



New York StateWide Senior Action Council, Inc

STATE BUDGET ISSUES IMPACTING OLDER NEW YORKERS AND THEIR FAMILIES

State Fiscal Year (SFY) 2018-2019 - April 1, 2018 – March 31, 2019

(Proposed by Governor – January 16, 2018)

Governor Cuomo proposes a \$163.1 billion spending plan, including some strategies he has unsuccessfully tried in the past to contain spending. The current fiscal year budget authorizes \$153 billion in spending,

The Governor is expected to propose amendments to his budget that will reform NY's income tax system to offset some of the negative consequences to NY residents of the recently enacted federal tax changes that limited the deductibility of state and local taxes (SALT).

To adjust for anticipated reductions in federal aid for NY programs, the Governor put contingency measures into the budget proposal, authorizing the Director of the Division of the Budget to transfer appropriations between any State agency or public authority. The Governor could then use across-the board spending cuts, not approved by the Legislature, to address federal funding shortfalls that may occur. This proposed expansion of budgetary authority was rejected by the Legislature last year.

The Governor would establish a Healthcare Shortfall Fund to offset the anticipated loss of federal funds for vital services.

NYSOFA – New York State Office for the Aging

[See STATEWIDE's BUDGET CHART](#) on issues funded by NYSOFA.

There are no proposed increases in programs for the aging under the NYSOFA budget. There is a reduction of \$2.8 million from the SFY 2017-18 budget. This change is mostly the result of the discontinuation of appropriations added by the Legislature.

Included in this reduction is a decrease in half the funds for StateWide's **PATIENTS' RIGHTS HOTLINE AND ADVOCACY PROJECT.**

StateWide has received state budget funding through the NYS Office for the Aging (NYSOFA) to educate and empower seniors to uphold their health care consumer rights. Through funds allocated for our Patients' Rights Hotline and Advocacy Project, *StateWide* staffs a toll free helpline and helps patients navigate the health insurance and health care delivery systems. We empower patients and family caregivers to uphold their rights and provide education through community forums and our Telephone Teach Ins - monthly calls on trending topics open to all.

StateWide requests additional funding, minimally to keep the program whole by adding \$32,000 in the budget, and preferably, to increase total funding to \$100,000 based on increased need for community education and assistance, including more complex case issues, as health system reforms are implemented, and caseload increases with the aging of the baby boom generation.

Human Services Cost of Living Adjustment (COLA) – Once again, the Governor has deferred an increase in a wage pass through for direct care workers providing NYSOFA funded services.

Social Work Licensure Law. Workers through OCFS, SOFA, DOH, OMH, OPWDD, OASAS, OTDA, DOCs state government contracts or employment can provide social work without being licensed. This year, the Governor's proposal creates a process to define tasks that unlicensed persons can perform without licensure, starting for new employees in 2020.

Health Budget - Medicaid

Hospice - The budget provides for a 10 percent increase in hospice residence rates (an \$860,000 increase);

Medicaid Managed Long Term Care (MLTC)

Several cost control proposals are being made, to control enrollment growth.

- Increasing the eligibility threshold for providing MLTC services to require a continuous 120 days of community-based services for MLTC eligibility (a \$4.81 million reduction);
- Raising the minimum Uniform Assessment System score for MLTC eligibility (Score on the Uniform Assessment tool under 9 will be carved out from MLTC. a \$5.83 million reduction);

- Excluding individuals placed in a nursing home for 6 months or more from participating in a MLTC program or other care coordination model (other than what the nursing home provides);
- Shift MLTC enrollees who have not received home or personal care services, within 30 days of enrollment, to fee-for-service Medicaid or an integrated plan.
- Restrict MLTC enrollees from changing plans for 12 months after initial enrollment, unless they can demonstrate good cause.
- Eliminating contracts with poor performing social adult day providers and limiting utilization of these services
- Plans for including Medicaid Assisted Living Program, after capacity increases, in MLTC
- Managing Enrollment Growth in Managed Long Term Care (MLTC) by limiting the number of contracts health plans can have with licensed home care service agencies, to bring consolidation to the marketplace and reduce variation in serve authorization. Would prohibit MLTC plans from contracting with more than 10 licensed home care services agencies.
- Removes transportation from the MLTC services – Medicaid enrollees would arrange directly with the state’s designated transportation provider for medical transportation services and the provider would be paid on a fee for service basis by Medicaid.

