

2009-10 Deficit Reduction Plan Health Care Savings -- Assuming Jan 1 2009 Eff Date
State (Savings)/Cost \$ in Millions

	2008-09 Savings			2009-10 Cash Savings
	Realized in 2008-09	Realized in 2009-10	Total	
Pharmacy				
Medicaid -- Expand Preferred Drug List to Include Anti-Depressants	\$0.0	\$0.0	\$0.0	(\$3.3)
Medicaid -- AWP minus 17.25 percent (from AWP minus 16.25%)	\$0.0	\$0.0	\$0.0	(\$18.9)
EPIC -- AWP minus 17.25 percent (from AWP minus 16.25%)	\$0.0	\$0.0	\$0.0	(\$3.0)
Total Pharmacy Savings	\$0.0	\$0.0	\$0.0	(\$25.2)
Hospital/HCRA				
Reinstitute 0.70 Percent Hospital Assessment	\$0.0	(\$45.2)	(\$45.2)	(\$316.4)
Public Hospital Recruitment/Retention Grants	(\$9.0)	\$0.0	(\$9.0)	(\$12.0)
Non Public Hospital Grants (DSH Cap Pop Up)	(\$11.2)	\$0.0	(\$11.2)	(\$7.4)
Eliminate Unspent Worker Retraining	(\$7.0)	\$0.0	(\$7.0)	(\$21.1)
Regional Pilot Program Individual Subsidy	\$0.0	\$0.0	\$0.0	(\$1.3)
Adirondack Cancer Center	(\$4.6)	\$0.0	(\$4.6)	\$0.0
Reduce GME/PEP	(\$23.4)	\$0.0	(\$23.4)	(\$23.4)
Across the Board (8% in 2008-09/2% in 2009-10)	\$0.0	(\$18.2)	(\$18.2)	(\$66.1)
Discontinue Remaining 2008 Trend Factor 1.495%	\$0.0	(\$4.1)	(\$4.1)	(\$36.8)
Discontinue Remaining 2009 Trend Factor 2.1%	\$0.0	(\$5.7)	(\$5.7)	(\$50.8)
Total Hospital/HCRA Savings	(\$55.2)	(\$73.2)	(\$128.4)	(\$535.3)
Insurance/HCRA				
Shift Public Health Costs to Insurance Assessments (GF & HCRA)	\$0.0	(\$49.9)	(\$49.9)	(\$99.8)
Timothy's Law	\$0.0	(\$88.0)	(\$88.0)	(\$179.0)
Increase Covered Lives Assessment from \$920M to \$1.04B	\$0.0	(\$120.0)	(\$120.0)	(\$240.0)
Increase HCRA Surcharges	\$0.0	(\$18.0)	(\$18.0)	(\$126.0)
Total Insurance/HCRA Savings	\$0.0	(\$275.9)	(\$275.9)	(\$644.8)
Nursing Homes				
Delay Rebasing	\$0.0	(\$22.0)	(\$22.0)	(\$22.0)
Across the Board Reduction in NH Medicaid Rates (8% in 2008-09/2.0% in 2009-10)	\$0.0	(\$26.2)	(\$26.2)	(\$94.7)
Public NH Recruitment/Retention Grants	(\$4.2)	\$0.0	(\$4.2)	\$0.0
Reduce Adult Day Transportation Rates	\$0.0	(\$2.2)	(\$2.2)	(\$11.0)
Discontinue Remaining 2008 Trend Factor 1.495%	\$0.0	(\$5.6)	(\$5.6)	(\$50.5)
Discontinue Remaining 2009 Trend Factor 2.1%	\$0.0	(\$8.7)	(\$8.7)	(\$74.2)
Total Nursing Homes Savings	(\$4.2)	(\$64.7)	(\$68.9)	(\$252.4)
Home Care				
CHHAA (Admin and Other Savings)	\$0.0	(\$3.3)	(\$3.3)	(\$30.3)
LTHHCP (Admin and Other Savings)	\$0.0	(\$2.0)	(\$2.0)	(\$18.4)
Discontinue Remaining 2008 Home Care Trend Factor 1.495%	\$0.0	(\$1.6)	(\$1.6)	(\$14.1)
Discontinue Remaining 2009 Home Care Trend Factor 2.1%	\$0.0	(\$2.3)	(\$2.3)	(\$17.8)
Across the Board Reduction in Home Care Rates of 1%	\$0.0	(\$1.0)	(\$1.0)	(\$18.9)
Across the Board Reduction in Personal Care Rates of 1%	\$0.0	(\$1.1)	(\$1.1)	(\$21.1)
Discontinue Remaining 2008 Personal Care Trend Factor 1.495%	\$0.0	(\$1.9)	(\$1.9)	(\$10.0)
Discontinue Remaining 2009 Personal Care Trend Factor 2.1%	\$0.0	(\$2.5)	(\$2.5)	(\$11.7)
Total Home Care Savings	\$0.0	(\$15.7)	(\$15.7)	(\$142.3)
Other Actions				
Eliminate 2008 Retro MA Trend Adjustment	\$0.0	\$0.0	\$0.0	(\$69.6)
Recoup Early Intervention Overpayment from NYC	(\$11.1)	\$0.0	(\$11.1)	\$0.0
Total Other Actions	(\$11.1)	\$0.0	(\$11.1)	(\$69.6)
TOTAL -- SAVINGS PROPOSALS	(\$70.5)	(\$429.5)	(\$500.0)	(\$1,669.6)

