

**SFY 2017-18 Health Care Savings Proposals - Executive Budget
State Investments / (Savings) \$ in Millions**

Initiative	Effective Date	Legal - Admin	Descriptions	SFY 2017-18		SFY 2018-19	
				Gross	Non-Fed	Gross	Non-Fed
Federal Actions/Pressures on GC							
Medicare Part B and Part D Increases	4/1/17	Admin	This proposal would pay for increased Medicare Part B and Part D costs. Medicare Part B costs are expected to increase by 10% and Medicare Part D clawback costs are expected to increase by 11.93% in CY 2017.	175.40	175.40	175.45	175.45
ACA Overclaim Repayment	4/1/17	Admin		0.00	118.00	0.00	0.00
Compliance with Covered Outpatient Drug Rule and Copay Provisions	4/1/17	Legal	This proposal aligns NY State Medicaid with (1) the CMS Covered Outpatient Drug Rule, which requires that States move to a cost based pharmacy reimbursement methodology for Fee-For-Service (FFS) pharmacy programs, and (2) CMS co-payment provisions for non-preferred drugs.	11.00	5.50	11.00	5.50
Mental Hygiene Stabilization Fund	4/1/17	Admin		(267.00)	(267.00)	(267.00)	(267.00)
Total Federal Actions/Pressures on GC				(80.61)	31.90	(80.55)	(86.05)
Pharmacy Savings Initiatives							
Enhanced Program Integrity for Opioids/Controlled Substances	7/1/17	Legal	This proposal will build on the State's effort to combat the opioid crisis by enabling the Commissioner of Health to terminate or suspend provider's Medicaid enrollment where there is a significant evidence of inappropriate or overprescribing of opioids to Medicaid members; and will align refill-too-soon edits with New York State Controlled Substance regulation by decreasing the amount of controlled substance medication a patient can have on hand (from 10 days to 7 days).	(2.90)	(1.45)	(3.90)	(1.95)
Reduce Inappropriate Prescribing and Enhance Prescriber/Pharmacist Collaboration	4/1/17	Legal	This proposal will: (1) eliminate the prescriber prevails provision, except for mental health medications (atypical anti-psychotics and anti-depressants), (2) expand pharmacy point of sale editing across medical claims, to ensure appropriate utilization and (3) establish voluntary Comprehensive Medication Management for patients with chronic conditions.	(42.00)	(21.00)	(43.20)	(21.60)
Control Exorbitant Prescription Drug Costs	4/1/17	Legal	This proposal aims to reduce pharmacy costs, the fastest growing component of the Medicaid program, by establishing requirements for manufacturers to pay an additional rebate for certain high priced drugs and imposing a surcharge on these drugs when they are sold into the State.	(110.00)	(55.00)	(170.00)	(85.00)
Reduce Coverage for Over The Counter (OTC) Drugs	7/1/17	Legal	This proposal will eliminate coverage of some OTC products and increase the copayments from \$0.50 to \$1.00.	(12.60)	(6.30)	(16.80)	(8.40)
Generic CPI Penalty Adjustment - 75%	4/1/17	Legal	Per the enactment of the SFY 2016-17 Executive Budget, generic drug manufacturers are required to pay additional rebates for year over year price increases greater than 300% of the State Maximum Acquisition Cost (SMAC). This proposal lowers the SMAC threshold from 300% to 75%.	(17.60)	(8.80)	(17.60)	(8.80)
Total Pharmacy Savings				(185.10)	(92.55)	(251.50)	(125.75)
LTC Savings Initiatives							
Ban MLTC Marketing	4/1/17	Admin	This proposal instructs plans to cease marketing and advertising activities for the MLTC Partial Capitated product. The goal is to stabilize the sharp growth of MLTC enrollees through the cutting of marketing by the plans.	(6.00)	(3.00)	(24.00)	(12.00)
Restrict MLTCP to only Nursing Home Eligibles	10/1/17	Legal	Allows current MLTC members to continue accessing services regardless of nursing home status (Grandfathered), but excludes new members who are not eligible for a nursing home level of care from the MLTC plan long term care benefit.	(5.50)	(2.75)	(15.20)	(7.60)
Adjustment of End-of-Life Services for Medicare	6/1/17	Legal	Aims to align end-of-life/hospice services currently covered by Medicaid with Medicare, where applicable.	(4.40)	(4.40)	(4.40)	(4.40)
Implementation of a Plan Fining Mechanism for DLTC	12/1/17	Admin	Provides a mechanism for fining plans for systemic or habitual violations of implemented guidelines, contract provisions, and best practices guidelines where applicable.	(2.00)	(2.00)	(2.50)	(2.50)