Allowing the Community Spouse to have adequate income

Spousal Impoverishment – the budget proposal would lower the amount of resources that a spouse could keep and allow the spouse needing Medicaid to qualify. The current state threshold is \$74,820. The budget proposes to lower this to \$24,180.

Spousal refusal– the budget allows the current spousal refusal provision to be in place for MLTC, but not for Medicaid enrollment. Spousal refusal allows a spouse (or parent) to refuse to allow their income to be used to calculate the income for the household member applying for Medicaid.

Changes in Prescription Drug Coverage: The Governor proposes to eliminate the prescriber prevails provision that favors physician appeals on denials of prescription drug coverage under the Medicaid program. The Governor also proposes a voluntary comprehensive medication management program for patients with chronic diseases to allow pharmacists, in consultation with physicians, to

change dose and drug designed to reduce negative drug interactions and side effects.

Assisted Living Program Expansion (ALP). The budget proposes an increase of \$4.4 million in the expansion of the ALP across the state by re-deploying authorized, but un-used slots and developing new capacity. The budget anticipates 1,000 additional beds in areas of the state with limited ALP beds. \$20 million in capital is budgeted to support expansions.

Telehealth – Proposed expansion of Medicaid covered telehealth services to home settings to allow for greater access to remote patient monitoring and alternative health care delivery models.

Non-Medicaid Health Budget

Health Facility Construction - Adds \$425 million for the third round of Statewide Health Facilities Capital Transformation funding, with \$45 million set aside for nursing homes and \$60 million set aside for community providers, \$20 million of which is designated to expand ALP beds.

Dementia Care – Proposes a demonstration program for persons with dementia in non-Medicaid assisted living.

Retail Health Care Practice Settings – the Budget proposes language to authorize licensed health care professionals to provide care for common health care complaints in a retail setting such as a pharmacy, grocery store, or shopping mall to increase access to primary care services and reduce non-urgent use of emergency room care.

Community Paramedicine - Budget language would expand the role beyond the traditional emergency response system to allow emergency medical personnel to provide non-emergency care in residential settings.

Essential Health Care Providers - The Budget provides \$396 million in continuing funding to support critical health care providers through the State's Vital Access Provider (VAP), Vital Access Provider Assurance Program (VAPAP) and Value Based Payment Quality Improvement (VBP QIP) programs. This funding is for operating assistance to financially distressed health care providers to facilitate the redesign of health care delivery systems, improving financial stability and the availability of vital health care services.

Health Care Workforce/Home Care Shortage

Long Term Care Planning Council -The Governor's State of the State Message included his pledge to launch a Long Term Care Planning Council to examine New York's long-term care system. The Council will analyze, evaluate, and identify the existing service gaps in New York's long-term care system, determine the most cost-effective evidence based interventions, and prepare a strategic plan to meet the emerging needs of New York's aging population over the next decade. There was no budget language defining the work or appointees to the Planning Council.

Rural Home Care Study - The Proposed Budget directs the Department of Health to conduct a study of home and community based services in rural areas of the State. Provides a a \$1.5 million Medicaid rate increases to support improved availability of home and community based services in rural counties.

Minimum Wage Funding - The Budget proposal includes funding of \$262 million, to support the 6.5 percent salary increase provided to direct care professionals (3.25 percent in January 1, 2018 and 3.25 percent in April 1, 2018) as well as the April 1, 2018 3.25 percent salary increase for clinical workers employed by not-for-profit organizations rendering mental hygiene services on behalf of OPWDD, OMH or OASAS.

