



April 2017

Governor Andrew M. Cuomo and the Legislature struck a final deal on the \$163.2 billion state budget on April 7 with the Assembly passing all the bills by April 8 and the Senate finishing up the next night. This is the first of Cuomo's budgets that has not been passed on or before the April 1 deadline.

General highlights of the final budget include:

- \$1.1 billion increase in school aid that boosts funding by more than 6 percent;
- Free SUNY/CUNY tuition for families earning under \$125,000;
- Raise the Age which will divert more 16- and 17-year-olds accused of nonviolent crimes from adult criminal courts;
- Authorization of ride-sharing services such as Uber and Lyft in Upstate and New York City suburbs;
- It was agreed that if the federal government cuts more than \$850 million from New York's Medicaid program, the Governor's Budget Director will submit a detailed proposal to cut Medicaid programs and the Legislature will have 90 days to submit its own plan or to simply allow the Governor's plan to go forward.
- \$2.5 billion for water infrastructure and clean water initiatives.

Following are highlights of interest to COPA members:

OFFICE FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

- Most significantly, the final budget **includes funding for the first two years of the #bFair2DirectCare six year living wage request. There is \$11.25 million for a 3.25% increase for all low wage (100 & 200 CFR code) workers beginning 1-1-18 and another 3.25% increase for all low wage (100 & 200 CFR code) and for clinicians (300 code on the CFR) beginning 4-1-18 which will be approximately \$45 million state share and \$45 million federal share for approximately \$90 million per year and \$180 million over the next two years.** Attached is the bill language which includes the flexibility to use the clinical (300 codes) funding for the 100 & 200 code low wage staff.
- The final budget defers the annual COLA (0.8% increase this year) for all mental hygiene agencies (OPWDD, OMH & OASAS) for the next two years to fund the wage increases above.
- \$14.9 million is included to support the new minimum wage increases for OPWDD not-for-profits including the 2017 annualized minimum wage increase as well as the 2018 increase.
- Makes \$120 million (State and Federal funding when fully annualized) in additional funding "available" for supports and services for individuals living at home with their

families or in residential schools and “other programmatic reforms” **which provides flexibility to OPWDD.**

- \$15 million in capital funds to develop independent living housing.
- Additional resources for new residential opportunities could also be supported through the broader five year \$2.5 billion affordable and supportive housing plan although there is no discrete allocation for OPWDD individuals as there are for other populations (OMH, homeless, low income, etc.).
- An additional \$12 million for START crisis prevention program in the downstate area.
- Transition to managed care with regional Care Coordination Organizations (CCOs) roll-out at the end of 2017. Voluntary enrollment in managed care is expected to begin in 2019.
- Authorizes \$10 million for the OPWDD service system managed care implementation, such as payments to managed care organizations who will begin to bill prospectively per member/per month rather than the fee for service retroactive payments.
- Continues the Blue Ribbon Panel, established by the Governor, to examine moving the Institute for Basic Research in Developmental Disabilities (IBR) from OPWDD to City University at the College of Staten Island.
- The State Operations budget includes \$840,000 for a pilot program to allow state workers to operate additional community based care opportunities including community habilitation, respite, pathways to employment, supportive employment (SEMP), and community prevocational services.

STATE EDUCATION DEPARTMENT

- Even though the final budget included “the largest school aid increase” of \$1.1 billion school aid increase or more than 6 percent, there was no additional funding for 4410 or 853 special education schools.
- Authorizes “schools” (we will be working with our 4410 & 853 colleagues to define this as including our schools) to access the State and Municipal Facilities Program, a \$385 million pool for capital funding needs of more than \$125,000 by “schools,” libraries, fire departments and other municipalities. This funding is administered by DASNY through local lawmakers.
- Provides for grants in aid to school districts, libraries and not for profits to be distributed pursuant to a Senate resolution and a smaller amount pursuant to an Assembly resolution. You should contact your local legislator.
- \$6.2 million to bring everyone up to the new minimum wage.
- \$163 million in new funding for free SUNY/CUNY tuition for families who earn under \$125,000.

DEPARTMENT OF HEALTH

- If the federal government cuts New York State Medicaid by more than \$850 million, the Governor’s Budget Director will submit a detailed proposal to cut Medicaid programs by an identified amount and the legislature will have 90 days to submit its own plan or to simply allow the Governor’s plan to go forward.
- The final budget did not include any changes to the Early Intervention program.
- \$500 million for capital improvements of “essential” health care facilities, of which a minimum of \$75 million is for community based organizations, including Article 28,

Article 31 and Article 32 clinics, that ‘will fulfill a health care need for acute inpatient, outpatient, primary, home care or residential health care services in a community.’”

