

**FY 2019 Health Care Savings Proposals - Executive Budget  
State Investments / (Savings) \$ in Millions**

Initiative	Effective Date	Legal - Admin	Descriptions	FY 2018-19		FY 2019-20	
				Gross	Non-Fed	Gross	Non-Fed
<b>GC Pressures</b>							
Global Cap Target	4/1/18	Admin	DOB target to achieve Medicaid savings.	\$850.00	\$425.00	\$850.00	\$425.00
GC Base Deficit	4/1/18	Admin	The GC base is projecting a deficit primarily due to MLTC enrollment growth.	\$0.00	\$0.00	\$278.50	\$139.25
Nursing Home 1% ATB (4 year payback)	4/1/18	Admin	This proposal stretches out the repayment schedule of the Nursing Home 1% ATB retroactive payment (covering State fiscal years 2014-15 through 2017-18).	\$70.00	\$35.00	\$70.00	\$35.00
Enrollment Reconciliation	4/1/18	Admin	This proposal provides funding related to enrollment discrepancies for CY 2014 and 2015 resulting from system related eligibility issues in NYSoH, WMS, and eMedNY impacting Managed Care plan's ability to bill capitated premiums.	\$20.00	\$10.00	\$20.00	\$10.00
Additional Funding for VAPAP/VBPQIP	4/1/18	Admin	This proposals provides additional funding for financially distressed safety net hospitals.	\$68.60	\$45.40	\$68.60	\$45.40
1115 Waiver Transition	4/1/19	Admin	This proposal delays the implementation of the expanded Medicaid benefit package for children to realign the six new SPA services with the integration of children's services into MC under the Children's 1115 Waiver.	(\$30.00)	(\$15.00)	(\$30.00)	(\$15.00)
Outstanding Federal Obligations	4/1/18	Admin	This proposal provides funding to cover outstanding Federal obligations.	\$175.00	\$175.00	\$250.00	\$250.00
<b>Total GC Pressures</b>				<b>\$1,153.60</b>	<b>\$675.40</b>	<b>\$1,507.10</b>	<b>\$889.65</b>
<b>Essential Plan Impact</b>							
Convert VBP-QIP / Other Supplemental programs to Essential Plan	4/1/18	Admin	This proposal converts supplemental programs from Medicaid to the Essential Plan thereby freeing up Global Cap resources.	(\$563.00)	(\$281.50)	(\$758.00)	(\$379.00)
<b>Total Essential Plan Impact</b>				<b>(\$563.00)</b>	<b>(\$281.50)</b>	<b>(\$758.00)</b>	<b>(\$379.00)</b>
<b>Pharmacy Savings Initiatives</b>							
Update Professional Dispensing Fee	4/1/18	Legal	This proposal updates the professional dispensing fee to align with current costs, per CMS requirements under the Covered Outpatient Drug Rule.	\$0.80	\$0.40	\$0.80	\$0.40
Reduce Coverage for OTCs	7/1/18	Legal	This proposal eliminates coverage of some OTC products and increase the copayments from \$0.50 to \$1.00.	(22.56)	(11.28)	(30.08)	(15.04)
Reduce Inappropriate Prescribing & Enhance Prescriber/Pharmacist Collaboration	4/1/18	Legal	This proposal: (1) eliminates the prescriber prevails provision, and (2) establishes voluntary Comprehensive Medication Management for patients with chronic conditions.	(35.70)	(17.85)	(43.60)	(21.80)
Reduce Opioid Dispensing by 20% by 2020	4/1/18	Legal	This proposal will reduce opioid dispensing by 20% by modifying formularies and clinical editing to encourage access to non-opioid alternatives, and requiring treatment plans as a condition for opioid prescribing. It will also eliminate prescriber prevails (FFS) for opioids (associated savings is in Eliminate Prescriber Prevails proposal above).	(2.20)	(1.10)	(4.00)	(2.00)
Medication Adherence	4/1/18	Admin	This proposal requires plans to develop and implement a medication adherence program. The program could include medication synchronization, which enables members to consolidate their prescription refills to a single pharmacy trip and enable pharmacists to bill for applicable reduced quantities and dispensing fees.	(10.00)	(5.00)	(10.00)	(5.00)
Rebate Risk Assessment	4/1/18	Admin	This proposal allows the Department to engage with a vendor to perform an independent risk assessment of the rebate billing/collections protocols.	(20.00)	(10.00)	(20.00)	(10.00)
<b>Total Pharmacy Savings</b>				<b>(\$89.66)</b>	<b>(\$44.83)</b>	<b>(\$106.88)</b>	<b>(\$53.44)</b>
<b>LTC Savings Initiatives</b>							
Implement a penalty on poor performing Nursing Homes	4/1/18	Legal	This proposal would use NHQP scoring and impose an additional 2% penalty to consistent poor performers by comparing low scoring quintiles for 2 consecutive years, and penalizing those who have scored either a 4:5 or 5:5 respectively.	(\$20.00)	(\$10.00)	(\$20.00)	(\$10.00)