* The total 2009-10 savings of \$1,669.6 million includes the \$429.5 million in 2008-09 savings which will not be realized until 2009-10.

Health Care Savings Proposals - 2009-10

State (Savings)/Cost \$ in Millions

	Savings 2008-09	Savings 2009-10	Savings 2010-11
Hospital			
<i>Implement Deficit Reduction Plan</i>	(\$55.2)	(\$535.3)	(\$458.3)
Reallocate Graduate Medical Education Funds		(\$141.3)	(\$141.3)
Advance Hospital Reimbursement Reform			
Modify Inpatient Reimbursement		(\$76.2)	(\$86.6)
Detox Reimbursement Reform		(\$18.4)	(\$16.2)
Review Inpatient Admissions		(\$1.4)	(\$1.5)
Implement APR DRGs		(\$0.9)	(\$5.0)
Hospital Outpatient /Clinic APGs & Physician Fees		\$48.1	\$22.2
OMH/OASAS APGs		\$3.8	\$10.0
Community-based Detoxification		\$1.9	\$2.7
Psychiatric Hospitalization		\$10.5	\$5.0
Provide Medical Home/ Primary Care Standards/Expand Services		\$9.5	\$45.6
Total Hospital Savings	(\$55.2)	(\$699.7)	(\$623.4)
Nursing Home			
<i>Implement Deficit Reduction Plan</i>	(\$4.2)	(\$252.4)	(\$182.0)
Advance NH Reimbursement Reform			
Modify NH Reimbursement		(\$175.8)	(\$175.8)
Phase-out 6,000 NH Beds Over 5 Years		(\$8.7)	(\$45.9)
Eliminate Occupancy Adjustment for AIDS NH		(\$5.0)	(\$5.8)
Improve Assisted Living Assessment		(\$1.7)	(\$1.8)
Reduce Bed Hold Days		(\$10.8)	(\$11.3)
Reduce Lower Acuity Patients		(\$5.3)	(\$11.5)
Establish NH Quality Incentive Pool		\$25.0	\$62.5
Phase-in 6,000 Assisted Living Program Beds Over 5 Years		\$3.7	\$18.1
Hard to Serve Patients		\$3.0	\$7.5
Establish LTC Nurse Scholarship and Loan Repayment		\$2.5	\$2.5
Establish Falls Prevention Initiative		\$0.3	\$0.3
Restructure NH Financially Disadvantage		\$5.0	\$5.0
Lift ADHC Moratorium		\$0.0	\$4.1
Total Nursing Home Savings	(\$4.2)	(\$420.2)	(\$334.1)
Home Care			
<i>Implement Deficit Reduction Plan</i>		(\$142.3)	(\$126.6)
Advance Home Care Reimbursement Reform			
Modify CHHA Reimbursement		(\$37.5)	(\$50.0)
Establish LTC Assessment Centers		\$1.0	(\$7.6)
Home Care Quality Pool		\$2.5	\$10.0
Require Uniform Assessment Tool		\$5.0	\$5.0
Cash and Counseling Demonstration Program		\$1.0	\$0.5
Lift CHHA Moratorium		\$0.0	\$0.0
Modify CHHA Bad Debt and Charity Care		\$0.0	\$0.0
Establish 0.7 Percent Assessment on PC, CHHA and LTHHCP		(\$19.1)	(\$21.8)
Total Home Care Savings	\$0.0	(\$189.4)	(\$190.5)
Pharmacy			
<i>Implement Deficit Reduction Plan</i>		(\$25.2)	(\$26.5)
Modify Supplemental Rebate Program		(\$1.8)	(\$11.0)
Require Step Therapy for Certain Drugs		(\$0.6)	(\$1.3)
Limit Drug Quantity, Frequency and Duration		(\$9.4)	(\$20.6)
Establish Drug Utilization Review of Mental Health Drugs		(\$1.8)	(\$3.9)
Allow Denials Based on Medical Necessity		(\$2.0)	(\$2.8)
Require Use of Brand Drugs When Less Costly		(\$1.8)	(\$4.0)
Incent e-Prescribing		(\$1.3)	(\$2.7)
Discontinue Specialty Pharmacy Reimbursement		(\$0.3)	(\$0.4)
Eliminate Medicaid Part D Drug Wrap		(\$2.8)	(\$6.0)
Eliminate EPIC Part D Drug Wrap		(\$49.9)	(\$66.5)
Discontinue Financial Exemption for EPIC Part D Mandate		(\$9.9)	(\$23.6)
Require Eligible EPIC Seniors to Enroll in Medicare Savings Program		(\$3.6)	(\$14.5)
Eliminate EPIC Coverage for Lifestyle Drugs		(\$0.1)	(\$0.2)
Cover EPIC Mail Order Purchases		(\$0.9)	(\$1.9)
Total Pharmacy Savings	\$0.0	(\$111.4)	(\$185.9)
Insurance			
<i>Implement Deficit Reduction Plan</i>		(\$644.8)	(\$368.8)
Extend Insurance Department Assessment to Out-of-State Insurers		\$0.0	(\$134.8)
Extend Covered Lives Assessment to Out-of-State Insurers		(\$5.0)	(\$5.0)
Establish Third Party Administrator Claims Processing Fee		(\$63.1)	(\$126.2)
Establish Physician Procedure Surcharge		(\$49.8)	(\$98.5)
Finance Tobacco Control Costs with the Insurance Industry Assessment		(\$70.9)	(\$70.9)
Finance Early Intervention Insurance with the Insurance Industry Assessment		(\$21.7)	(\$22.8)
Total Insurance Savings	\$0.0	(\$855.3)	(\$827.0)
Medicaid Fraud Cost Recovery			
Increase Medicaid Audit Target		(\$125.0)	(\$125.0)
Total Medicaid Fraud Cost Recovery	\$0.0	(\$125.0)	(\$125.0)