- Maintains prescriber’s right of final determination or prescriber prevails for all drug classes currently covered.
- \$255 million to support the direct cost of the FY 2018 minimum wage increases for health care workers that provide services reimbursed by Medicaid.
- Delays the TBI / NHTD transition to managed care until 1/1/19 via a “side letter” rather than through legislation. The letter is expected to include exploring separate rate cells with CMS for nursing home, high cost/high need and HARP populations and forming a workgroup with DOH, Legislature and healthcare stakeholders to analyze and formulate recommendations regarding the Universal Assessment tool.
- \$567 million/3.2% Medicaid growth.
- State to cap the cost of prescription drugs.

OFFICE OF MENTAL HEALTH & OFFICE FOR ALCOHOL AND SUBSTANCE ABUSE SERVICES

- #bFair2DirectCare funding increases for OMH and OASAS Direct Care and Clinical Staff – a 6.5% increase for direct care staff over the next two years and a 3.25% increase for clinical staff.
- Agreement on the \$2.5 billion in housing funds for 6,000 units of Supportive Housing and 100,000 units of affordable housing.
- Includes Raise the Age legislation which will divert more 16- and 17-year-olds accused of nonviolent crimes from adult criminal courts.
- The \$500 million Health Care Transformation Funding includes language that would allow the Legislature and community stakeholders to put forward new project types and \$75 million of which is set aside for not for profit community providers that ‘will fulfill a health care need for acute inpatient, outpatient, primary, home care or residential health care services in a community.’”
- Funding to include the innovative Mental Health First Aid training designed to educate the community about a mental health crisis and mental health literacy.
- Delays the TBI/NHTD transition to managed care until 1/1/19 via a “side letter” rather than through legislation. The letter is expected to include exploring separate rate cells with CMS for nursing home, high cost/high need and HARP populations and forming a workgroup with DOH, Legislature and healthcare stakeholders to analyze and formulate recommendations regarding the Universal Assessment tool.
- \$3 million for the Joseph Dwyer Veterans Mental Health Peer Support program.
- \$1.4 million for Crisis Intervention Teams to help law enforcement respond to the needs of individuals with mental illness in crisis.
- Additional \$450,000 in Suicide Prevention funding.
- \$10 million for existing community-based mental health housing.
- \$11 million for Community Reinvestment for Mental Health, annualizing at over \$92 million.
- \$10 million in additional funding for Children’s Mental Health Services.
- More than \$200 million for the prevention and treatment to combat the opioid/heroin epidemic.

OTHER AREAS OF INTEREST

New York State Transportation Network Company Accessibility Task Force

As part of the agreement authorizing ride-sharing (UBER & LYFT) outside the City of New York, the final budget creates an 11-member Transportation Network Company (TNC) Accessibility Task Force, with at least two representing groups who serve people with disabilities, to analyze how to maximize effective and integrated transportation services for persons with disabilities using ride-sharing services. This shall include:

- Public hearings and public comment on accessible ride-sharing arrangements;
- A needs assessment for demand responsive accessible transportation;
- A resource assessment concerning the availability of accessible demand responsive transportation services, identify opportunities for and barriers to increasing accessible demand responsive transportation service and propose ways to increase accessible demand responsive transportation services.
- Report to the Governor and the Legislature on its findings and recommendations no later than January 1, 2019.

Workers Compensation Reforms

The final budget agreement included what is being called the most significant Workers' Compensation reform since 2007. These reforms are intended to drive down costs for employers, including non-profit providers. They include:

- Ensuring classification of Maximum Medical Improvement within 2.5 years from date of injury. Currently, this classification process can take close to seven years to achieve, drawing out timelines for employees and driving up costs for employers;
- An expedited hearing process;
- Changes to the prescription drug formulary, which should help address the problem of opioid use and abuse;
- A Panel to study independent medical examinations; and
- Mandating the development and release of new Medical Impairment Guidelines for adoption by January 2018. The current guidelines – used to determine certain awards within the Workers' Compensation system – are severely outdated and fail to reflect current medical outcomes and modern treatment options.

Please contact your COPA team for further information or questions.

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