Rationalize Nursing Homes Case Mix Index Increases	4/1/18	Admin	The proposal is to work with the Nursing Homes Industry to revisit the current MDS Census Collection Process in an effort to promote a higher degree of accuracy in the MDS data which should result in a reduction of audit findings.	(\$15.00)	(\$7.50)	(\$15.00)	(\$7.50)
Admin Rate Reduction/Regulation Relief	4/1/18	Admin	This proposal reduces Plan capitated payments for admin across all Plans.	(\$37.80)	(\$18.90)	(\$39.70)	(\$19.85)

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Expand Access to Assisted Living Program Services	4/1/18	Legal	Targeted Increase in ALP slots to provide additional non nursing home residential care alternatives. This proposal takes a multi step approach to increasing ALP utilization by 1) increases the resources needed to review ALP applications 2) provides authorizations for additional slots in areas of the state with limited ALP slots 3) authorizes current ALP providers in good standing to increase ALP slots on an expedited basis 4) provides for a demonstration program for persons with dementia in assisted living not on Medicaid to avoid nursing home placements.	\$4.40	\$4.40	\$26.90	\$18.30
Require a continuous 120 days of CBLTC for continuing Plan eligibility	4/1/18	Legal	This proposal will require a consecutive 120 days of CBLTC for continuing eligibility.	(\$9.63)	(\$4.81)	(\$20.20)	(\$10.10)
Limit MLTC Eligibility (Grandfathered)	4/1/18	Legal	This proposal raises eligibility for MLTC based on a UAS score of 9 (from 5).	(\$11.65)	(\$5.83)	(\$24.46)	(\$12.23)
Prohibit Community Based Long Term Care Provider Marketing and Restrict Referring Providers from being Servicing Providers for a Member	10/1/18	Admin	This proposal curtails provider-sponsored marketing activities from certain providers of LTSS. Also, includes a mechanism by which to prevent referring providers from becoming the provider of service for the referred member.	(\$9.85)	(\$4.93)	(\$20.74)	(\$10.37)
Limit LHCSA Contracts w/ MLTC Plans	10/1/18	Admin	This proposal sets a cap on the total number of LHCSAs an MLTC plan contracts with (maximum of 10 per plan).	(\$27.42)	(\$13.71)	(\$69.38)	(\$34.69)
Social Adult Day Health Benefit Efficiency Savings	4/1/18	Admin	This proposal allows MLTC Plans to manage the social adult day benefit more efficiently by eliminating contracts with poor performing providers, adjusting member utilization as necessary, and executing any other reasonable approaches to better utilize the benefit.	(\$56.25)	(\$28.13)	(\$78.75)	(\$39.38)
Restrict MLTC members from transitioning from Plan to Plan for 12 Months after initial enrollment	10/1/18	Legal	This proposal restricts MLTC members from leaving their enrolled Plan for another Plan within any twelve month period.	(\$10.45)	(\$5.23)	(\$11.20)	(\$5.60)
Authorization vs. Utilization Adjustment for MLTC	10/1/18	Admin	This proposal will either de-enroll or shift to MLTC Integrated products all MLTC members who have qualified for MLTC, but have not utilized PCA or HHA services within a period of 30 days from enrollment.	(\$2.48)	(\$1.24)	(\$5.20)	(\$2.60)
Limit MLTC Eligibility to < 6 Months in NHs	4/1/18	Legal	This proposal requires an individual in a Nursing Home for longer than six months would no longer be eligible for Managed Care.	(\$147.00)	(\$73.50)	(\$245.00)	(\$122.50)
Spousal Support	4/1/18	Legal	This proposal eliminates the ability for legally responsible spouses to refuse to support the institutionalized spouse.	(\$15.63)	(\$7.81)	(\$19.18)	(\$9.59)
Community Spouse Resource Amount	4/1/18	Legal	This proposal reduces the amount of resources the community spouse can retain.	(\$11.40)	(\$5.70)	(\$15.20)	(\$7.60)
TBI Clinic Rate Adjustment	4/1/18	Legal	This proposal provides Medicare Maximization to providers for services provided to Medicaid TBI waiver recipients.	\$0.88	\$0.44	\$0.88	\$0.44
Additional Hospice funding	4/1/18	Admin	The proposal is to establish a 10 percent rate increase to the Hospice Residence rates, set a benchmark rate and include specialty rates in the weighted average rate calculation.	\$1.72	\$0.86	\$1.72	\$0.86
