

**Amendments to Senate S2809-A; Assembly A4009-A
(Health and Mental Hygiene Article VII Bill)**

Part B relating to Medicaid is amended to:

- Add language authorizing Department of Health, effective July 1, 2001, to establish a statewide pricing methodology for nursing homes, adjusted for regional wages and patient acuity;
- Delete language establishing a maximum rate of growth for the medical assistance program, indexed to the federal consumer price index. This provision is revised and reflected in Part H.

Part C relating to the Health Care Reform Act (HCRA) is amended to:

- Amend language regarding the potential uses of Covered Lives Assessment resources through March 31, 2014. The provision is now revised and reflected in Part H.

Part D relating to the extension of prior year cost-containment is amended to:

- Delete a provision of law extending the managed care pharmacy carve-out through March 31, 2014.

Part H, relating to authorizing implementation of Medicaid Redesign Team recommendations is added to:

- Discontinues the use of provider inflationary trend factors applied to Medicaid reimbursement rates for hospitals, nursing homes, outpatient services and diagnostic and treatment centers and home and personal care providers (MRT proposal 4);
- Authorizes the Commissioner of Health to promulgate regulations to eliminate trend factor adjustments (MRT proposal 4).;
- Implements controls on certified home health agency utilization through a provider specific aggregate annual spending caps (MRT proposal 5A);
- Transitions certified home health agency reimbursement to an episodic pricing methodology (MRT proposal 5B);
- Authorizes the management of pharmacy benefits under Medicaid managed care (MRT proposal 11);
- Authorizes a study to determine actual costs incurred by school districts and counties providing school and pre-school supportive health services to leverage additional federal financial participation (MRT proposal 13);
- Discontinues reimbursement of equity in the capital component of the rate for proprietary nursing homes (MRT proposal 14);

- Enhances New York State's leverage in negotiating supplemental rebates with pharmaceutical manufacturers (MRT proposal 15A);
- Authorizes the Commissioner of Health to establish pharmacy reimbursement and dispensing fees (MRT proposal 15C);
- Increases the number of immunizations that a pharmacist may administer for persons who are eleven years or older (MRT proposal 15D);
- Makes various changes to the pharmacy and therapeutics committee, including increasing the composition of the committee from seventeen to eighteen members, permitting the chairperson be an employee of the State and requiring that the Commissioner of Health designate a Department of Health employee to serve as chairperson (MRT proposal 15E);
- Allows the Commissioner of Health to designate any therapeutic classes of drugs or individual drugs as preferred prior to review by the pharmacy and therapeutics committee and a member of the Department of Health to perform any duties required by the Commissioner (MRT proposal 15E);
- Eliminates the "physician prevails" requirement if it is determined that the use of prescription drug is not warranted (MRT proposal 15E);
- Discontinues State-only Medicaid wrap around coverage for Medicare Part D covered pharmaceuticals (MRT proposal 15G);
- Requires prior authorization for exempt drug classes (MRT proposal 15H);
- Limits payments for enteral formula, prescription footwear and compression stockings to certain medically necessary circumstances and authorize the Commissioner of health to require prior authorization for more than four opioid prescriptions in a thirty day period (MRT proposal 15K, 24, 30, 42);
- Prohibits spousal refusal for legally responsible relatives who are not absent (MRT proposal 18);
- Limits the processing of nursing home rate appeals to eighty million gross annually through March 31, 2015 and permanently extends the Commissioner of Health's authority to resolve multiple pending rate appeals using negotiated settlements (MRT proposal 21);
- Authorizes the State to implement behavioral health utilization controls (MRT proposal 26);
- Establishes utilization limits for physical therapy, occupational therapy, nurse practitioner and speech therapy and pathology services (MRT proposal 34);
- Eliminates the nursing adjustment for home care services provided by a certified home health agency or a long term home health care program to individuals diagnosed with acquired immune deficiency syndrome (AIDS) (MRT proposal 37);

- Establishes the physician service corps and allocate spending for this new program (MRT proposal 41);
- Removes limits on Medicaid coverage for smoking cessation counseling to pregnant women and individuals between 10 and 20 years of age to expand access to smoking cessation counseling (MRT proposal 55);
- De-links workers compensation rates from hospital rates so that the workers compensation rates are not impacted by Budget actions (MRT proposal 60);
- Reduces worker turnover in the home and community based long term care system by establishing home care worker wage parity requirements (MRT proposal 61);
- Establishes guidelines for managed care contracting with home care agencies, which include requiring that such contracts provide compensation to employees that is equal to or greater than the total compensation provided to employees by agencies providing Medicaid personal care (MRT proposal 104);
- Provides operational and restructuring assistance to safety net hospitals, nursing homes and clinics to make critical decisions to either close, merge or restructure (MRT proposal 67);
- Expands the current State-wide patient centered medical home program to more payers and broaden participation (MRT proposal 70);
- Authorizes regulations to incorporate quality measures relating to potentially preventable conditions, inappropriate use of certain services, such as cesarean deliveries, coronary artery bypass grafts and percutaneous coronary interventions, and a fee on general hospitals to cover costs associated with auditing institutional cost reports (MRT proposal 82, 103 and 134);
- Allows the State to coordinate care for high cost chronic populations through Health Homes (MRT proposal 89);
- Expands screening, brief intervention and referral to treatment (SBIRT) for alcohol or drug use beyond the emergency room setting (MRT proposal 83);
- Requires mandatory enrollment in Medicaid managed long term care for persons twenty-one years or older residing in the community in need of home and community-based long term care services and accelerate State assumption of Medicaid administration by centralizing responsibility for enrollment and disenrollment (MRT proposal 90 & 141);
- Authorizes the State to contract with a behavioral health organization to coordinate care for Medicaid recipients with behavioral health diagnoses (MRT proposal 93);
- Increases the maximum chargeable co-payment to Medicaid recipients based on the State's payment for services and expand the list of services for which a recipient may be charged a co-payment (MRT proposal 104);