	Savings 2008-09	Savings 2009-10	Savings 2010-11
Utilization Management			
Limit Case Management Services to One Per Enrollee		(\$3.3)	(\$4.7)
Require Procedure and Diagnosis Coding		(\$2.9)	(\$3.0)
Require Radiology Prior Approval		(\$2.6)	(\$5.8)
Establish Transportation Managers		(\$9.3)	(\$20.2)
Enhance Practitioner, Laboratory and Durable Medical Equipment Controls		(\$5.9)	(\$6.2)
Total Utilization Management Savings	\$0.0	(\$24.0)	(\$39.9)
Managed Care			
Maximize Federal Funding for Family Planning		(\$10.3)	(\$10.5)
Cap Managed Long Term Care Plan Administrative Costs		(\$8.3)	(\$8.3)
Cap Marketing Costs		(\$18.5)	(\$18.5)
Shift Child Health Plus Rate Setting Authority		(\$26.1)	(\$22.0)
Maximize Enrollment of Dual Eligibles in Managed Care		(\$3.0)	(\$5.0)
Include Personal Care Services in Medicaid Managed Care		(\$0.9)	(\$1.2)
Expand Primary Care Case Management in Rural Counties		\$0.0	(\$0.2)
Increase Family Contributions for Child Health Plus		(\$16.3)	(\$25.0)
Modify Cost Sharing for Working Disabled		(\$0.3)	(\$0.4)
Total Managed Care Savings	\$0.0	(\$83.7)	(\$91.1)
Other Actions			
Implement Deficit Reduction Plan	(\$11.1)	(\$69.6)	\$0.0
Delay Medicaid Cycle Payment		(\$400.0)	\$0.0
Utilize Non-HCRA Funds for AIDS Drug Assistance Program Costs		(\$65.0)	\$0.0
Eliminate Anti-Tobacco Funding for Roswell Research		(\$14.5)	(\$14.5)
Eliminate Telemedicine Funding		(\$2.0)	(\$2.0)
Reduce LTC Restructuring (50%)		(\$4.3)	(\$4.3)
Cap Supplemental Trusts		(\$0.5)	(\$1.0)
Total Other Actions	(\$11.1)	(\$555.9)	(\$21.8)
Public Health and Aging			
Implement Deficit Reduction Plan	(\$0.5)	(\$4.9)	(\$4.9)
Non-diet Soft Drink Tax		(\$404.0)	(\$539.0)
Raise Retail Tobacco Fee		(\$18.5)	(\$13.6)
DOH -- Eliminate 2009-10 COLA for Health Programs		(\$16.7)	(\$16.7)
SOFA -- Eliminate 2009-10 COLA for Aging Programs		(\$7.1)	(\$7.1)
DOH -- Establish Early Intervention Parental Fee		\$0.0	(\$27.5)
DOH -- Assess Early Intervention Provider Fee		(\$1.7)	(\$3.6)
DOH -- Require Early Intervention Providers to Plan Third Party Payers		\$0.0	(\$0.5)
DOH -- Modify Early Intervention Speech Eligibility Standards		\$0.0	(\$1.7)
