



**Department
of Health**

2024-25 Enacted Budget Briefing

**New York State Department of Health
Office of Health Insurance Programs**

June 2024

Today's Presenters

- **Amir Bassiri**, Medicaid Director
- **Michael Ogborn**, Medicaid Deputy Director
- **Amanda Lothrop**, Medicaid Chief Operating Officer

Agenda

- FY 2025 Enacted Medicaid Scorecard
- Overview of Medicaid Spending
- FY 2025 Budget Actions
 - *Pharmacy*
 - *Hospital*
 - *Nursing Home*
 - *Other Long-Term Care*
 - *Managed Care*
- FY 2025 State of State and Other Budget Investments

FY 2025 Enacted Budget Medicaid Scorecard (Page 1 of 2)

<i>(State Share - \$ in millions)</i>	Eff. Date	Article VII/ Admin	FY 2025	FY 2026
Global Cap (Surplus)/Deficit			\$735.1	\$2,263.7
Budget Actions			(\$768.0)	(\$1,154.9)
Hospital Actions			(\$21.3)	(\$42.5)
Reduce Hospital Capital Rate Add-on by 10%	10/1/24	Art. VII	(\$21.3)	(\$42.5)
Nursing Home Actions			(\$102.4)	(\$102.4)
Unallocated Nursing Home VAPAP Reduction	4/1/24	Admin	(\$75.0)	(\$75.0)
Reduce Nursing Home Capital Rate Add-on by 10% (Excluding NH Pediatric Beds)	4/1/24	Art. VII	(\$27.4)	(\$27.4)
Other Long-Term Care Actions			(\$232.6)	(\$563.6)
Institute Plan Penalty for Electronic Visit Verification (EVV) Non-Compliance	1/1/25	Admin	\$0.0	(\$20.0)
Reduce Managed Long-Term Care (MLTC) Quality Pool	4/1/24	Admin	(\$29.6)	(\$29.6)
Require Dual-Eligible Special Needs Plans (DSNPs) to Cover Medicaid Dental Benefits in Medicare	1/1/25	Admin	(\$3.0)	(\$10.0)
Transition to One Statewide Fiscal Intermediary & Recalibrate Administrative Reimbursement	4/1/24	Art. VII	(\$200.0)	(\$504.0)
Managed Care Actions			(\$238.2)	(\$238.2)
Remove 1% Across the Board Increase for Health Plans	4/1/24	Art. VII	(\$204.4)	(\$204.4)
Reduce Mainstream Managed Care (MMC) Quality Pool	4/1/24	Admin	(\$33.8)	(\$33.8)
Pharmacy Actions			(\$32.4)	(\$67.0)
Streamline Medicaid Drug Cap	10/1/24	Art. VII	(\$5.0)	(\$10.0)
Pharmacy Enhancements and Integration Specialty Drug Management	10/1/24	Art. VII	(\$9.4)	(\$25.0)
Reduce Coverage for Certain Over-The-Counter (OTC) Pharmaceuticals	10/1/24	Art. VII	(\$18.0)	(\$32.0)
Other Actions			(\$141.2)	(\$141.2)
Total Global Cap (Surplus) / Déficit			(\$32.8)	\$1,108.9

FY 2025 Enacted Budget Medicaid Scorecard (Page 2 of 2)