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Balancing Incentive Program to support FLSA	4/1/17	Admin	Provides BIP funding to support Fair Labor Standards Act initiatives.	(35.00)	(35.00)	0.00	0.00
Eliminate Bed Hold Payment	4/1/17	Legal	Nursing Homes are reimbursed through the Medicaid rate for reserved bed days related to leaves of absence for temporary hospitalizations. This proposal would eliminate the payment for bed hold days.	(22.00)	(11.00)	(22.00)	(11.00)
Reduce MLTCP Quality Bonus	4/1/17	Admin	This proposal is to reduce the total current Quality funding projection of \$150 million awarded to Partial Capitation, PACE and MAP managed long term care (MLTC) programs to an amount of \$120 million. The Department is exploring operationalizing this reduction as an adjustment to the quality award for lower performing quality tiers.	(30.00)	(15.00)	(30.00)	(15.00)
Spousal Support	4/1/17	Legal	Conforms State social services law to Federal law with regard to spousal contributions and responsibilities for spouses residing together in the community. This amendment, which has been proposed in the past, will eliminate the ability of non-applying spouses to refuse to contribute toward the cost of care for the applicant spouse.	(20.00)	(10.00)	(20.00)	(10.00)
Total LTC Savings				(124.90)	(83.15)	(118.10)	(62.50)
Managed Care Savings Initiatives							
Require Medicare Coverage as a Condition of Medicaid Eligibility	1/1/18	Admin	This proposal would require Medicare coverage as a condition of Medicaid eligibility for those eligible. The Department will notify the 60,000 Medicare eligible enrollees on Medicaid that they should obtain Medicare coverage.	(51.00)	(25.50)	(204.00)	(102.00)
Reduction in Mainstream Managed Care Quality Bonus	4/1/17	Admin	The Medicaid Managed Care Quality Incentive pool is currently valued at \$315 million in gross annual funding. This proposal would reduce the value of the pool to \$275 million gross annual funding. The Department is exploring operationalizing this reduction as an adjustment to the quality award for lower performing quality tiers.	(40.00)	(20.00)	(40.00)	(20.00)
Reduction in Number of VBP Pilots	4/1/17	Admin	This proposal would reduce the incentive funding for the VBP Pilot Program from \$25 million gross annually to \$15 million gross annually.	(10.00)	(5.00)	(10.00)	(5.00)
Reduce Payments to Plans for Facilitated Enrollment	4/1/17	Admin	This proposal would reduce Medicaid Managed Care Premium Payments to plans for facilitated enrollment by \$20 million gross to reflect the decline in the uninsured rate. It would also ensure that those plans receiving the payments have active facilitated enrollees.	(20.00)	(10.00)	(20.00)	(10.00)
Total Managed Care Savings				(121.00)	(60.50)	(274.00)	(137.00)