- Limits co-payments for medical services for Medicaid recipients to a maximum of three hundred dollars annually beginning April 1, 2011 (MRT proposal 104);
- Expands co-payments to nurse practitioner services and introduce a six dollar and forty cent co-pay for emergency room services provided for non-urgent or non-emergency care provided to individuals enrolled in the Family Health Plus program (MRT proposal 104);
- Defines co-payment for the purposes of the Child Health Insurance Plan (CHIP) and increase co-payments for brand name prescription drugs to one dollar and fifteen cents and six dollars and forty cents for emergency room services provided for non-urgent or non-emergency care (MRT proposal 104);
- Requires hospitals, nursing homes, and assisted living residences to provide access to palliative care and pain management services for people with advanced, life-limiting illnesses and conditions (MRT proposals 109);
- Establishes a workgroup to develop a plan and necessary legislation to create a public benefit corporation for the purpose of operating and managing public nursing homes (MRT proposal 121);
- Encourages health system reform strategies that seek to improve quality, efficiency and outcomes through increased coordination and integration (MRT proposal 129);
- Authorizes a required quality contribution associated with medical malpractice reform contingent upon the establishment of a \$250,000 cap on non-economic awards and a medical indemnity fund for neurologically impaired infants (MRT Proposal 131);
- Expands the definition of estate to enable non-spousal recoveries from assets that individuals could otherwise shelter from recovery by bypassing probate (MRT proposal 132);
- Establishes a disregard for retirement assets such as 401K plans to incentivize participation in the Medicaid Buy In for the Working Poor and Disabled (MRT proposal 137);
- Eliminate duplicative laboratory and hospital psychiatric surveillance activities (MRT proposals 144);
- Suspends the requirements of the Nursing Care Quality Protection Act until October 1, 2012 (MRT proposal 147);
- Clarifies that serious event reporting applies to general hospitals and diagnostic and treatment centers (MRT proposal 147);
- Add hospitals, nursing homes and continuing care retirement communities to the definition of "project" to expand capital access (MRT proposal 147);
- Defines "hospital" as a facility licensed by New York State pursuant to Article 28 of the Public Health Law to expand access to capital (MRT proposal 147);

- Conforms the financing of life care communities to the Industrial Development Authority (IDA) requirements (MRT proposal 147);
- Requires death reporting in adult homes or residences for adults only in circumstances other than those related to the natural course of illness or disease (MRT proposal 147);
- Defines verification organization, exception report, conflict report and participating provider (MRT proposal 154);
- Requires Medicaid participating providers to utilize a verification organization to review services representing a claim prior to submission (MRT proposal 154);
- Limits the Medicaid co-insurance for Medicare covered part B services when the total co-insurance amount would exceed the amount Medicaid would have paid using a Medicaid rate (MRT proposal 164);
- Authorizes the Commissioner of Health to seek all necessary federal approvals to establish payment methodologies with accountable care organizations (MRT proposal 243);
- Extends the Health Care Reform Act (HCRA) surcharge amnesty through December 31, 2011 (MRT proposal 264);
- Extends the HCRA surcharge to surgery and radiation physician services (MRT proposal 264);
- Limits payments for reserved days to nursing homes only if at least fifty percent of the facility's residents eligible to participate in Medicaid managed care are enrolled (MRT proposal 889);
- Allows approved Department of Health, Office of Mental Health, Office for Alcohol and Substance Abuse Services and Office for People with Developmental Disabilities facilities to add services licensed by another agency through a streamlined process to facilitate the integration of physical, behavioral and developmental services (MRT proposal 1,021);
- Establishes a housing disregard as incentive to join Medicaid managed long term care plans (MRT proposal 1,032);
- Requires that pregnant women choose a managed care plan at the time of application for presumptive eligibility if a plan is available (MRT proposal 1,458);
- Makes various modifications to populations required to and exempt from enrolling in a managed care plan and authorizes automatic enrollment in managed care if a plan is not chosen by a recipient required to enroll (MRT proposal 1,458);
- Prohibits local social service districts from contracting with managed care providers (MRT proposal 1,458);
- Expands the scope of services which may be included in capitation agreements (MRT proposal 1,458);
- Promotes the use of the Partnership for Long Term Care Insurance Program and other long term care (LTC) insurance products by

reducing the residential health care facility benefit requirement from three to two years and increasing the tax credit available for LTC insurance products from twenty to forty percent (MRT proposal 1462);

- Converts certain family planning benefits as a State Plan service (MRT proposal 4,648);
- Reforms the personal care services program in New York City (MRT proposal 4,652);
- Implements a uniform across the board reduction equal to two percent of Medicaid payments;
- Limits year to year State Medicaid spending growth to a ten-year rolling average of the medical component of the consumer price index, published by the United States Department of Labor, Bureau of Labor Statistics (MRT proposal 4,651);
- Authorizes contingent Medicaid reductions if enacted Medicaid savings do not materialize.