<i>(State Share - \$ in millions)</i>	Eff. Date	Article VII/ Admin	FY 2025	FY 2026
1115/SOTS/Additional Investments			\$492.80	\$542.40
1115 Waiver (State Share)			\$451.0	\$473.7
Medicaid Hospital Global Budget Initiative (\$550M Gross)	1/1/24	Admin	\$275.0	\$275.0
Patient Centered Medical Homes (PCMH) Enhancement for Adults/Kids	4/1/24	Admin	\$73.8	\$73.8
Substance Use Disorder Amendment	1/1/24	Admin	(\$22.0)	(\$22.0)
Continuous Eligibility for Kids (0-6) in Medicaid and CHIP	1/1/25	Art. VII	\$7.6	\$30.3
1115 Additional State Match	4/1/24	Admin	\$116.7	\$116.7
State of the State Investments			\$41.8	\$68.7
Increase Children's Access to Healthcare			\$13.7	\$21.8
Increase reimbursement rates for Early Intervention by 5%	4/1/24	Admin	\$6.1	\$6.1
4% Early Intervention Rate Modifier for Rural and Underserved Areas	4/1/25	Admin	\$0.0	\$0.5
Increase rates for children's mental health provided in integrated settings	10/1/24	Admin	\$7.6	\$15.2
Expand Access to Primary Care			\$19.9	\$38.3
Increase rates for mental health provided in integrated settings	10/1/24	Admin	\$13.5	\$27.0
Increase rates for healthcare providers serving individuals with physical, intellectual, or developmental disabilities	10/1/24	Admin	\$5.2	\$10.4
Expand coverage for Adverse Childhood Experiences (ACE) Screening to adults	10/1/24	Admin	\$1.2	\$0.9
Other SOTS			\$0.1	\$0.5
Ensure access to comprehensive gender-affirming treatments in Medicaid	1/1/25	Admin	\$0.1	\$0.5
Other Mental Health SOTS (Medicaid Impacts)			\$8.1	\$8.1
Fund New Community-Based Mental Health Teams	4/1/24	Admin	\$4.0	\$4.0
Establish New Youth Assertive Community Treatment (ACT) Teams Statewide	4/1/24	Admin	\$4.0	\$4.0
Total Global Cap (Surplus)/Deficit			\$460.0	\$1,651.3
Legislative Adds			(\$460.0)	(\$102.3)
Adds			\$1,177.6	\$27.6
Financially Distressed and Safety-Net Hospitals Support	4/1/24	Admin	\$500.0	\$0.0
Healthcare Safety Net Transformation Program	4/1/24	Art. VII	\$300.0	\$0.0
Hospital One-Time Investment	4/1/24	Art. VII	\$200.0	\$0.0
Nursing Home/ALP/Hospice One-Time Investment	4/1/24	Art. VII	\$150.0	\$0.0
Local Medicaid Share of Additional 1.3% COLA	4/1/24	Art. VII	\$26.6	\$26.6
Pediatric Clinic Rate Increase	4/1/24	Art. VII	\$1.0	\$1.0
Avails			(\$1,637.6)	(\$129.9)
Support Essential Plan Operations with Federal Funds	4/1/24	Admin	(\$95.3)	(\$103.3)
Available HCBS eFMAP	4/1/24	Admin	(\$365.6)	\$0.0
Financial Plan Support of Hospital Investments and OSA COLA	4/1/24	Admin	(\$826.6)	(\$26.6)
Healthcare Stability Fund Offsets	4/1/24	Art. VII	(\$350.0)	\$0.0
Total Global Cap (Surplus)/Deficit			\$0.0	\$1,549.0

Overview of Medicaid Spending under the Executive Budget

Summary of Medicaid Spending All Funding Sources					
Medicaid Spending (\$ in Millions)	FY 2024	FY 2025	FY 2026	% Change	
				FY24-FY25	FY25-FY26
Total Medicaid*	\$101,350	\$101,104	103,722	-0.2%	2.6%
DOH Global Spending Cap**	\$28,251	\$31,634	\$33,208	12%	10%

**Excludes the Essential Plan.*
***Department of Health (DOH) Medicaid spending not subject to the Global Cap Index includes certain Medicaid spending in other agencies, administrative costs, such as the takeover of local administrative responsibilities, costs related to a portion of the takeover of local government expenses, and costs related to State mandated increases in the minimum wage and other wage enhancements.*

Budget Actions

June 2024

Pharmacy Actions | Part I HMH

Streamline Medicaid Drug Cap

Fiscal Year 2025 Impact	Fiscal Year 2026 Impact
(\$5M)	(\$10M)

Pharmacy Enhancements and Integration of Specialty Drug Management

Fiscal Year 2025 Impact	Fiscal Year 2026 Impact
(\$9.4M)	(\$25M)

Reduce Coverage for Certain Over the Counter (OTC) Pharmaceuticals

Fiscal Year 2025 Impact	Fiscal Year 2026 Impact
(\$18M)	(\$32M)

Hospital Actions

Reduce Hospital Capital Rate Add-on by 10% (Part D | HMH)

Hospital One-Time Investment (Part NN | HMH)

Healthcare Safety Net Transformation Program (Part S | HMH)

Financially Distressed and Safety Net Hospital Support (Admin)

	FY 2025 State Impact	FY 2026 State Impact
Reduce Hospital Capital Rate Add-on by 10%	(\$21.3M)	(\$42.5M)
Hospital One-Time Investment	\$200M	-
Healthcare Safety Net Transformation Program	\$300M	-
Financially Distressed and Safety Net Hospital Support	\$500M	-

Nursing Home and Assisted Living Program (ALP) Actions

Reduce Nursing Home Capital Rate Add-on by 10% (Part E | HMH)

Unallocated Nursing Home VAPAP Reduction (Admin)

Nursing Home, ALP, and Hospice Rate Increases (Operating Component Increase) (Part NN | HMH)

Pediatric Rate Increase (Part LL | HMH)

	FY 2025 State Impact	FY 2026 State Impact
Reduce Nursing Home Capital Rate Add-on by 10%*	(\$27.4M)	(\$27.4M)
Reduce Unallocated Nursing Home VAPAP	(\$75M)	(\$75M)
Nursing Home and ALP Rate Increase	\$150M	-
Pediatric Clinic Rate Increase	\$1M	\$1M