Rural County Provider funding	4/1/18	Legal	This proposal would conduct a demo study looking at cost versus rates for rural county providers. The results of the analysis will allow the Department to increase rates where appropriate.	\$3.00	\$1.50	\$3.00	\$1.50
<b>Total LTC Savings</b>				<b>(\$364.56)</b>	<b>(\$180.08)</b>	<b>(\$551.51)</b>	<b>(\$270.91)</b>
<b>Managed Care Savings Initiatives</b>							
Increase Current Penalties for Managed Care Plans that Fail to Meet VBP targets	4/1/18	Admin	This proposal increases VBP Roadmap penalties for MCOs that fail to achieve required levels of VBP contracting.	(\$20.00)	(\$10.00)	(\$108.00)	(\$54.00)
Reduce FFS/MCO Rate for Providers Without VBP Contracts	7/1/18	Admin	This proposal establishes a new FFS/MCO Benchmark rate for providers without sufficient level of VBP contracting the State at FFS less a percentage to achieve targeted savings.	(\$15.00)	(\$7.50)	(\$15.00)	(\$7.50)
Reduce Overutilization of Laboratory Services	4/1/18	Admin	This proposal reduces overutilization of laboratory services through establishment of clinically determined efficiency standards.	(\$15.00)	(\$7.50)	(\$20.00)	(\$10.00)

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Health Home Quality, Innovation and Performance Improvement Proposal	4/1/18 10/1/18	Legal Admin	The Health Home innovation and reform program is intended to align strategic MRT initiatives incentivizing primary health care drivers for high risk high cost Medicaid beneficiaries by introducing bonus and penalty payments based on successful Health Home and Managed Care partnerships. <ul style="list-style-type: none"> <li>• Background Checks for Health Home Care Managers Serving Vulnerable Populations</li> <li>• Health Home Healthy Rewards</li> <li>• Incentives to Enroll High Risk Plan Members in Health Homes</li> <li>• Redirecting Outreach Resources to Managed Care Plans to Increase Health Home Enrollment of High Risk Members</li> </ul>	(\$67.65)	(\$33.30)	(\$76.40)	(\$37.65)
MMC-PPS Partnership Plan	4/1/18	Legal	This proposal requires Medicaid Managed Care (MMC) plans to submit a PPS Partnership Plan to DOH that must include both short and long term approaches for effective collaboration with each PPS in the plan's service area. Plans that fail to submit a Partnership Plan that is approved by DOH would be fined on a per member basis, based on 2016 average enrollment.	(\$4.00)	(\$2.00)	\$0.00	\$0.00
PCMH Cap and Value Based Payment Incentive Alignment	4/1/18	Admin	This proposal modifies the PCMH payments in MMC and the add-on payment in FFS, as well as differentiate PCMH payment rates for providers engaged in Value Based Payment.	(\$20.00)	(\$10.00)	(\$20.00)	(\$10.00)
<b>Total Managed Care Savings</b>				<b>(\$141.65)</b>	<b>(\$70.30)</b>	<b>(\$239.40)</b>	<b>(\$119.15)</b>
<b>Other Savings</b>							
Capital Streamlining Rate Reduction	4/1/18	Legal Admin	The Department plans to establish a workgroup with the hospital and nursing home industry to develop options for streamlining capital rate setting to achieve 1% savings.	(\$13.40)	(\$6.70)	(\$13.40)	(\$6.70)
Reduce AR Balances	4/1/18	Admin	This proposal allows the State to begin an Enhanced Recover Initiative to reduce/eliminate outstanding accounts receivable balances owed to the State by providers.	(\$12.55)	(\$12.55)	(\$25.00)	(\$25.00)
Transportation Reforms	4/1/18 10/1/18	Legal Admin	This proposal includes the following transportation reforms: MLTC carveout; ADHC carveout; elimination of \$6M annual ambulance supplemental payment; reducing NYC livery rates and eliminating \$4M annual rural assistance payment to fund a \$12.56M ambulance rate increase.	(\$35.08)	(\$19.54)	(\$40.80)	(\$22.40)
MC Pilot to Improve Access to Clozapine	10/1/18	Admin	This proposal aims to increase the identification, engagement, and clozapine utilization of high-cost, high-utilizing Medicaid enrollees with schizophrenia spectrum disorders (clozapine candidates). In order to achieve better patient outcomes and reduce unnecessary emergency room and inpatient utilization the State will partner with Managed Care Plans and providers on a pilot to improve access to Clozapine	(\$4.08)	(\$2.04)	(\$8.67)	(\$4.34)