Workforce Summit - New York State will host a human services workforce summit and create a Not-for-profit Workforce Development Steering Committee to further improve not-for-profit workforce Development.

Workforce Development - The Governor proposes \$175 million in workforce development funds to be directed to the newly formed Office of Workforce Development. Applications would be processed through the Regional Economic Development Councils, with a focus on emerging fields.

Social Determinants of Health (Housing, Economic Security, etc.)

Housing - \$125 million is provided for developing or rehabilitating affordable housing targeted to low-income seniors, aged 60 and above.

Retirement Security - Budget language would allow the New York State Deferred Compensation Board to create a voluntary retirement savings program for private-sector employees.

Real Property Taxes - STAR

- Would maintain Basic and Enhanced STAR benefits at existing levels, limiting the growth of the annual School Tax Relief (STAR) benefit from the current two percent to zero percent, thereby holding 2018-19 and all future STAR benefits at 2017-18 levels.
- Would require Enhanced STAR recipients to participate in the STAR Income Verification Program (IVP) administered by the Department of Taxation and Finance to verify their adjusted gross income (AGI) in order to receive the Enhanced STAR benefit instead of allowing income verification through local assessor.

Diminished State Retiree Health Insurance Benefits

- Proposed elimination of reimbursement for Income Related Monthly Adjustment Amounts (IRMAA) - Medicare enrollees with incomes over \$85,000 pay a higher Medicare Part B premium; NYS has historically included reimbursement for this cost as a state employee retirement health benefit. The budget would eliminate this reimbursement, effective retroactively to January 1, 2018.
- Proposed Capping of reimbursement for the Medicare Part B – the Budget proposal would freeze state retiree reimbursement of the standard Medicare Part B premium at the current monthly level of \$134 effective April 1, 2018.

SSI

- Authorizes the automatic pass-through of the Federal SSI COLA which becomes effective within the first six months of calendar year 2019.
- Proposed \$5million funding increase for the Supplemental Security Income (SSI) program, to account for an expected increase in caseload.

Supplemental Nutrition Assistance Program (SNAP) - The Executive proposal also includes an increase of \$5.2 million to support program administration.

Miscellaneous New Policies in Proposed Budget

Geriatric Parole - The Executive proposal would allow parole for individuals that are at least 55 years of age and suffering from a chronic or serious health condition or disease, with certain restrictions prohibiting parole of murderers.

Voting

- Creates automatic voter registration upon application for a driver's license, license renewal, or identification card;
- Proposes to allow voters to register up to, and including on, Election Day.
- Establishes a system for in-person early voting.

Campaign Finance Reform

- Limits campaign contributions by limited liability companies (LLC's) to the same \$5,000 annual aggregate contribution limit for corporations
- Requires LLCs that make contributions to identify all direct and indirect owners of membership interests
- Require all contributions by an LLC to be attributed to each member in proportion to each member's ownership interests;
- Would establish a voluntary public financing system and create the "New York State Campaign Finance Fund
- Limits contributions to "housekeeping accounts" to \$25,000

Revenue

New Tax on health insurance company profits - a new windfall profit fee on for-profit health care insurance companies at a rate of 14 percent of profits earned. The revenue would generate \$140 million to be dedicated to the Health Care Reform Act (HCRA).

Establishing a Healthcare Insurance Windfall Profit Fee - To offset the federal tax cut of 40 percent cut on health care corporation taxes, the Governor would impose a 14 percent surcharge on health insurer gains to recapture \$140 million of those corporate tax savings and fund vital health care services for New Yorkers.

Close the Carried Interest Tax Loophole – the Budget proposed to tax the carried interest income of hedge fund and private equity investors as ordinary income. In addition to characterizing carried interest as earned income for non-residents (instead of capital gains) this proposal would subject these earnings to a 17 percent fee until such time as the federal government also treats carried interest as ordinary income for all taxpayers.