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Transportation Initiatives							
Carve Out Transportation from MLTCP	10/1/17	Legal	The proposal would carve out Medicaid transportation from the Managed Long Term Care (MLTC) benefit (excluding PACE) to fee-for-service management through the State's Transportation Manager.	(7.95)	(3.98)	(15.90)	(7.95)
Adult Day Health Care	4/1/17	Admin	The proposal would carve out the provision of Medicaid transportation reimbursement from the Adult Day Health Care (ADHC) programs to fee-for-service management through the State's Transportation Manager.	(10.00)	(5.00)	(10.00)	(5.00)
Reprogram Supplemental Ambulance Payment	4/1/17	Legal	This proposal would eliminate the supplemental ambulance payment and reprogram \$6 million (gross) according to the recommendations of the Ambulance Rate Adequacy Report issued by the Department as required by the 2016-17 Enacted State Budget.	0.00	0.00	0.00	0.00
Eliminate Rural Transit Assistance	4/1/17	Legal	The proposal would eliminate the \$4 million in rural transit assistance paid to 16 counties.	(4.00)	(4.00)	(4.00)	(4.00)
Reduce 911 "Frequent Flier" calls	10/1/17	Admin	The proposal is intended to reduce abuse of the 911 emergency transportation for those enrollees receiving an ambulance ride to a hospital emergency department when no emergency existed.	(8.50)	(4.25)	(17.00)	(8.50)
Transportation Manager savings	4/1/17	Admin	Savings will achieved from the competitive re-procurement of the NYC Medicaid Transportation Management contract at a reduced price.	(16.00)	(8.00)	(16.00)	(8.00)
Total Transportation Care Savings				(46.45)	(25.22)	(62.90)	(33.45)
Other Savings/Investments							
Increase EP cost sharing limits	1/1/18	Legal	This proposal adds a \$20 monthly premium to enrollees between 138-150% of FPL, raises point of service coinsurance levels, and indexes the monthly premiums to the medical CPI beginning 2018.	(14.63)	(14.63)	(58.40)	(58.40)
Reduction of BIP Funds (No Wrong Door/NY Connects)	4/1/17	Admin	CMS has provided an extension for States to spend the money they earned during the BIP period through 9/30/17, providing two additional quarters of BIP funding than anticipated (4/1/17-6/30/17 and 7/1/17 – 9/30/17).	(4.00)	(4.00)	0.00	0.00
Increase Penalty for Early Elective Deliveries	4/1/17	Admin	This proposal would further reduce payments to practitioners and facilities for elective C-section deliveries and inductions of labor under 39 weeks gestation unless a documented medical indication is present.	(3.00)	(1.50)	(3.00)	(1.50)
Continued Medicaid Coverage Review	4/1/17	Admin	This proposal would conduct a comprehensive examination of the current list of covered benefits and processes in the New York State Medicaid program and develop a list of savings proposals that will improve health care quality, lower costs and improve efficiency in the program. A list of savings proposals is under development. The Medicaid Evidence Based Benefit Review Advisory Committee would be engaged when such examination requires an evidence-based review.	(10.00)	(5.00)	(10.00)	(5.00)
Enhanced Claim Editing for ESO	4/1/17	Admin	This proposal would enhance payment edits for undocumented immigrants who use emergency services only (ESO) and would place edits in the system to ensure that Medicaid payments are limited to emergency services which meet the federal regulatory definition.	(5.00)	(2.50)	(5.00)	(2.50)
Reduce Payment for Select Avoidable ER Visits by 25% and Create Reinvestment Pool	7/1/17	Admin	This proposal would take non-emergent patient emergency department visits and reduce reimbursement in order to curb avoidable emergency room visits.	(20.00)	(10.00)	(20.00)	(10.00)
Reduce VAPAP/VBP-QIP	4/1/17	Admin	This proposal would reduce funding for VAPAP/VBP-QIP.	(30.00)	(15.00)	(30.00)	(15.00)
Realign Children's SPA and MC implementation	4/1/17	Admin	The State recently updated the schedule for implementation of the expanded Medicaid benefit package for children to realign the rollout of the six new State Plan Amendment (SPA) services with the integration of children's services into Medicaid managed care under the Children's 1115 Waiver.	(10.00)	(10.00)	0.00	0.00
School Supportive Health Services NYC Expansion	4/1/17	Legal	This proposal will require NYCDOE's Preschool/School Supportive Health Services Program (SSHSP) to increase Medicaid claiming levels by \$100 million (gross revenue) in SFY 2017-18.	(100.00)	(50.00)	(100.00)	(50.00)
Early Intervention Initiatives	4/1/17	Legal	This proposal would mandate commercial insurance coverage for Early Intervention services.	(2.70)	(1.35)	(2.70)	(1.35)

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OHIP In-sourcing	4/1/17	Legal	The Office of Health Insurance Programs (OHIP) is requesting that contractor staff working on State initiatives be allowed to move into State positions if they meet qualified criteria. This proposal is similar to the State hiring Local employees in the State Takeover of Medicaid LDSS functions.	(1.00)	(0.50)	(1.00)	(0.50)
VBP Implementation/Targeted Provider Rate Increase	4/1/18	Admin	Consistent with the move to Value Based Payment (VBP), the Department will be modifying its Managed Care reimbursement methodology in various ways to better align Managed Care Organization (MCO) and individual servicing provider incentives	0.00	0.00	480.00	240.00
OPWDD Transition to Managed Care	4/1/18	Admin	The proposal provides funding for the transition of OPWDD programs to managed care.	0.00	0.00	10.00	5.00
DOH Global Cap Admin	4/1/17	Admin	This proposal would reduce the funding associated with the OHIP State operations budget in order to achieve necessary savings in SFY 17-18.	(16.00)	(8.00)	(16.00)	(8.00)
PCMH Enhanced Funding Reduction	4/1/17	Admin	This proposal would reduce/eliminate medical home incentive payments for practices at lower levels of NCQA/APC certification.	(10.00)	(5.00)	(10.00)	(5.00)
Reduce Hospital Quality Pool	4/1/17	Admin	This proposal would reduce the funding associated with the Hospital Quality Pool.	(10.00)	(5.00)	(10.00)	(5.00)
Reduce Supportive Housing	4/1/17	Admin	This proposal would reduce the Medicaid Redesign Team (MRT) Supportive Housing Program by \$20 million dollars. In order to achieve savings, this proposal would delay the development of any new programs and restrict growth of existing housing programs to their current levels.	(20.00)	(20.00)	(20.00)	(20.00)
Total Other				(256.33)	(152.48)	203.90	62.75
TOTAL				(814.39)	(382.00)	(583.15)	(382.00)
Financial Plan Investment				382.00	382.00	382.00	382.00
GRAND TOTAL				(432.39)	0.00	(201.15)	0.00