Best Practices in ER Diversion & Inpatient Discharge	10/1/18	Admin	This proposal implements best practices statewide through OMH clinical protocols in partnership with managed care plans and hospitals.	(\$9.08)	(\$4.54)	(\$18.67)	(\$9.34)
Reducing Unnecessary Utilization to Increase Access and Prevention	4/1/18	Legal Admin	This proposal: <ul style="list-style-type: none"> <li>• Creates a penalty pool by setting performance targets for hospitals to reduce PPVs and increase VBP contracting, and by setting targets for other inpatient quality and safety measures in the existing Hospital Quality Pool program.</li> <li>• Reinvests a portion of penalty pool into preventive services (to include revising Physical Therapy (PT) cap, expanding social worker coverage in Art. 28 settings, reimbursing National Diabetes Prevention Program sessions, and recognizing/covering treatment by Applied Behavioral Analysts).</li> </ul>	(\$10.00)	(\$5.00)	(\$12.50)	(\$6.25)
Correct APG Weights for IV Infusion/Hydration Bags	4/1/18	Legal	This proposal reduces the amount paid via the Medicaid ambulatory patient group (APG) methodology to emergency departments and hospital outpatient departments for IV infusion/hydration using saline. The APG payment for each saline bag is approximately \$500.00. This proposal would reduce the payment by 50% or to approximately \$250.00 per bag.	(\$10.06)	(\$5.03)	(\$10.06)	(\$5.03)

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Retail Practices	4/1/18	Legal	This proposal authorizes the establishment of retail practices. Retail practices offer extended hours with no appointment needed, increasing access to primary care services and providing an alternative to emergency room care.	(\$10.00)	(\$5.00)	(\$10.00)	(\$5.00)
Certified Registered Nurse Anesthetists (CRNAs)	4/1/18	Legal	This proposal codifies the practice of nurse anesthesia and authorize CRNA's to practice to the full extent of their education and training, consistent with other States, to increase access to cost-effective anesthesia services while maintaining high quality of care.	(\$10.00)	(\$5.00)	(\$10.00)	(\$5.00)
Remove Originating Site Requirement from Telehealth Program	7/1/18	Legal	This proposal assumes savings associated with removing the originating site requirement in the telehealth program.	(\$10.00)	(\$5.00)	(\$10.00)	(\$5.00)
OMIG Savings Initiatives	7/1/18	Legal Admin	This proposal supports initiatives to recover overpayments to Medicaid managed care organizations (MCO), require MCOs to report potential fraud, waste, or abuse, and to allow for the recovery of overpayments from MCO subcontractors or providers. These initiatives, combined with OMIG's ongoing audit and recovery activities, represent the total savings.	(\$60.00)	(\$30.00)	(\$40.00)	(\$20.00)
Community Paramedicine	4/1/18	Legal	This proposal creates a collaborative program among health care providers that would allow emergency medical personnel to provide non-emergency care in residential settings.	\$2.30	\$1.15	(\$3.60)	(\$1.80)
Early Intervention (EI) Program	4/1/18	Legal	This proposal includes a package of EI program changes that include decreasing the time from referral to the provision of services for children referred to EI with a previously diagnosed condition, maximizing appeals of insurer payment denials, requiring insurers to maintain an adequate network for EI providers, and increasing provider rates.	(\$1.80)	(\$0.90)	(\$2.20)	(\$1.10)
<b>Total Other Savings</b>				<b>(\$183.75)</b>	<b>(\$100.15)</b>	<b>(\$204.90)</b>	<b>(\$116.95)</b>
<b>Other Investments</b>							
First One Thousand Days	4/1/18	Admin	This proposal implements the first 1,000 Days 10-point plan.	\$2.90	\$1.45	\$11.60	\$5.80
Supportive Housing	4/1/19	Admin	This proposal provides funding for supportive housing for high cost Medicaid members. Such proposal would work with Plans, VBP contractors, & PPSs to move high utilizers who are homeless into housing. Such proposal would also expand to families in conjunction with the First 1,000 days.	\$0.00	\$0.00	\$44.00	\$44.00
<b>Total Other Investments</b>				<b>\$2.90</b>	<b>\$1.45</b>	<b>\$55.60</b>	<b>\$49.80</b>
<b>Total MRT</b>				<b>(\$186.12)</b>	<b>(\$0.00)</b>	<b>(\$297.99)</b>	<b>\$0.00</b>