,078,000	(11,951,000)
Health Care Financing	4,617,000	1,406,000	0	0
Health Care Standards and Surveillance	24,096,000	1,441,890	25,745,000	7,650,000
Institution Management	0	(1,396,230)	125,573,000	14,397,000
Laboratories and Research	13,459,000	1,389,970	32,748,000	10,200,000
Managed Care	0	0	60,000	0
Medicaid Audit and Fraud Prevention	0	(444,100)	70,300,000	5,917,000
Office of Medicaid Management	0	0	3,659,197,000	(21,698,000)
Medicaid Management Information System	0	0	95,723,000	0
Total	89,512,000	6,480,000	4,254,099,000	39,448,000

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

Fund Type	Available 2004-05	Recommended 2005-06	Change
General Fund	7,517,604,600	8,023,096,600	505,492,000
Special Revenue Funds - Federal	24,231,498,000	24,923,568,000	692,070,000
Special Revenue Funds - Other	4,131,164,000	7,159,614,000	3,028,450,000
Fiduciary Funds	1,476,000,000	1,771,200,000	295,200,000
Total	37,356,266,600	41,877,478,600	4,521,212,000

Adjustments:	
Prior Year Deficiency	
Health, Department of	
Special Revenue Funds - Other	40,000,000
Recommended Deficiency	
Health, Department of	
Special Revenue Funds - Other	(27,000,000)
Transfer(s) From	
Temporary and Disability Assistance,	
Office of	
General Fund	(20,225,000)
Appropriated 2004-05	<u>37,349,041,600</u>

HEALTH

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

Program	Available 2004-05	Recommended 2005-06	Change
Administration and Executive Direction			
General Fund	602,000	602,000	0
AIDS Institute			
General Fund	787,600	787,600	0
Special Revenue Funds - Other	88,253,000	88,253,000	0
Child Health Insurance			
Special Revenue Funds - Federal	1,000,000,000	435,000,000	(565,000,000)
Special Revenue Funds - Other	435,000,000	435,000,000	0
Community Health			
General Fund	613,724,000	573,324,000	(40,400,000)
Special Revenue Funds - Federal	641,639,000	694,035,000	52,396,000
Special Revenue Funds - Other	59,823,000	70,373,000	10,550,000
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	735,900,000	841,000,000	105,100,000
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			
Special Revenue Funds - Other	0	1,749,350,000	1,749,350,000
Health Care Standards and Surveillance			
General Fund	10,731,000	11,731,000	1,000,000
Special Revenue Funds - Federal	650,000	0	(650,000)
Special Revenue Funds - Other	6,000,000	2,750,000	(3,250,000)
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
Office of Medicaid Management			
General Fund	8,458,000	8,458,000	0
Medical Assistance			
General Fund	6,767,809,000	7,306,201,000	538,392,000
Special Revenue Funds - Federal	22,101,002,000	23,306,326,000	1,205,324,000
Special Revenue Funds - Other	2,798,700,000	3,965,400,000	1,166,700,000
Fiduciary Funds	1,476,000,000	1,771,200,000	295,200,000
Medical Assistance Administration			
General Fund	115,850,000	122,350,000	6,500,000
Special Revenue Funds - Federal	481,800,000	481,800,000	0
Total	<u>37,356,266,600</u>	<u>41,877,478,600</u>	<u>4,521,212,000</u>

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

Comprehensive Construction Program	Available 2004-05	Recommended 2005-06	Change	Reappropriations 2005-06
Design and Construction Supervision				
Capital Projects Fund	0	0	0	452,000
Health Care System Improvements				
Capital Projects Fund	0	65,000,000	65,000,000	0
Capital Projects Fund - Advances	0	185,000,000	185,000,000	0
Rehabilitation and Improvements				
Capital Projects Fund	0	0	0	465,000
Laboratories and Research				
Capital Projects Fund	4,000,000	4,000,000	0	12,688,000
Maintenance and Improvements of Existing Institutions				
Capital Projects Fund	7,600,000	7,600,000	0	31,693,000
New Institution Construction				
Capital Projects Fund - Advances	21,000,000	0	(21,000,000)	41,000,000
Water Resources				
Federal Capital Projects Fund	65,000,000	65,000,000	0	137,793,000
Total	<u>97,600,000</u>	<u>326,600,000</u>	<u>229,000,000</u>	<u>224,091,000</u>