DOH -- Restructure General Public Health Work Program Reimbursement		(\$16.0)	(\$32.8)
DOH -- Recoup New York City Overpayments		(\$24.0)	\$0.0
DOH -- Restructure Clinical Lab Fees		(\$3.4)	(\$4.0)
DOH -- Increase Physician Registration Fee		(\$6.0)	(\$6.0)
DOH -- Reduce Red Cross to \$3M		(\$1.6)	(\$1.6)
DOH -- Eliminate Dor Yshorim		(\$0.5)	(\$0.5)
DOH -- Eliminate Adelphi University Breast Cancer Hotline		(\$0.3)	(\$0.3)
SOFA -- Reduce Stony Brook Evaluation of Geriatric Home Care (60%)		(\$0.1)	(\$0.1)
SOFA -- Reduce NY Connects (50%)		(\$3.5)	(\$3.5)
SOFA -- Reduce Managed Care Consumer Assistance Program (50%)		(\$0.8)	(\$0.8)
SOFA -- Reduce Congregate Services Initiative (10%)		(\$0.1)	(\$0.1)
SOFA -- Reduce Long Term Care Ombudsman Program (10%)		(\$0.1)	(\$0.1)
SOFA -- Eliminate Affordable Independent Living Senior Housing Pilot		(\$1.8)	(\$1.8)
SOFA -- Eliminate Social Workers for Geriatric In-Home Care		(\$0.6)	(\$0.7)
SOFA -- Eliminate End of Life Care		(\$0.2)	(\$0.2)
SOFA -- Eliminate Enriched Social Adult Day Centers		(\$0.2)	(\$0.2)
SOFA -- Eliminate Long Term Care Insurance Outreach and Education		(\$2.8)	(\$2.8)
SOFA -- Eliminate Sustainable Transportation		(\$0.7)	(\$0.7)
SOFA -- Eliminate Geriatric In-Home Medical Care Pilot		(\$0.7)	(\$0.6)
SOFA -- Realize State Operation Efficiencies		(\$0.3)	(\$0.3)
DOH -- Realize State Operation Efficiencies (\$3.4M NPS/ \$3.3M PS)		(\$6.7)	(\$6.7)
OMIG -- Realize State Operation Efficiencies		(\$2.6)	(\$2.6)
Total All Other Public Health Actions	(\$0.5)	(\$525.9)	(\$681.0)
TOTAL -- SAVINGS PROPOSALS	(\$71.0)	(\$3,590.4)	(\$3,119.6)
Investments			
Extend HEAL NY (total \$650M authorization over two years)		\$31.0	\$118.0
Streamline Access to Coverage		\$5.0	\$5.0
Assist Seniors with Medicare Part D		\$2.0	\$2.0
Reduce EPIC Cost Sharing		\$10.0	\$13.0
Finance Emergency Preparedness		\$1.2	\$1.2
Support Obesity Coalitions		\$1.0	\$1.0
Increase Cancer Screening		\$3.2	\$3.2
Increase Food Banks Funding		\$4.4	\$4.4
Enhance Lead Poisoning Prevention		\$2.5	\$5.0
Total Investments	\$0.0	\$60.3	\$152.8
GRAND TOTAL -- SAVINGS & INVESTMENTS	(\$71.0)	(\$3,530.1)	(\$2,966.8)