

In this Issue:

[Governor Cuomo Releases 2012-2013 Budget Proposal](#)
[Medicaid Director Talks MRT to Senate Health Committee](#)

[Legislative Spotlight](#)

[Bills on the Move](#)

[State Agency Action](#)

[Upcoming Events](#)

**[Quick Links](#)**
(External Sites)

[Hinman Straub –
Executive Budget
Overview](#)

[NYS Division of
Budget](#)

[NYS Department
of Health](#)

[Medicaid
Redesign Team](#)

[Senate Health
Committee
Website](#)

[Assembly Health
Committee
Updates](#)

[Plugged In –
January 13
Edition](#)

Governor Cuomo Releases 2012-2013 Budget Proposal

Governor Andrew Cuomo [proposed](#) on Tuesday a [\\$132.5 billion budget](#) for the upcoming fiscal year that closes a [projected deficit of \\$3.5 billion](#) by reducing funding to state agencies and capitalizing on new tax reforms approved in December.

With regard to the Health Care Budget, the Budget: (i) includes the two year Medicaid cuts enacted in 2011; (ii) adopts the next phase of the MRT recommendations; (iii) enacts a series of additional changes to various health care programs; (iv) [establishes a health insurance exchange](#), required by the Affordable Care Act (ACA); and, (v) puts in place the framework for the gradual [State takeover of Medicaid growth](#) from local governments.

Click [here](#) to view our memorandum detailing a list of Budget proposals affecting the health care sector.

Governor Cuomo has thirty days to submit amendments to his formal budget proposal. The state fiscal year begins April 1. Legislative Hearings will begin shortly on the Budget with the Health Budget Hearing to be held on February 8, 2012.

[Back to top.](#)

Medicaid Director Talks MRT to Senate Health Committee

New York State Medicaid Director Jason Helgerson, [presented a MRT update](#) to the Senate Health Committee on Wednesday.

Helgerson's [presentation](#) included a brief summary of the MRT process, specific reforms that have been implemented as a part of the 2010-2011 Budget and the impacts of those reforms. According to Helgerson, 53 of the 78 reforms included as part of the 2011-2012 Budget have been substantially or fully completed. As a result the state is seeing a bending of the Medicaid cost curve that will allow the Medicaid program to stay within the 4% cap on cost increases, despite a growing enrollment.

MRT and DOH have developed a comprehensive action plan, Helgerson said, and are working to implement, with input from key stakeholders, all reforms within 3-5 years.

[Back to top.](#)

Legislative Spotlight

The 2012 Session started off in earnest on health-related issues, with several previously agreed-upon amendments to important laws from the 2011 Session ([see below](#)) moving quickly through the legislative process.

Bills on the Move:

Below is a summary of some of the health-related bills that have already moved out of committee in the 2012 Session:

[A.8904 \(Heastie\)](#) / [S.6054-A \(Maziarz\)](#) and [A.8900 \(Silver\)](#) / [S.6126 \(Skelos\)](#) – These two bills, which amend laws from 2011, attempt to level the playing field between mail order and retail pharmacies. The amendments stiffen the guidelines for retail pharmacies, requiring them to accept the same compensation as mail order pharmacies if they wish to receive reimbursement for certain covered drugs under insurers' policies. *Status:* Both bills have already passed the Assembly and will be on the Senate floor next week.

[A.8320 \(Cusick\)](#) / [S.5720 \(Lanza\)](#) – This bill, known as the I-STOP act, is championed by New York Attorney General Schneiderman and is aimed at stopping the over-prescribing and abuse of controlled substances. The bill would create an online real-time controlled substance database that requires physicians and pharmacists to report certain data when some controlled substance prescriptions are issued and/or dispensed. *Status:* Both bills were introduced late during last year's session and are currently in their respective house's Health Committee. The Attorney General released a [press release](#) just last week voicing his strong support for the legislation.

[A.7489-B \(Gottfried\)](#) / [S.5068-A \(Hannon\)](#) – This bill would mandate that insurers provide "significant coverage" for out of network services, determined based on a percentage of the usual and customary rate in that geographic region. *Status:* The Senate bill was reported from the Health Committee to the Insurance Committee on Tuesday, January 10th.

[A.2474-A \(Canestrari\)](#) / [S.3186-A \(Hannon\)](#) – This legislation would allow collective bargaining by physicians with insurance plans. The bill would exempt physicians from some antitrust laws and would dramatically increase their bargaining power in negotiations with insurers with respect to rate increases. *Status:* Both bills are currently with their respective house's Health Committee, with the Assembly Bill expected to be on the Health Committee's agenda for January 31st.

[Back to top.](#)

State Agency Activity

[The Department of Health](#) and the [Department of Financial Services](#) recently issued their Regulatory Agendas for 2012. These contain a list of rules that both agencies are considering for proposal this year.

DOH

The Department of Health has adopted a rule that authorizes and creates standards for hospital [observation units](#). Currently, hospitals must either admit or discharge patients within eight (8) hours of their arrival to the ER. The rule permits hospitals to establish these observation units to observe and evaluate patients for up to 24 hours, which is expected to greatly reduce unnecessary inpatient admissions and premature discharges.

DOH has also issued a proposed rule that codifies current requirements related to the Home Care [Services Workers Registry](#). Enacted in 2008, DOH is required by statute to establish a public registry containing the names and training information of all home health aides and personal care aides. Home care services entities must enter information about their employees and certified aides may not begin their employment until their information has been entered.

OMH

The Office of Mental Health has issued an [emergency rule](#) to inform providers of their responsibilities with respect to the implementation of the new Behavioral Health Organizations (BHO). As one of the MRT's Phase I recommendations, five regional BHOs have been contracted with by the Office of Alcoholism and Substance Abuse Services (OASAS) and OMH to provide administrative and management services for inpatient behavioral health care under the Medicaid program. BHO implementation was effective January 1, 2012.

[Back to top.](#)

Upcoming Events

February 2, 2012 – Meeting of The Public Health and Health Planning Council (PHHPC)

February 8, 2012 – Joint Legislative Public Hearing on Executive Budget: Mental Hygiene

February 14, 2012 - Joint Legislative Public Hearing on Executive Budget: Health / Medicaid

[Back to top.](#)

Plugged In to Health @ Hinman Straub is prepared by Hinman Straub and is intended to keep our clients informed about health news and health Legislative and regulatory developments that may affect or otherwise be of interest to them. The comments contained herein do not constitute legal opinion and should not be regarded as a substitute for legal advice. If you prefer not to receive these updates, please [alert us](#) so we may remove you from our distribution list. © Hinman Straub 2012. All rights reserved.