**Excludes Pediatric Nursing Homes*

Managed Care Actions

Reduce the Managed Care Quality Pools (Administrative)

- Reduces the aggregate funding for both MMC/MLTC quality pools

	FY 2025 State Impact	FY 2026 State Impact
MMC	(\$33.8)	(\$33.8)
MLTC	(\$29.6)	(\$29.6)

Remove the 1% Across the Board Increase for Health Plans (Part H | HMH)

- Discontinues the 1% Increase for Health Plans that was enacted as part of the FY23 Enacted Budget

FY 2025 State Impact	FY 2026 State Impact
(\$204.4)	(\$204.4)

Managed Care Organization (MCO) Tax (Part NN | HMH)

- Authorizes the Department to seek a waiver of broad based and uniformity with CMS.

FY 2025 State Impact	FY 2026 State Impact
-	TBD

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Long Term Care Actions

Require Dual-Eligible Special Needs Plans (DSNPs) to Cover Medicaid Dental Benefits in Medicare (Administrative)

FY 2025 State Impact	FY 2026 State Impact
(\$3M)	(\$10M)

Institute Plan Penalty for Electronic Visit Verification (EVV) (Administrative)

Fiscal Year 2025 Impact	Fiscal Year 2026 Impact
(\$0M)	(\$20M)

Transition to One Single Statewide Fiscal Intermediary (FI) & Recalibrate Administrative Reimbursement | (Part HH | HMM)

Fiscal Year 2025 Impact	Fiscal Year 2026 Impact
(\$200M)	(\$504M)

Long Term Care Actions

Recalibrate Fiscal Intermediary Administrative Reimbursement | (Part HH | HMH)

Fiscal Intermediary Admin Payments

- Effective July 1, 2024, Fiscal Intermediary (FI) administration payments will move to a non-risk distribution methodology.
- Per CMS feedback, this will be done consistent with prior non-risk payment arrangements such as Home and Community Based Service (HCBS) distributions.
- Funding will be removed from plan capitation and paid on a managed fee-for-service (FFS) basis; FIs will bill the plans the three tier PMPM schedule, plans will bill the State the three tier PMPM schedule through newly established rate codes, and then pass the exact amount back to the FI according to the three tier PMPM rate structure:

Tier	Number of Direct Care Hours Authorized Per Month Per Consumer	FI PMPM Reimbursement Effective April 1, 2022
1	1 – 159 Hours	\$146.45
2	160 – 479 Hours	\$387.84
3	480 Hours and above	\$1,046.36

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Department of Health

State of the State and Other Investments

June 2024

Investments

Increase Access to Primary Care

Initiative	FY 2025 State Impact	FY 2026 State Impact
Increase rates for mental health provided in integrated settings	\$13.5M	\$27M
Increase rates for healthcare providers serving individuals with physical, intellectual, or developmental disabilities	\$5.2M	\$10.4M
Expand coverage for Adverse Childhood Experiences (ACE) Screening to adults	\$1.2M	\$0.9M

Increase Children's Access to Healthcare

Initiative	FY 2025 State Impact	FY 2026 State Impact
Increase reimbursement rates for Early Intervention by 5%	\$6.1M	\$6.1M
4% Early Intervention Rate Modifier for Rural and Underserved Areas	-	\$0.5M
Increase rates for children's mental health provided in integrated settings	\$7.6M	\$15.2M

Investments

1115 Waiver

	Fiscal Year 2025 Impact	Fiscal Year 2026 Impact
Medicaid Hospital Global Budget Initiative	\$275M	\$275M
Patient Centered Medical Homes (PCMH) Enhancement for Adults/Kids	\$73.8M	\$73.8M
Substance Use Disorder Amendment	(\$22.0M)	(\$22.0M)
Continuous Eligibility for Kids (0-6) in Medicaid and CHIP	\$7.6M	\$30.3M
1115 Additional State Match	\$116.7M	\$116.7M

Mental Hygiene Medicaid Impacts

Initiative	FY 2025 State Impact	FY 2026 State Impact
Fund New Community-Based Mental Health Teams	\$4M	\$4M
Establish New Youth Assertive Treatment (ACT) Teams Statewide	\$4M	\$4M
Local Medicaid Share of Additional 1.3% COLA	\$26.6M	\$26.6M

Resources



Website:

https://www.health.ny.gov/health_care/medicaid/redesign/mrt_budget.htm

MRT Budget Information.



Email: mrtupdates@health.ny.gov



DOH Medicaid Update:

https://www.health.ny.gov/health_care/medicaid/program/update/main.htm



MRT LISTSERV:

https://health.ny.gov/health_care/medicaid/redesign/listserv.htm

Questions?

*Please submit your question to
All Panelists using the Q&A feature of
the WebEx Event meeting.*

