



## Budget Fact Sheet: **Health Care**

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*Enacts Historic Health Care Reform, Controls Costs, Insures All Children*

### **Reimbursement Reform: Investing in Primary and Preventive Care**

The Enacted Budget takes the first step in a multi-year effort to shift Medicaid dollars from expensive hospital inpatient services to more cost-effective primary and preventive care settings. On an annualized basis, this means that over \$170 million will be shifted from inpatient care to hospital clinics, emergency rooms and ambulatory care (fiscal year impact for 2008-09 equals \$57 million). In addition, \$170 million will be invested in community clinics, physician services, and primary care enhancements for services such as diabetes and asthma educators and weekend/evening hours (fiscal year impact for 2008-09 equals \$45 million). These investments and the implementation of a more rational reimbursement system for ambulatory care services will reward quality and support primary and preventive care.

### **Controls Costs**

The Enacted Budget secures \$828 million in State health care cost savings in 2008-09, out of \$1.1 billion proposed in the Executive Budget (75.2%). In 2008-09, the State share of Medicaid spending, excluding the local cap, is projected to total \$15.3 billion, an increase of just 1.1 percent. Total Medicaid spending is projected to be \$45.6 billion. Medicaid's growth rate has declined from an annual average *growth* of 8.3% from 2001-02 to 2006-07 to an annual average *decrease* of -0.4% from 2006-07 to 2008-09. (See attached charts)

### **Health Care for All Children**

Of the 2.6 million uninsured New Yorkers, 400,000 of them are children – more than the populations of Rochester, Albany and Binghamton combined. To address this crisis, the Enacted Budget fully funds the expansion of the State Children's Health Insurance Program (SCHIP) from 250% to 400% of the Federal Poverty Level at a cost of \$25 million. This will provide all uninsured children with access to comprehensive, affordable health care – a key building block to universal health care. In addition, the Budget expands access by establishing a new State Medicaid Enrollment Center, among other initiatives, to streamline enrollment and renewal.

### **Doctors Across NY**

Over one quarter of the New York's population live in areas "underserved" by health care providers. To counter the shortage of physicians in rural and poor urban areas throughout the State, the Enacted Budget creates a \$15.6 million "Doctors Across NY" program that includes:

- Loan repayment program of up to \$150,000 of medical school loans for new physicians who make a 5-year commitment to practice in medically underserved communities.
- Two-year grants totaling \$100,000 to support new physicians who establish or join practices or clinics in medically underserved communities.
- Enhanced funding for post-baccalaureate programs for minority and economically disadvantaged students accepted to medical school programs.
- \$5 million to support resident training in community-based settings.

## 2008-09 Health Care Cost Containment

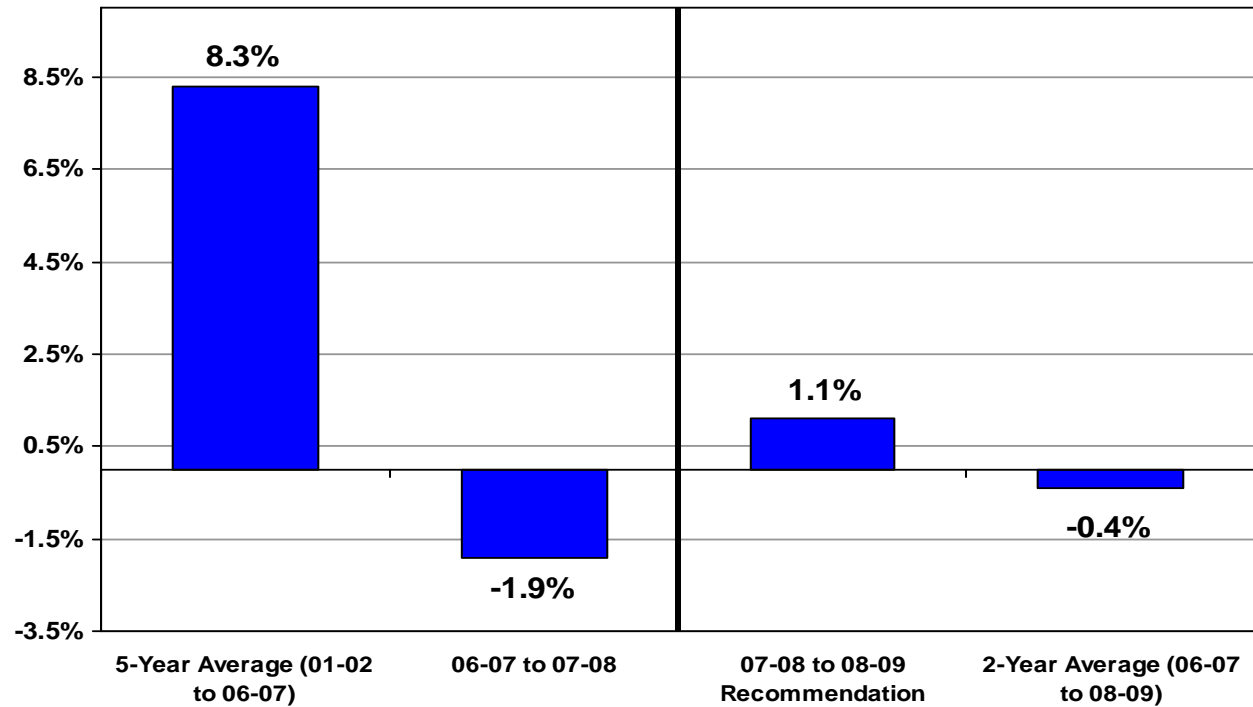
(State Savings - \$ in Millions)

	<u>Executive Budget</u>	<u>Restoration</u>	<u>Enacted Budget</u>	<u>Percent Savings Enacted</u>
Anti-Fraud	\$160.0	\$75.0	\$235.0	146.9%
Pharmacy	\$191.0	(\$6.6)	\$184.4	96.5%
Hospital/Primary Care	\$119.0	(\$37.5)	\$81.5	68.5%
Insurance	\$268.0	(\$120.0)	\$148.0	55.2%
Nursing Home	\$117.0	(\$100.0)	\$17.0	14.5%
Home Care	\$43.0	(\$37.0)	\$6.0	14.0%
Other Cost Control	\$203.0	(\$46.9)	\$156.1	76.9%
<b>Total Cost Control</b>	<b>\$1,101.0</b>	<b>(\$273.0)</b>	<b>\$828.0</b>	<b>75.2%</b>

*The Legislature also increased the cigarette tax by \$1.25 to generate \$265M in financing for the Health Care Reform Act.*

# Enacted Budget Medicaid Growth

State Funds – Excluding Local Cap  
(\$ in Millions) estimated



<u>Spending Estimates</u>		
	<u>State Funds</u>	<u>% Growth</u>
2006-07	\$15,430	--
2007-08	\$15,135	-1.9%
2008-09	\$15,301	1.1%