

HOME CARE CLIENT ALERT



Governor Releases 30-Day Amendments to the State Budget

February 19, 2019

On Friday, the Governor released his 30-day amendments to the proposed State Budget. As relevant to healthcare providers, the Governor is calling for \$190 million in additional cuts to healthcare over the 2019-2020 FY, and an additional \$190 million in cuts for the 2020-2021 FY. The Budget does not specify where the cuts will be made.

As relevant to fiscal intermediaries, the amendments “clarify that eligible fiscal intermediary applications include all independent living centers.” As readers of our alert will recall, the proposed budget would allow fiscal intermediaries to apply to the State, through a competitive bidding process, to become a fiscal intermediary. The language in the Governor’s amendments seems to suggest that this bidding process would only be available to those fiscal intermediaries that are independent living centers. More information about the parameters of this specific language will become clearer as the budget negotiations continue.

Also on Friday, at an event in New York City, the New York State Budget Director, Robert Mujica, spoke about the NYS budget and the State’s fiscal condition. As relevant to home care services, Director Mujica stated that Medicaid spending has increased by 13% since the Medicaid Redesign Team (“MRT”) plan was implemented, and that the growth was not sustainable. Accordingly, Director Mujica stated that the Medicaid Redesign Team will be reconvened to examine the State’s Medicaid spending. It is not clear when the MRT might convene, or what stakeholders might participate in developing the State’s Medicaid.

For the current fiscal year, Director Mujica affirmatively stated that major cuts will be made to health care, with no particular emphasis on long term care.

While aggressive lobbying efforts have been made in the past few days by various advocacy groups, it appears that the Governor is determined to significantly reduce funding available for Medicaid dependent providers. Director Mujica explained that a number of proposals in this year’s budget were a response to the State’s loss of federal revenue.

As we have previously reported, the State Budget process will be finalized by April 1, 2019. Thus, much remains unknown about the final outcome of the State’s proposals regarding CDPAP.

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